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Hiring a Global Worker FAQ [1]

Have questions about hiring a Global Worker? We've compiled frequently asked questions about hiring a worker abroad.

Q: What is an Employer of Record (EOR)?

A: An Employer of Record (EOR) is an entity that legally employs workers on behalf of another entity.

The university has contracted with Safeguard World International Limited (Safeguard Global) to act as the EOR for workers who reside outside the U.S. This partnership provides departments with the compliance tool necessary to pay workers who reside outside of the U.S. Safeguard Global offers human resource consulting, safety and risk mitigation services, payroll processing, employer payroll tax filing, workers' compensation insurance, health benefits, employers' practice and liability insurance (EPLI), retirement vehicles (equivalent of 401(k)), and manages regulatory compliance for workers who reside outside of the U.S. but who perform work on behalf of the University of Colorado.

Q: What is the key factor that makes an individual employable by the EOR?

A: The key factor for an individual to be employed by the EOR is determined by the university worker’s work location. All workers working outside of the U.S. who perform work on behalf of the university potentially meet the criteria. Check with your campus central HR Office for eligibility criteria.

Q: Why is an EOR necessary for a worker with a work location outside of the U.S.?

A: An EOR is necessary for workers who reside and work in another country because the university is only allowed to legally operate in the U.S. In contrast, Safeguard Global has an established local presence in 180+ countries and has extensive expertise in navigating complex labor laws and regulations for each of those countries. This allows them to employ workers outside of the U.S. who perform work on behalf of the university without the university having to set up a local entity in each country or manage the associated payroll and compliance challenges.

Q: Why is Safeguard Global acting as the EOR for workers outside the U.S. valuable?

A: The EOR helps the University of Colorado strive toward its mission of a diverse and inclusive workforce. In this new era of digital and remote work environments, the EOR allows the university to expand its workforce across the globe.

Q: Are departments required to utilize the EOR and what are the ramifications if a department chooses not to use Safeguard Global?

A: The University of Colorado is not a Global Employer; that is, the university is not a legal hiring authority in any country outside the U.S. and therefore cannot support individuals who work and live internationally through the current Human Capital Management (HCM) system. In addition, CU workers working outside of the U.S. cannot be serviced by Employee Services through the current payroll and benefits systems.

The consequences of not utilizing Safeguard Global as the EOR when necessary may include but are not limited to:

- The inability to deliver timely pay to the worker.
- The worker has no access to healthcare and other benefits.
- Workers being unable to recover a refund of U.S. tax witheld; and
- Potentially significant financial ramifications for the University and the worker due to the university's inability to comply with tax withholding requirements of the country in which work is being performed.

Therefore, when hiring an individual who will be working in another country, departments must utilize the designated EOR, Safeguard Global.

Q: Does the EOR need to be used when a university faculty member goes on sabbatical outside of the U.S.?

A: No. The university may remain the EOR when faculty members go on sabbaticals outside of the U.S.

Q: How do departments of the University of Colorado hire faculty, staff and students in locations outside of the U.S.?

A: Departments should initiate the process by contacting their campus' central HR office.

Q: Are there any countries where Safeguard Global is not operable?

A: Safeguard Global is operable in more than 180 countries. Visit the Safeguard Global [2] [3] website [2] to explore more.

Q: Is there a specified period of time a worker must work outside of the U.S. to warrant the use of the EOR?

A: Individuals who are expected to work and reside outside of the U.S. for four months or

more should utilize Safeguard Global to assure compliance while the worker is working outside of the U.S.

Q: Do current employees working outside of the U.S. need to transition to the EOR?

A: Moving forward, any individual who permanently resides outside of the U.S. and performs work on behalf of the university must be employed by Safeguard Global. Departments with current employees who are employed by the university should transition those employees to the EOR.

Q: Do EOR workers receive the same benefits provided to CU employees?

A: Safeguard Global will work with the department to formulate benefit packages for individuals who are hired by the EOR, but working on behalf of CU. The laws regulating benefit provisions are unique to each country. Partnering with Safeguard Global ensures that all required benefits are provided to workers.

Q: Does EOR provide immigration and Global Mobility services?

A: Safeguard Global has expertise in visas, work permits, global mobility and expatriate tax. Safeguard Global ensures the strictest compliance with visa and immigration needs, documentation and relocation/global mobility needs as required.

Q: How is the onboarding process managed?

A: Safeguard Global ensures all workers are hired via a legally compliant employment contract, ensures fast onboarding, procures competitive benefits and facilitates timely and accurate payroll. Safeguard Global works closely with the university to mutually agree on a hiring/onboarding schedule. Implementation timelines vary based on each unique scenario. For example, if a worker is not a local resident, immigration requirements can extend the timelines.

Q: How does Safeguard Global ensure that the individual is paid correctly, on time and manages leave?

A: Safeguard Global manages payroll compliance and ensures that worker remuneration and payments to the Social Security office/local tax authorities are done correctly and in a timely manner. Safeguard Global ensures the department remains compliant, which helps departments avoid financial penalties and other business sanctions that come as a result of noncompliance.

As an employee of Safeguard Global, workers will have access to Safeguard Global's proprietary cloud-based Human Capital Management (HCM) system, which is a localized self-service tool for time and attendance, leave and benefits management. It serves as a system of record where workers can access and edit personal information, review pay slips, view holidays and manage leave entitlements online.

Q: Will a Safeguard Global worker be entered into the Human Capital Management (HCM) system?

A: Currently, individuals employed by Safeguard Global will be entered into the Human Capital Management (HCM) system as a POI. Employee Services is working towards a system that will allow them to be entered as a contingent worker in the future. More to come.

Q: How does Safeguard Global protect university-owned Intellectual Property (IP)?

A: Safeguard Global works with departments in protecting university intellectual property (IP) by incorporating necessary IP clauses in its employment contract with the individual. Employment contracts are drafted according to specific needs pertaining to compliance with employment legislation in a country, as well as the work the individual worker will be doing with the university. IP agreements can be part of the employment contract or added as an addendum.

Q: How are workers' daily work responsibilities managed?

A: Departments will continue to manage the day-to-day activities of individuals employed by Safeguard Global who provide services to their department, just as they would for any other worker working for the university. Safeguard Global will administer payroll, statutory benefits, HR, and all other administrative aspects of employment, but the department manages the day-to-day supervision of the worker.

Q: How can Safeguard Global help with the management of reimbursements and expenses?

A: Safeguard Global can help reimburse its workers for necessary expenses. Departments just need to indicate the amount that needs to be reimbursed. In general, adding expenses to payroll can be quite complex in certain countries that have stringent reimbursement laws, but Safeguard Global offers support to address these complexities.

Q: Is this a service provided by the university, or will the department be charged for it?

A: The department will be responsible for getting approval from the campus central human resources (HR) before moving forward. The central HR (Boulder, Anschutz) will manage the

relationship with Safeguard Global.

Q: What are the costs of utilizing the EOR?

There are several factors invovled in determining the cost of the EOR:

- There is an administration fee of 16-18% (subject to a minimum) depending on the country on each invoice by the EOR. Departments may need to consider non-grant source funding when budgeting positions to pay for service fees associated with Global EOR Services.
- The administrative fees are reduced by what would be the payroll burden on the department if the employee was still in the U.S. i.e., OASDI, Medicare, leave, and retirement.
    - UCB [4]
    - UCCS follows similarly
    - AMC [5]
- A one-time set-up fee of $2,500 is required for the EOR to set up the new worker in their system and with the country in question.
- Due to payment restrictions from the university, we are required to pay the first two months of wages, social charges and Safeguard Global fees upfront. The purpose is that if there is a delay in the EOR receiving the paper check payment, the payroll payment to the worker will not be delayed. Any unused funds at the end of the employment agreement will be refunded to the department.
- Compare the costs between a U.S. Hire and a Global Hire.

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[1] https://www.cu.edu/cu-global-worker/hiring-global-worker-faq [2] https://www.safeguardglobal.com/ [3] https://globalpeoservices.com/ [4] https://www.colorado.edu/controller/resources/fa-%C2%A0gair-rates [5] https://research.cuanschutz.edu/ogc/home/ogc-teams/post-award/fringe-benefits-rates---effective-july-1-2023