



If you have decided to take on the exciting opportunity to expand your business to the US, chances are you'll be asking yourself several questions not just before the expansion, but also during and after. In particular, you will want to understand how to comply with local HR, payroll, and benefits regulations, which can prove challenging in a country with 50 states, each with their own rules and legislation.

When it comes to HR, for instance, you will have to familiarise yourself with the different federal, state and local employment laws, which encompass things such as wages, working hours, leave policies, termination, and more. Employee benefits can also be tricky to navigate. One notable example is that the US does not have a national subsidised healthcare system, which means companies must provide health insurance to their employees, or navigate the Affordable Care Act (ACA) requirements. Setting up a payroll can also prove challenging, as you will have to familiarise yourself with several types of contracts, different employee types, labour laws, tax implications, and more.

Luckily, there's a number of services out there that can help you navigate HR, benefits, and payroll issues. Some of these services go one step further, by providing advice on all of the above all at once. These are called Professional Employer Organizations (PEOs), and they are an all-in-one solution where companies receive services related to payroll, regulatory compliance, human resources, employee benefits, state-mandated disability, and worker's compensation.

To learn more about the role PEOs can play in supporting your expansion journey, check out the following section, kindly provided by our partners The Medical Link.

ONLINE RESOURCES

Office of Human Resources Management –
www.commerce.gov/hr

U.S. Department of the Interior: Employee Benefits & Pay – www.doi.gov/pmb/hr/employee-benefits

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Unlocking Success: The Benefits of a PEO for a Company Entering The US

Expanding business operations into the US market is a strategic move that presents both exciting opportunities and daunting challenges. Each state in the US has their own rules and regulations adding to the complexity of beginning US operations. Managing payroll, benefits, HR, and compliance becomes an immediate difficulty for an organisation not versed in such regulations. Fortunately, there exists a solution called PEO which is tailored to alleviate these burdens so companies can focus on propelling business growth.

Professional Employer Organisations (PEOs for short) are an all-in-one solution where companies receive services related to payroll, regulatory compliance, human resources, employee benefits, state mandated disability, and worker's compensation. PEOs achieve this by entering into a co-employment arrangement with their clients. This agreement allows them to pool many small to mid-sized companies together affording them economies of scale with insurance carriers. Furthermore, the PEO takes on the liability of an organisation maintaining compliance with local and federal employment mandates. This gives companies the ability to offer Fortune 500 level benefits to their employees while also outsourcing HR tasks allowing them to focus on expanding in the US.

1. Payroll Processing – One of the most important steps to begin operations as a company is to make sure employees are

getting paid. PEOs will take care of paying employees, withholding payroll taxes, and payroll deductions. Every state in the US has their own complex tax laws, so having a PEO partner that is versed in each state's nuances and is responsible for state tax reporting is a great advantage. This allows your company to expand and function in any state with ease. In addition, all deductions (whether insurance, account based, or retirement) will be automated, leading to less administrative burden for your team.

2. Navigating Complex Regulatory Environment – The US has a myriad of federal, state, and local regulations governing employment, taxation, and benefits. For companies unfamiliar with this complex regulatory environment, compliance can be a significant hurdle. A PEO serves as an invaluable guide providing expertise and ensuring adherence to all relevant laws and regulations, thus mitigating the risk of costly penalties and legal issues.

3. Access to Comprehensive Benefits Packages – Offering competitive health insurance is essential for attracting and retaining top talent in the US market. PEOs enable companies to access a wide range of benefits, including health insurance, retirement plans, and wellness programs, typically at more affordable rates than if procured independently. This access to comprehensive



benefits packages not only enhances employee satisfaction but also strengthens the company's employer brand.

4. Streamlined HR Administration – Managing human resources in a foreign market involves a multitude of tasks including employee onboarding, payroll processing, employee benefit administration, regulatory reporting, and COBRA administration. By partnering with a PEO, companies can outsource these responsibilities, allowing them to focus on core business activities. PEOs leverage their expertise and advanced technology platforms to streamline HR processes, saving time and resources while enhancing efficiency.

5. Cost Savings and Efficiency – Establishing a presence in the US market entails significant upfront costs, from setting up legal entities to hiring staff and establishing infrastructure. Outsourcing HR functions to a PEO allows companies to redirect their focus and resources towards core business objectives and market expansion strategies. With administrative burdens lifted, company leaders can concentrate on building client relationships, developing innovative products and services, and driving revenue growth, thereby accelerating their success in the US market.

There are hundreds of PEOs in the US, so partnering with the one that will best fit an organisation's needs can be a challenge. The Medical Link has over 30 years of experience helping companies navigate the PEO marketplace. Working with an experienced consultant is key to ensuring a full market evaluation in order to achieve the most competitive pricing and comprehensive benefit offering. The consultant manages the client-PEO relationship to ensure a long-term successful partnership.

To find out more about evaluating the PEO marketplace in the US, reach out to Bryan Erdheim (berdheim@medicallink.com) or visit us at www.medicallink.com.



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