

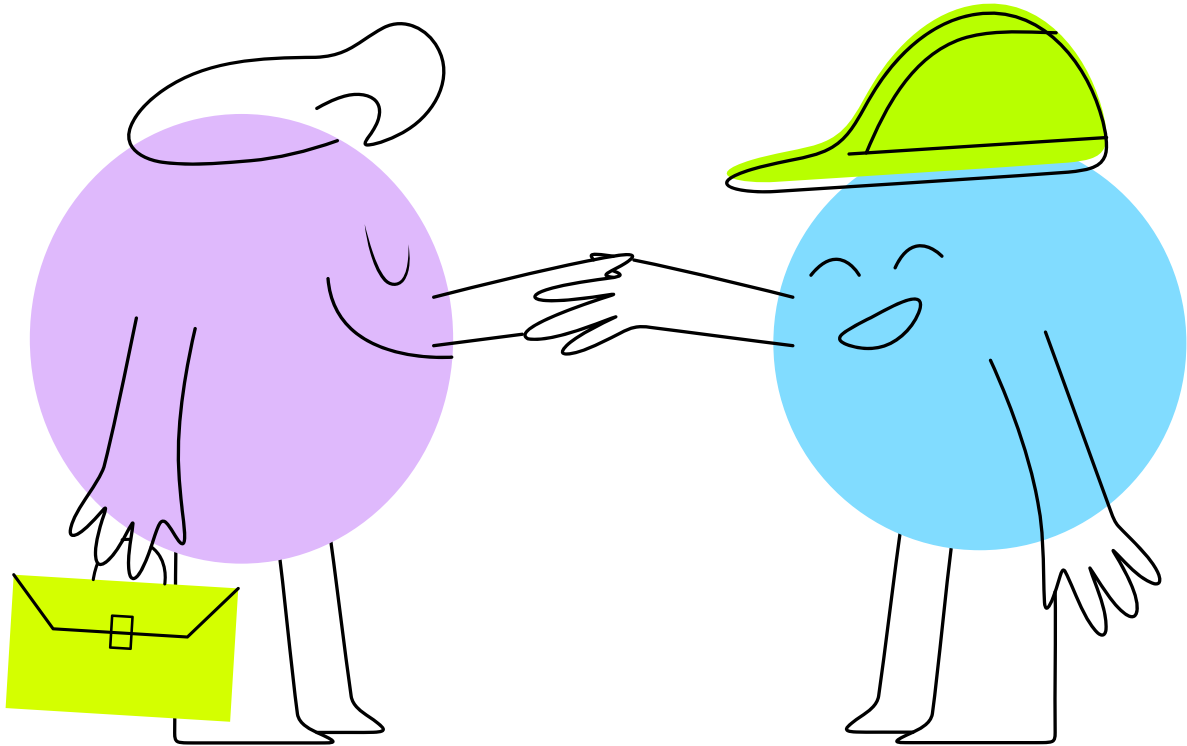
# Panyeah's *White Paper*



Why savvy U.S.  
companies hire global  
talent using an EOR  
partner

The Advantages of Legally  
Engaging Talent from the  
Global Marketplace With a Fully  
Integrated EOR Solution

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# Introduction

## Unlocking Human Potential: Empowering Your Success Through Top Talent!

The ability of U.S. companies to legally attract and retain top talent has never been more important. Top talent drives innovation and productivity while giving organizations a significant competitive advantage in the marketplace. Steve Jobs, the legendary founder, and CEO of Apple, put it rather succinctly: "The secret to my success is that we have gone to exceptional lengths to hire the best people in the world."

To back that up, powerhouse strategy consulting firm McKinsey & Company has repeatedly said that recruitment is one of the most difficult things a company does, but doing it well can pay off—high performers are an astounding 800% more productive than average performers.<sup>1</sup> McKinsey also notes that the competition for talent is only going to intensify in coming decades and recommends that companies focus their efforts on the "5% of roles that create 95% of the value."<sup>2</sup>

Today many companies realize that to get to that 5%, they are going to have to do what Steve Jobs did—reach beyond the borders of the U.S.—and hire the best people from around the world. By doing so, they are not only acquiring exceptional talent, but they are also tapping into several other distinctive advantages that come from globally expanding the talent in their workforce, whether it be remote or on-site in the U.S.



One major advantage of hiring the best people from around the world is that diversity has been shown to boost innovation. In a comprehensive study of 1,700 companies in eight countries, the Boston Consulting Group (BCG) concluded that diversity of leadership teams leads to more and better innovation along with improved financial performance.<sup>3</sup> BCG put it this way:

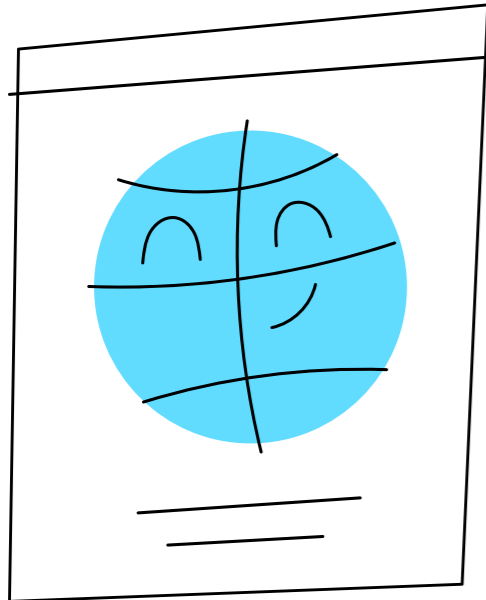
**"People with different backgrounds and experiences often see the same problem in different ways and come up with different solutions, increasing the odds that one of those solutions will be a hit." In a fast-changing business environment, such responsiveness leaves companies better positioned to adapt.**

To get the best of the best, U.S. companies have a few options when it comes to legally hiring superlative talent without geographic limits. However, most of these options are extremely complex, time-consuming, and expensive. To avoid all of this, many U.S. organizations are now increasingly engaging the services of a third-party employer of record (EOR) to quickly, legally, and economically access and leverage the best of what human capital has to offer from around the world.

This paper provides an overview of what an EOR is and how it can help U.S.-based organizations retain top-tier international talent—either working remotely from their home country or directly on-site in the U.S. We review EOR's development and deep-rooted history in the U.S. since World War II. With that, we provide an understanding of how the EOR model complies with the complex landscape of labor, employment, and immigration laws in the U.S. Ultimately, our goal is to dispel some of the common misconceptions surrounding EOR while highlighting its feasibility, its many lawful possibilities, and the tremendous advantages it can provide to a U.S. organization seeking to hire the best talent on planet Earth.

In the end, we also introduce, Panyeah, an EOR partner that offers a fully integrated global workforce solution for your company that complies fully with all U.S. laws and regulations.

# Hiring Top Global Talent Using an EOR



## Seizing Global Talent: Empowering Your Expansion with EOR Partnership!

An EOR is a third-party company that takes on the responsibility of being the legal employer for a worker. It enables small, medium, and enterprise-level businesses to outsource recruitment and manage a growing workforce hand-picked from across the world. An EOR is even capable of supporting a U.S. company's international expansion or globalization strategy.

Put simply, an EOR is an external entity that allows U.S. companies and organizations to legally recruit talent internationally without having to undergo an arduous and expensive process. It also allows businesses in the U.S. to move swiftly to get the right global

To reduce administrative burden, EORs take on a significant amount of the work when it comes to hiring workers abroad.

They handle everything from payroll processing, benefits such as health insurance, country-specific tax filings, record maintenance, and legal compliance with all local labor laws in countries. Moreover, a highly-qualified EOR partner, such as Panyeah, will offer significant expertise for complying with all U.S. legal requirements—especially when workers are brought on-site in the U.S.

International workers are

always paid through the EOR—not the U.S. company's payroll—in accordance with all existing legal requirements. This includes ensuring that all necessary withholding and deductions are made while meeting all other regulatory compliance obligations for employers in a specific country as well as the U.S.

Moreover, as the registered employer of foreign workers, an EOR manages and enables the onboarding of prospective

employees while also providing the legal framework to fully ensure compliance with all applicable laws to eliminate or mitigate risks for U.S. companies adopting this model.

A fully integrated EOR partner can also take the lead with foreign recruitment and talent acquisition duties, perform background checks, and coordinate all immigration efforts to secure appropriate visas/work permits for international talent that will

be working on-site in the U.S.

While the EOR acts as the legally registered employer of a worker from another country, it does not hold a management role for that worker. Instead, the U.S. company that has engaged the talent provides all work-related direction concerning daily responsibilities, supervision, and control. This includes all decisions on compensation, project assignments, and termination.

# History and Legality of EOR in the U.S.

EOR, a well-established outsourcing model in the U.S., has consistently evolved to meet the changing needs of business during the ongoing emergence of a global economy. Moreover, it has kept pace with a complex U.S. legal framework—governed by a patchwork of both federal and state laws—regulating labor, employment, and immigration practices.



## EOR's Deep-Rooted History in the U.S.

EOR did not just happen yesterday. In fact, the concept of EOR in the U.S. has a deep-rooted history in the staffing industry along with the evolution of the employer-employee relationship throughout the 20th and 21st centuries. An abbreviated history of this thoroughly ingrained employment model is provided below to give a sense of its acceptance and recognition in the U.S.

Temporary staffing solutions first emerged in the 1940s and 1950s to meet increased demands during and after World War II.

Growth of the staffing industry continued unabated throughout the 1960s and 1970s as businesses increasingly sought more flexible staffing solutions. It was at this time that staffing agencies began acting as intermediaries between employers and temporary workers, providing services such as recruitment, payroll, and benefits administration.

The 1980s marked the rise of professional employer organizations (PEOs)—the predecessor to EORs—in response to a growing need for outsourced HR and employment-related services. During this period, PEOs began to offer more comprehensive HR services including payroll processing, benefits administration, risk management, and regulatory compliance. They also acted as co-employers, assuming certain employer responsibilities while client companies maintained full operational control over workers.

The 1990s formally marked the legal recognition and regulation of PEOs in the U.S. The Internal Revenue Service (IRS) started issuing specific guidelines to clarify the tax treatment of PEOs and their client organizations. This was done to provide more legal and regulatory oversight while ensuring compliance with employment tax regulations. At this time, several states also enacted legislation to address the operation and regulation of PEOs—defining their roles and responsibilities.

**EOR did not just happen yesterday. In fact, the concept of EOR in the U.S. has a deep-rooted history in our country**

# Embracing EOR Legacy:

## A Century of Evolution in the Employer-Employee

However, it was in the early 2000s that the EOR model emerged. As PEOs expanded their services beyond small and mid-sized businesses to accommodate the needs of larger business organizations, the EOR model, as we now know it, gained prominence as a specific type of PEO service. EOR explicitly emphasized the outsourcing of employment-related tasks while also fully assuming the legal and administrative obligations of the employer as well.

The advent of technology integration and cloud-based HR platforms in the 2010s allowed PEOs and EOR providers to further streamline services and significantly enhance efficiency—making them extremely attractive as an employment model. This led to further popularity and market growth for specialized EOR services among organizations seeking to expand operations globally or to bring international talent to the shores of the U.S. These EORs soon offered expertise in navigating international employment/labor laws and complex immigration processes to secure appropriate

work authorizations.

Today, EOR services continue to evolve and grow as more U.S. organizations seek flexible employment solutions, compliance support and simplified HR administration. This has only been further fueled by the COVID-19 pandemic and the rise of remote work. All of which has necessitated the many advantages and expertise offered by EOR services for U.S. organizations managing globally distributed talent—either remotely or on-site—while ensuring compliance across multiple jurisdictions. *Evenitatecus sape es apis quae cum quatemp orepudae enimolorer isciae peritati conecto tatet, tem quaessi voluptatem aut labore es doluptaessus int ut officat fugias ex ea aliam.*

site in the U.S.—is controlled by a myriad of U.S. laws and regulations, both at the federal and state levels, that must be strictly adhered to. This is why it is very important to work with a highly-experienced and qualified EOR—such as Panyeah—that fully understands the legal complexities of this arrangement and partners with the very best legal, immigration, and HR professionals to always follow the letter of the law.

In brief, when hiring non-U.S. talent to work on-site through a third-party EOR, the following must happen:

1. A non-U.S. worker must comply with all U.S. immigration laws to travel to and lawfully work in the U.S.—this includes acquiring the appropriate visa, labor certification, work authorization, and any other required paperwork/approvals as well as ongoing monitoring for legal status to remain and work in the U.S.

2. Once working onsite in the U.S., a non-U.S. worker is generally subject to all relevant labor and employment laws in effect—this includes both U.S. federal law and the laws

of the specific state/locality where the worker is physically situated.

As a rule of thumb, once a non-U.S. citizen has cleared all immigration and work visa requirements, they are generally treated the same as a U.S. citizen or legal resident when it comes to applicable labor and employment laws. To gain a better understanding of this complex legal landscape, an overview of the major laws and legal requirements for labor and employment, that must be complied with, are summarized below:

### U.S. Fair Labor Standards Act (FLSA)

The FLSA, a federal statute, sets standards for minimum wage, overtime pay, child labor, and recordkeeping. Both the client company and the EOR must comply with these requirements to ensure proper labor practices for employees.

### Title VII of the U.S. Civil Rights Act

This federal act prohibits employment discrimination based on race, color, religion, sex, or national origin. Basically, both the client company and the EOR must adhere to all anti-discrimination laws that affect employment and the workplace.

### U.S. Americans with Disabilities Act (ADA)

The federal ADA prohibits discrimination against individuals with disabilities and requires reasonable accommodations to be made. The client company and EOR must comply with all relevant ADA requirements.

### U.S. Family and Medical Leave Act (FMLA)

Provides eligible employees with job-protected unpaid leave for specific family and medical reasons. The EOR should always administer FMLA benefits and ensure full compliance.

### Immigration Reform and Control Act (IRCA)

This federal law mandates employers to verify the identity and eligibility to work for all employees, including maintaining proper I-9 forms. The EOR must verify employee documentation and comply fully with all IRCA requirements.

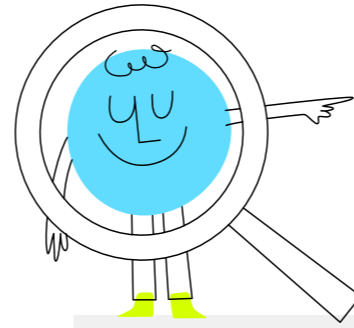
## EOR and U.S. Law

A fully integrated EOR partner can also take the lead with foreign recruitment and talent. As a general rule, neither the U.S. nor any of its 50 state jurisdictions, directly prohibits the use of an EOR model in employment and labor practices.

In fact, there are not even any time restrictions for how long workers can be engaged by an EOR before they must be moved onto the payroll of a client U.S. company—unlike other countries, such as Germany for example, that impose specific time constraints—making the U.S. an ideal place for businesses to leverage an EOR to their advantage.

However, the legal practice of using an EOR—specifically where it involves bringing a non-U.S. citizen to work on-





# Distinct Advantages of Using an EOR

## Unleashing Global Talent: Embrace EOR's Advantages for International Success!

### State Laws

Each state in the U.S. may have additional regulations that impact EOR operations. These laws cover areas such as minimum wage rates, overtime rules, paid sick leave, worker's compensation, and employment taxes. EORs must stay updated with state-specific laws to ensure compliance in each jurisdiction where their clients have employees physically working.

### Employment Taxes

EORs are responsible for managing relevant employment taxes, deductions, and withholding required by law. They must accurately calculate and remit these taxes to the appropriate government agencies on behalf of the client company and its employees. Moreover, companies hiring foreign workers through an EOR model must ensure compliance with U.S. tax laws. They may need to withhold taxes, report income, and fulfill other tax obligations related to their foreign employees.

### Benefits Administration

EORs often handle employee benefits administration, including health insurance, retirement plans, and other fringe benefits. They must comply with applicable laws while providing these benefits.

### Worker Classification

Proper classification of workers is crucial to avoid misclassification issues. EORs must ensure that workers are appropriately classified based on all applicable guidelines and laws.

### Record Keeping and Reporting

EORs are responsible for maintaining accurate records related to employee wages, hours worked, tax withholdings, benefits, and other employment-related information. They must also generate and file various reports required by all relevant government agencies.

### General Regulatory Compliance

When it comes to labor and employment, EORs must stay compliant with various government agencies such as the U.S. Department of Labor (DOL), U.S. Internal Revenue Service (IRS), U.S. Equal Employment Opportunity Commission (EEOC), and any state-specific labor departments. Compliance may also involve regular audits, reporting, and adherence to changing regulations.

### Compliance with Home Country Regulations

In addition to U.S. laws, companies may also need to comply with the employment and tax regulations of a foreign worker's home country which might require an additional layer of complexity and competent administration.

For most U.S. organizations, there are many advantages to using an EOR model. However, certain employment situations in the U.S. might not be feasible for this arrangement from a legal, contractual, or practical perspective. Some situations requiring further scrutiny include:

- Unionized industries and workforces that have a collective bargaining agreement in place that impose limitations or eliminate the use of outsourcing and EOR arrangements. Unionized workers often advocate for direct employment relationships to negotiate better terms, benefits, and job protections.
- Companies in certain industries that have important clients/customers that have put in place—contractually or otherwise— specific restrictions on employment/ labor practices that would impact the use of an EOR by a U.S. organization.
- Organizations that rely on specific third- party funding requirements that necessitate direct employment arrangements.
- Highly-regulated industries that often face complex compliance requirements might severely limit or restrict the use of an EOR. An example of this might be a defense/ government contractor that is simply not allowed to hire non-U.S. citizens for legal and security-related reasons.
- Certain employment situations where there are sensitive intellectual property concerns, data security requirements, and high confidentiality needs might also preclude the use of an EOR for a U.S. company.

**Despite limitations or non-availability in certain situations, the use of an EOR can provide substantial benefits for many U.S. organizations today. The next section explores some of these distinct advantages.**

1. Gaining access to a vast pool of top international talent for tapping into a diverse range of skills, experiences, and perspectives from around the world.
2. Streamlining the hiring process by outsourcing all administrative tasks involved in acquiring international talent—saving much time and effort.
3. Facilitating the relocation of top talent that will work on-site in the U.S. by having all immigration matters handled proficiently including the processing of work visas.
4. Having ready access to an international talent pool while avoiding the complexities and high cost of establishing a legal entity or launching a presence in another country.
5. Saving hours of work and minimizing administrative burden by not having to manage payroll or provide traditional HR functions for globally acquired talent—such as onboarding, employment contracts, benefits administration, and routine employee record maintenance.
6. Reducing regulatory risks and legal pitfalls regarding relevant employment laws, labor issues, immigration, payroll, documentation, reporting, and tax regulation by outsourcing it all to an EOR that legally assumes these responsibilities—ultimately ensuring compliance with all applicable laws (both U.S. and foreign) while avoiding expensive penalties for non-compliance.
7. Mitigating the risk of terminating a foreign worker's contract by allowing the EOR to handle all legal and logistical aspects, ensuring compliance with local and foreign termination laws and procedures—fully insulating the U.S. company from a potentially expensive legal dispute for wrongful termination. Enjoying the freedom to focus more on core competencies and aspects of the U.S. business such as improving products, developing strategies, and building partnerships that drive growth and increase revenue.
8. Flexible scaling workforce size with international talent, making it easy to ramp up or down based on quickly changing project requirements, market conditions, or business needs.
9. Gaining access to local market knowledge through the expertise of an EOR that can provide valuable insights, cultural nuances, language/translation support, and market dynamics in the countries that they operate.
10. Accessing local networks, specialized knowledge, and resources through an established EOR with local contacts, recruiters, legal experts, and other professionals that can facilitate business operations and help ensure effective communication between U.S. business and international teams—fostering a productive and inclusive work environment.
11. Leveraging more global expansion opportunities by establishing a presence in new markets, testing the waters, and exploring business opportunities without making significant upfront investments or making long-term commitments.
12. Taking full advantage of time zone flexibility by having remote international talent extend U.S. working hours and round-the-clock productivity, especially for teams handling customer support, project coordination, or other time-sensitive operations.
13. Entering international markets faster by leveraging an EOR's existing presence to start operations promptly while enhancing a U.S. business employer's brand as a global and inclusive organization—ultimately showcasing a company's ability to attract and manage a diverse workforce, which can be appealing to both employees and potential customers.

# A Fully Integrated EOR Solution for U.S. Businesses



When choosing an EOR, it is best to select an experienced partner that can provide a comprehensive suite of services tailored to meet your specific needs and business requirements.

Panyeah, established in 2016, with offices in the U.S. and Mexico, offers a fully integrated, turn-key EOR solution for U.S. businesses that want to hire top-notch international talent to work remotely or on-site in the U.S.

Our integrated EOR solution includes all the following essential services:

1. International Recruiting and Talent Acquisition
2. Employer of Record (EOR)
3. Background Checks
4. Human Resources and Payroll
5. Immigration
6. Staffing

We are able to recruit top international talent with some of the lowest costs in the industry, making our service highly economical for your business. Panyeah handles everything related to this complex process, so you can focus on the core elements that drive your business without administrative burden or the high-risk factors of establishing your own entity in one or more countries.

Panyeah takes enormous pride in its ability to safeguard our U.S. clients from all

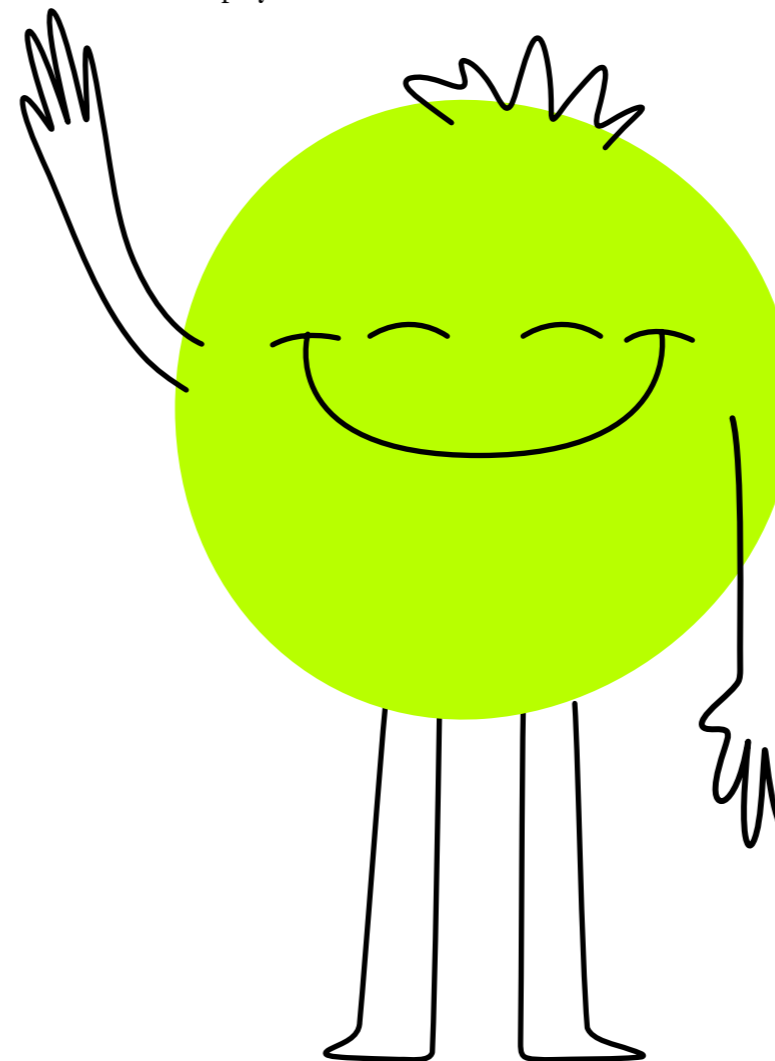
staffing and co-employment risks while ensuring full compliance with all local laws and regulations. Along with our global reach and expertise in both domestic and international employment law and tax regulation, we simplify and accelerate the complex-laden process of bringing top-level international talent to your business, either through a remote model or on-site in the U.S. We are also able to fully manage nearshoring in Mexico.

One of our distinguishing features as an organization is our unparalleled expertise at bringing global talent directly on-site in the U.S. We truly excel in our proficiency at managing all of the intricate immigration processes necessary to secure the appropriate documents to bring our international talent directly to your place of business.

These include TN Visa, H-2A Visa, I94 Status, and Visa Sponsorship. To successfully do so, Panyeah leverages over a decade of experience in immigration matters. We also guarantee that our talent consistently upholds their legal status in the U.S. by ensuring the continuous validity of their visas and work permits.

Our extensive network of highly-seasoned professionals<sup>4</sup> empowers us each day to effectively source and manage the best international talent on behalf of your critical U.S. business needs. Not only do we handle all logistics, immigration processes, and the legal hurdles and complexities normally associated with international hiring/co-employment, but we thoroughly manage all human resources tasks too. These include:

- I-9 and E-Verify | SSN Processing | Tax Guidance
- On-boarding and Off-boarding | Employee Benefits
- Employee Handbook

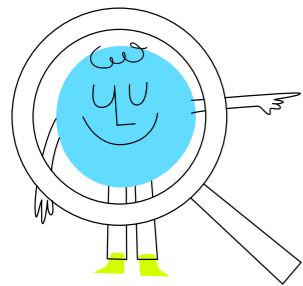


Panyeah also provides expertise and highly competent staffing for payroll administration, time attendance, payroll calculation, employee payments, tax deductions, workers compensation, and other requirements related to a specialized/skilled workforce.

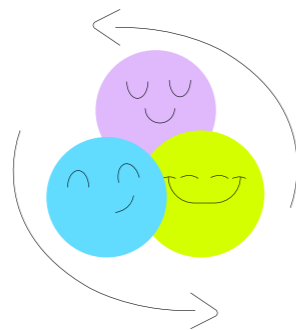
We are trusted by business owners nationwide because we are one of the few EORs that prioritize what truly matters to them. Panyeah's comprehensive and fully integrated EOR solution for U.S. businesses offers full transparency and driven results, cost-effectiveness, efficiency, expertise, and security.

<sup>4</sup> To provide U.S. companies with an international presence and coverage, Panyeah has a robust team of international associates who aid us in identifying the ideal talent to meet all U.S. business requirements. We are integrated into a broad network of international job portals, boasting over 20 partnerships. These connections enable us to attract top-tier talent from countries all over the world including Mexico. Moreover, our strategic partnerships with industry-leading companies streamline tax declaration processes and promote continuous English learning. These key collaborations are designed to help our employees adjust smoothly.

## When U.S. company partners with us to hire international talent and establish a credible presence abroad, we take the following approach:



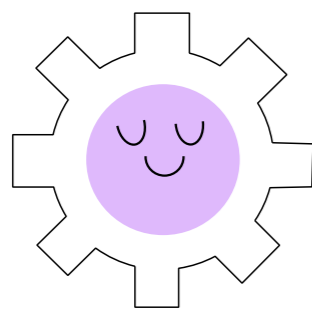
1. We initiate dialogue with the U.S. business to properly evaluate work conditions and agree on terms of service.



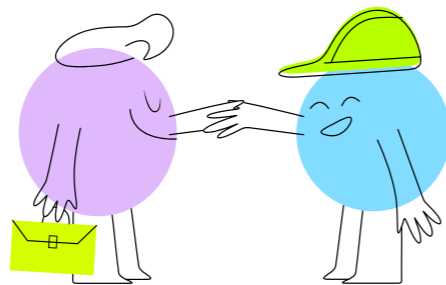
2. The U.S. business then conducts interviews with the talent and makes a hiring decision.



3. Upon approval, Panyeah initiates international recruitment efforts and presents a selection of talent to choose from.



4. Panyeah then commences any necessary immigration processes to secure the appropriate visas and work permits.



5. When the talent begins work with the U.S. company, we fully manage all HR and payroll.

## Conclusion

At the beginning of this paper, it was mentioned that Steve Jobs attributed his success at Apple to the exceptional lengths they went to hire the best talent in the world. Concerning the acquisition of top-tier global talent, Jobs also once said, "Go after the cream of the cream . . . A small team of A+ players can run circles around a giant team of B and C players."



At Panyeah, we couldn't agree more with Steve Jobs' sentiments when it comes to sourcing the best global talent out there. As a versatile and adaptable EOR / international recruitment firm, we are capable of operating across a broad spectrum of professional sectors. Our services are specially designed to cater to the distinctive needs of various fields. This enables us to deliver specialized and strategic talent solutions for each unique business environment in the U.S.

If you would like to learn more about how we help U.S. businesses of all types acquire and effectively manage a workforce with "cream of the cream" international talent, while always staying in full compliance with all applicable laws, please get in touch with us. Likewise, if you are curious about how Panyeah facilitates the seamless integration of talented international professionals into local U.S. teams, we would certainly be enthusiastic and delighted to tell you all about it.

**We're always available to talk with leadership and HR professionals that want to learn more about what we do at +1 (786) 321-5720 or feel free to send us an email at [info@panyeah.com](mailto:info@panyeah.com).**

# About Us

At Panyeah, we pride ourselves on our commitment to quality, innovation, and the pursuit of dreams. Established in 2016, we embarked on a mission to provide tailored Employment of Record (EOR) solutions, designed to bring talented individuals from across the globe to the shores of opportunity.

Over the years, our dedication to facilitating international talent mobility has positioned us as a trusted leader in the EOR industry. Our team of dedicated professionals brings a wealth of experience and expertise in human resources, immigration, and talent acquisition.

Our core principle is a belief in the power of the American Dream—the promise of

growth, achievement, and unbounded potential. This ethos has guided our work from

the beginning and continues to inspire our future direction. Our innovative approach to talent mobility allows us to stay ahead of industry trends and consistently deliver

services that exceed our clients expectations.

At Panyeah, we're not just providing an employment service, we're building bridges

for talent across the world to access opportunities and realize the American dream. We are passionate about nurturing growth and excited to continue helping individuals on their journeys toward success.



## Contact

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