



Remote's Guide to Global Benefits

Helping people leaders understand what benefits to offer when expanding to new countries, how to create compliant and competitive benefits packages that will attract top talent, and how to build trust across multinational teams.

WRITTEN BY:

Rhiannon Payne, J Michael McMillan, Bruce Gilbert, and Nadia Vatalidis at Remote



Table of Contents

Are global benefits essential to your growth?	5
Building trust with your global team	5
Staying competitive in the global talent market	6
Protecting your brand as you expand	9
Offering and administering benefits that work for your global team	10
Benefits plans aren't one-size-fits-all	11
Offer benefits that provide an equivalent quality of life	11
Tailoring benefits to local and industry norms	14
Navigating local regulations and expectations	15
Finding the right benefits providers	18
Overcoming budget challenges	21
Administering benefits globally	22
Ensuring your benefits are locally compliant	24
Understanding statutory benefits	24
The challenges of global compliance	26
Risks of noncompliance	28
Core benefits: Healthcare and other insurance	30
Health insurance	32
Dental and vision insurance	32
Life Insurance	32

Disability insurance	32
Pensions	33
Incorporating core benefits into your recruitment strategy	33
Wellbeing benefits	35
Flexible work hours	36
Paid time off	36
Global parental leave	38
Mental healthcare and coaching	39
Learning and development	40
Remote work benefits	41
Equipment	42
Home office stipends	42
Internet and phone	43
Coworking	43
Relocation assistance	44
Offering benefits to contractors	45
When and how to extend benefits to contract workers	45
What benefits to offer contractors	47
PTO and parental leave	47
Home office and continued learning budget	47
Stock options	47
Benefits done for you with Remote	48



Introduction

If you're part of a fast-growing company, you know continued revenue growth and expansion come with complex challenges. Global hiring is the perfect example of this.

In the remote era, hiring the right team requires speed and recruiting excellence. If you want to scale quickly while maintaining the highest quality standards, you'll also need to draw from a worldwide talent pool. There are so many benefits to expanding your recruitment across borders, but with this opportunity comes new and varied compliance and HR obligations — and offering the right employee benefits might be the biggest challenge of all.

The right global benefits program will increase your ability to attract and retain the best talent while also helping you build a culture of trust and belonging within your organization.

Because most employers and HR leaders aren't familiar with these added elements of international hiring, we've prepared this guide to walk you through the fundamentals of offering global benefits.

At Remote, we help businesses of all sizes hire in countries all around the world. Our internal experts ensure we understand not only the varied local laws but also the expectations and preferences of workers across the globe. Building trust and belonging for your team is our mission, and benefits are a key part of the equation.

In this guide, we will share what it means to offer global benefits and how you can implement them in a way that makes sense for your company's unique needs and goals — whether you're a startup, scale-up, or enterprise organization!





What can you expect to learn?

- How to develop a fair and equitable global benefits program
- How to ensure compliance with local labor laws
- How different cultural norms and expectations will impact your benefits plan
- How to find the right brokers and partners
- What supplemental benefits you should consider for your team
- How to attract and retain top talent with excellent remote-first benefits
- When and how to offer benefits to global contractors
- How working with an EOR simplifies your international hiring plans





Are global benefits essential to your growth?

For every global workforce — whether you have one international employee or 10,000 — benefits are an essential part of the hiring equation.

Building trust with your global team

When every employee on your team feels equal, supported, and motivated, you have the ideal environment for them to thrive and do their best work. At Remote, we see our benefits packages as a critical part of our ongoing success. Our people and benefits teams work tirelessly to optimize our offerings to foster a sense of belonging and equity for everyone in our rapidly growing workforce (900+ internal employees across dozens of countries), in addition to the employees we hire on behalf of our customers.

A global benefits plan signals your commitment to equality and the well-being of your team, which will help cultivate a culture of trust within your organization, as we have done at Remote.

“Until recently, many organizations have offered both statutory and supplemental benefits for their local team members while offering only the minimum benefits required for compliance in other countries,” explains Nadia Vatalidis, VP of People at Remote. “This is typically because companies don’t have the right knowledge or resources to do more. However, this creates two classes of employees.”



If some employees don't get the same standard of benefits as their colleagues because of where they live, the disparity will make them feel like they don't truly belong in your organization. **This in turn will have a big impact on productivity and retention.**



NADIA VATALIDIS

VP of People at Remote

To build trust with your global team, it's key to offer benefits that care for your people's physical, emotional, and financial health — wherever they live.

This typically starts with a total health and wellness package, adequate income protection for factors such as disability or accident, and local vehicles for retirement savings. In this guide, we will cover these core components of global benefit plans as well as perks that will make all your employees feel supported.

Staying competitive in the global talent market

Attracting top talent isn't easy, and it's only getting more difficult as the workforce moves toward remote work and candidates are no longer restricted to their local job markets.

While businesses were once only competing with others in the same city, they now have the rest of the world to contend with.

To attract candidates who are increasingly aware of the employment market and their options regarding total rewards, people leaders should look to offer benefits plans that go beyond minimum statutory requirements.

“Things aren’t the same as they were 20 years ago where you would get a salary, maybe a pension plan, and access to medical insurance,” explains Bruce Gilbert, Global Director of Benefits at Remote.



The profile of people in the workforce has changed significantly – and **their expectations have changed as well.**



BRUCE GILBERT

Global Director of Benefits at Remote.

Salary is not the only thing an employee looks for when seeking a new job or selecting one opportunity over another. Great benefits as part of total rewards are a draw because they offer practical support for employees in their day-to-day lives and help them mitigate costs that they would otherwise have to pay themselves.

Numbers you should know:

87%

of employers are currently struggling to fill positions as a result of a skills gap. [Monster](#)

80%

of employees would choose additional benefits over a pay raise. [Glassdoor](#)

Extra benefits and perks like home office stipends and flexible working hours act as a huge draw to tech employees in top talent markets.

[\(Remote, Global Workforce Revolution Report\)](#)

Even if you don't have room in your budget to match competitors on salary compensation, providing stronger benefits can help make up for it. Great benefits and perks can be incorporated into almost any company's program, which has a huge impact on recruitment and retention.

//

Without a benefits stack that speaks to the needs of a modern workforce, companies are putting themselves at a huge disadvantage. There's a shortage of highly skilled and highly specialized labor, and it's important for companies to be able to **support their people everywhere and in a way that makes them want to stick around.**



J MICHAEL MCMILLAN

Manager of Benefits at Remote.

Protecting your brand as you expand

When your organization lacks global equity, you also put your brand at risk.

When expanding, your reputation in new markets will dictate your ability to attract the best talent. This is especially true in smaller, more concentrated markets where there are tight-knit communities of highly skilled workers.

Perceptions about you as an employer and your total rewards offering will travel fast, and gaining a reputation for offering inadequate or noncompetitive benefits packages can be difficult to correct.

One employee we spoke to, who works remotely from Bucharest, Romania in account management, experienced issues with inequity while working for a UK-based startup.

“The British team would get additional health coverage, a pension plan, free lunches, and company-sponsored happy hours together all the time,” she recalls. “I don’t necessarily need free lunches to be happy at work — and I can afford it myself — but that did stand out to me. I constantly felt like they didn’t care as much about the employees in Eastern Europe, who barely got any benefits. Not even a small bonus to buy ourselves dinner after meeting big goals or milestones. I quit after a year, even though they offered me a raise to try to get me to stay. I’ve also told friends in the local tech community that they aren’t a great company to consider working for.”

Offering equitable benefits is not just about attracting great people, but retaining them as well. To create a unified culture, it’s important to offer global benefits that are above and beyond what’s required and ensure that they are accessible to everyone in your organization, no matter where they work from. This will allow you to prove yourself as a people-first company in all the countries you expand to.



Offering and administering benefits that work for your global team

Preparing a scalable global benefits program can seem intimidating. HR teams with deep expertise in local markets may not have the right resources to understand what's required and expected in an unfamiliar country and often don't know where to begin.

If that sounds like you, don't worry! While offering the right benefits to an international team can be complicated, there are ways to simplify it. The first step is understanding what challenges you might face so you can preempt and overcome them.

Here, we will be breaking down the biggest barriers that companies encounter when trying to offer global benefits. These include:

- Local regulations
- Local expectations
- Administering benefits
- Finding the right vendors and partners
- Internal bandwidth and expertise
- Budget constraints

Remote's global benefits team has experience creating and tailoring benefits packages to meet (and exceed!) the needs of local markets the world over. That knowledge and experience provide us with the perfect background to help you understand which benefits your team members want, how to incorporate them into your global recruitment strategy, and how to administer them seamlessly in a way that works for your organization.

Benefits plans aren't one-size-fits-all

The best HR teams will identify, implement, and offer benefits tailored to the specific needs and norms of team members in each of their countries of residence, not just one plan with blanket coverage. Global plans that offer the same coverage to everyone in every country may sound appealing for ease of implementation but can offer a less than optimal experience for your employees. This approach can also cost your business significantly more in the long run. It's crucial to understand how to get this right from the start so it doesn't cost you (in money spent or retention issues) later.

Offer benefits that provide an equivalent quality of life

The first mistake we see many companies make is building out a big checklist of benefits they think employees will be interested in and offering them arbitrarily to everyone on their global team. This can result in higher costs with less impact and still create issues of inequality.

While benefits like healthcare, maternity leave, and retirement contributions are crucial everywhere, global candidates have more varied needs and expectations.

What may seem like good benefits in one country may not provide the same quality of life or even be relevant for your employees in another country.

Additionally, benefits providers that offer satisfactory coverage in one country will likely not be able to offer the same quality of coverage in some others.



To create a truly equitable workplace, **your goal should be to make sure all your workers have similar levels of comfort and security** no matter where they live, not just aim to give everyone the same benefits



BRUCE GILBERT

Global Director of Benefits at Remote.

One issue you will likely encounter is that some benefits that you offer to employees in one country are impossible to access or simply not needed in another country.

For example, your US employees might receive a plan that includes less common offerings like identity theft protection and fertility assistance in addition to their core benefits. If you try to offer the same in other countries, though, you might find a lack of vendors. Therefore, some employees will end up having greater access to benefits than others. In other cases, a benefit that is expected in the US may not be needed at all in a country like Sweden.

You don't want to pay for benefits that your employees in a given country don't need, want, or cannot take advantage of (then it's not a "benefit" at all).

Your goal should be to ensure that all your employees have the same general experience and quality of life wherever they live.

One way to account for disparities is to think of global benefits in terms of total rewards, as it paints a more vivid picture of the compensation package. This could mean increasing salaries for employees in countries where some benefits are difficult to access or unnecessary.

At the same time, it is important to note that the perceived value of the cost of benefits can be highly subjective. For example, fully paid employee medical premiums representing an average approximate cost of \$8500 per person annually may be regarded as more or less valuable than an equivalent retirement plan contribution, depending on the population of your workforce and any statutorily provided pension already in place.

Instead of creating superficial equality, it's much more valuable to have total rewards numbers match across countries and find ways to augment things for employees when needed, rather than trying to create a group policy that will only be available to certain people.

Additionally, make sure you're doing your research around standard practices and offerings for benefits in the country you're expanding to and directly asking your people what they want and expect.

Tailoring benefits to local and industry norms

Benefits are a critical part of a worker's total compensation, but needs and expectations can vary significantly from country to country depending on the relevant social systems and norms.

In the [United States](#), for example, employers need to be explicit and generous with their PTO policies because there is no mandated minimum. In a nearby country like [Panama](#), however, businesses are required to offer at least 30 business days of paid leave per year (as well as 10 paid public holidays), so a PTO policy designed to attract US employees is not compelling perk when competing for Panamanian employees.

Rather than offering the legal minimum PTO in each region, employers should look for ways to create equality among employees with a global PTO policy, thus building a united workplace culture in the process. (We'll talk about PTO in greater detail later in this guide.)

Benefits packages not only vary from country to country but they should also be tailored to the industry and the type of employee you're hiring.

A tech worker's expectations will be different from those of someone in the performing arts, and different again from those of an operator in the oil and gas sector.

The industry also determines what is considered reasonable in terms of cost to both you and your employees. A relatively young technology workforce will cost less to insure and protect than a veteran automotive manufacturing workforce. Recognize what fits with the profiles of the people you're trying to hire to ensure you're creating benefits packages that are competitive for the country, industry, and the demographics of the workforce you're targeting.

Navigating local regulations and expectations

Local regulations and needs vary across countries, which means the expectations of your team members will vary according to their location. Any company hiring internationally must consider and adapt to these nuances.

Here are a few examples of how greatly regulations can vary country by country:



In the US, medical coverage is essential.

In fact, in Remote's 2022 survey of more than 2,000 global workers, 77% of respondents in the US said that private health insurance was "very important" to them compared to 62% of respondents across European countries. Most employees in the US expect to receive medical, dental, vision, life, and disability insurance. This can prove surprising to companies headquartered in Europe, where most medical care is covered by social programs, or compared to Latin America, where collective bargaining agreements are prevalent.



In Sweden, occupational pensions are key.

Nordic pensions are multifaceted, complex, and a powerful hiring incentive that cannot be ignored. However, it can be an incredibly difficult and costly process to put these pension plans into place. You need to work with the right vendor — one that understands the local landscape and can provide other regulatory guidance to you as a foreign employer. Otherwise, you will not be able to attract and retain the best talent in the region.



In Brazil, childcare vouchers and meal vouchers are expected.

Nordic pensions are multifaceted, complex, and a powerful hiring incentive that cannot be ignored. However, it can be an incredibly difficult and costly process to put these pension plans into place. You need to work with the right vendor — one that understands the local landscape and can provide other regulatory guidance to you as a foreign employer. Otherwise, you will not be able to attract and retain the best talent in the region.



In Australia, private medical insurance is more of a “perk” than a “benefit.”

Australia has one of the best social healthcare programs in the world, and as of 2021, under 10% of employers offer private medical insurance. Tax incentives mean that many Australians take up their own private health insurance instead. While healthcare is a lower priority benefit than in a country like the US in that it is not crucial for a worker’s quality of life, offering this can help employers stand out because of the rarity of this provision in the local market. On the other hand, it’s not a necessary benefit, especially if you are constrained by budget.



In India, there is reduced emphasis on life insurance.

In the US, it’s common for life insurance to equal 4x an employee’s salary. However, in India, this is considered both astronomical and out of character for the market. It’s so high that by providing it, you’d be using resources on something employees in that country wouldn’t necessarily find valuable.

This is hardly an all-encompassing list of norms, but already it’s easy to see that establishing a comprehensive global benefits plan can get complicated.

Your global benefits strategy ultimately depends on your unique hiring needs.

Both the size of your company and how many employees you're hiring in a particular region will influence your decisions around what to offer and which vendors and partners you work with.

We mentioned blanket benefits plans earlier. These are plans with vendors that cover all your employees in multiple countries. This can sometimes work as a baseline to start, particularly if you have a smaller team. The upside is that these plans are initially easier to implement and will reduce administrative burdens.

Of course, things get complicated when blanket plans set baselines that are well above or well below the expectations for some of the countries within your scope. **If you take this approach, you will need to iterate on it by offering regional variations of benefits to close the gaps. However, you may end up using more resources trying to close those gaps country-by-country than if you took a more localized approach to begin with.** It's important to keep these considerations in mind and have a clear plan for scaling and improving on your benefits before you start hiring in new countries.



One alternative is to allow employees to find their own plans, especially if you're only hiring a few people in a particular country.

This will be more expensive than if they were part of a group plan but could be the right approach while you're still growing. You can offer access to individual benefits through cash stipends in addition to their salaries. This approach will also make it easier for you to switch to a local benefits provider when you're ready to do so.

Finding the right benefits providers

If you're about to start hiring in a new country or region (or if you just want to level up your existing partner as you scale), you should look for a firm that is already experienced in offering customized and locally relevant programs.

Make sure any prospective provider has the bandwidth to help with everything you need. You should specifically ask about the level of communication you can expect, financial reviews and reporting, and their capacity to negotiate for better rates as you expand.

Consult with key internal stakeholders first (and ongoing)

Remember that benefits are part of your total rewards program and a critical component of your compensation planning. That means you must consult your HR or compensation team early and often while also keeping your finance team informed of the costs of any new provider.

Gather advice from anyone in your network operating in that country

If you know other HR leaders who have connections or experience hiring in that country, use those resources to find trustworthy individuals to work with. Ask them about the support the vendor can provide throughout the lifecycle of the relationship.

Ask for local advice from your existing partners

If you already have a payroll service provider or an employer of record in the region you're expanding to, ask for their insight. They might be able to introduce you to the right benefits providers or simply offer need-to-know advice. You should also talk to your current benefits broker in your home country and see if they have an international division or connections to international brokerages that they trust.

Seek out consultants (but be wary of brokers with conflicts of interest)

If you haven't previously expanded into an international market, an external consultant can be worth the investment. But be wary of brokers who are paid based on commission rather than by the company they are working with. This means they have an interest in the size and rate of the final deal and may deliberately avoid gathering quotes from certain vendors or push you in a direction that may not be right for your business. We advise you to structure your agreements with consultants or brokers in a way that avoids this conflict of interest.

Consider and compare a variety of firms

Schedule conversations and meet with each of the large firms in the region you're entering as well as a collection of smaller firms if they cater to your size or industry. You don't need to default to working with the market leaders if they aren't as familiar with your industry.

Contrary to what many people assume, bigger vendors aren't always better. Smaller partners may help you with a more customized plan and deliver stronger levels of service.

When entering a new country, you may find there are 15 insurers in the market and three providers at the top that dominate. Don't discount the remainder. The largest benefits providers are often more expensive and better suited to mature or enterprise organizations. Of course, there are exceptions, but you should verify the level of service and customization you can expect in the vendor research phase.

Smaller vendors might be a better fit. They can spend more time with you to troubleshoot and adjudicate out-of-network claims.

Consider an internal hire to scale your program

If you are planning to hire in multiple international markets as you grow, a dedicated hire will help future-proof your benefits offerings. An internal expert like a benefits manager or director can take ownership, manage proper due diligence, and focus on determining which benefits are most likely to be valued to talent in your industry and new markets. This can help you make sure you're investing in the right benefits, not using resources on things that aren't important to your global workforce.

This upfront work will save you from changes and many iterations down the road. There's nothing worse than building an entire benefits suite and having to change your core vendors or providers within a year or two because of a mismatch. More effective due diligence and planning can almost always avoid these kinds of problems.

Overcoming budget challenges

While you might have an idea of what benefits are expected when entering a new country, you could end up being shocked by the cost. Sometimes, the cost of offering competitive benefits in certain regions will simply be too high for your current budget if you're still growing.

If you're an employer in Germany and hiring someone from the US, when you look at the cost of benefits like medical insurance, life insurance, and all the other things that are expected (which will easily exceed \$8,000 annually per employee), the price will likely be higher than what you're used to paying for employees in your home country.

Before you start seeking out candidates in new markets, you need to identify the most strategic and cost-effective regions for expansion where you can receive the most value for your business at a price that works for you.

The right expansion approach will be very dependent on your strategy and approach to employment. Do you want to hire everywhere, independent of employee location, or have central hubs in certain parts of the world? If you're a very large company, region-agnostic hiring can be a major advantage.

If you're smaller, you may want to focus on particular regions where hiring is less expensive and avoid countries like the US, Canada, Australia, Hong Kong, and Singapore. Then it's a cheaper proposition to provide the benefits that are expected. When it comes to insurance, it also helps to maximize headcount in particular countries. You can offer your people better benefits at lower rates when you have a larger concentration of employees in one country. This will bring down the overall costs of your plans as you scale.

However, do not hire in less expensive markets with the intent to underpay employees. Doing so may cause resentment and hurt your company's reputation and culture, and not just with talent in the regions where you are underpaying. Team members who work in more expensive areas are also unlikely to be happy to learn that their international co-workers earn substantially less for the same work.

Administering benefits globally

The more countries you expand into, the more complex HR administration becomes. Unfortunately, there is no single platform, broker, or resource that can help you put together a globally comprehensive benefits program.

Existing options are either regionalized, country-specific, or benefit-specific. Unless you have a large enough team or the internal expertise needed to understand how to administer benefits globally, crafting a scalable global benefits program from scratch is difficult. Few HR professionals have experience working with multiple local brokers, administration platforms, and enrollment strategies and portals, and trying to do so can become a serious strain on your resources.

Instead, it's important to recognize where your business is in its lifecycle and opt for an expansion strategy with partners who best suit your current needs. If you want to have access to a truly global talent pool without having to manage benefits yourself, it may make the most sense to offer benefits through an [EOR \(employer of record\) like Remote](#).

Communicating the value of global benefits to your team

We've touched on the best ways to communicate your global benefits to potential hires and employees. Before that, though, you want to make sure your internal team members are advocates — especially executives. The senior leadership in your company needs to buy in and fully understand the value of benefits and how they help attract and retain the workforce you need. Otherwise, a lack of united focus will quickly derail your hiring plans.

Remote's VP of People advises a proactive approach to communicating this:



Make a clear, single source of documentation available to everyone in the organization about how global benefits work, what to use, where to get help, and establish a good feedback loop to ensure everyone is aware of your plans. Furthermore, add it to your onboarding process to guarantee that every new hire discovers it early on in their journey at the organization.



NADIA VATALIDIS
VP of People at Remote



Ensuring your benefits are locally compliant

A benefits plan not only has to attract top talent, but it also needs to be in line with the laws in the countries where you're hiring.

You can't afford to focus on optimizing your benefits program without rock-solid certainty that your company is meeting all legal requirements in each country where you have employees and contractors.

Compliance is non-negotiable. This must be the foundation of your program. Any mistake could put your entire business at risk.

Understanding statutory benefits

Statutory benefits are those you are required to offer all employees in a given country.

Paid leave, access to health insurance, and 13th-month pay are all examples of statutory benefits required in some countries. Ensuring your company provides these benefits is a key part of compliance administration.

US Affordable Care Act

Using the US as an example, the Affordable Care Act requires businesses of a certain size to provide a certain level of health insurance, and the insurance itself needs to meet certain thresholds of affordability. If you don't, the cost of noncompliance is painful.

The current fee for employers who do not offer health insurance as mandated by law is \$2,570 per full-time employee, minus the first 30 employees. For a 500-person organization, that becomes a \$1,207,900 total penalty.

13th-month salary payments

As another example of statutory benefits requirements, many countries require a “13th-month salary” where employees receive an extra paycheck every year equivalent to a month’s worth of pay. In places like Brazil, the Philippines, India, Greece, and many others, 13th-month salaries are mandated by national employment law (in some other countries, they are merely expected by the local workforce). Unfortunately, many employers don’t realize this until after they’ve hired an employee in one of these markets.

Collective bargaining agreements

Brazilian employment legislation requires employers to enter into a Collective Bargaining Agreement with their workforce including government-mandated standards for certain provisions.

One of these is medical plan coverage. Brazil has a highly segmented and privately networked healthcare system, making it nearly impossible for any single provider to offer coverage to everyone in the entire country. Managing compliance requires strong local knowledge and experience to navigate the unique Brazilian system.



The challenges of global compliance

Comparing US and UK reporting requirements

Comparing the US and the UK can serve as a helpful example of how vastly different reporting requirements and regulations can be between countries.



REQUIREMENTS IN THE US

Using the US again as an example, the country offers no socialized medicine. Medicare is the closest equivalent, but it's intended to serve the elderly and disabled rather than most current members of the workforce. Instead, healthcare is covered by the private market, with laws providing guidance and regulatory structure to that market. This is also seen with retirement accounts.

The US private marketplace is subsidized by taxes. There are tax advantages for companies setting up a group plan or policy in the private marketplace. To make sure these tax advantages are used appropriately, the government requires that you report on what you've set up and how the money has moved, usually on an annual basis.

For health insurance, the US has the ACA (Affordable Care Act) with its litany of associated rules and regulations. For instance, you have to report to the government that your plan meets the minimum value based on your deductibles to be considered ACA compliant. Both you and your employees are required to confirm eligible coverage on tax returns. Many companies aren't aware of this when expanding into the US and have to later correct their misunderstanding in the form of fees.

Retirement accounts must also be reported. At a certain size, businesses have to pay for their own books to be audited by a third party. It's up to the employers to ensure that these things are happening correctly and on time. Bureaucracy inside the government and in the private market can be difficult to navigate, especially if you're not used to hiring in the country.



REQUIREMENTS IN THE UK

The UK requires a very different approach. Robust social programs such as the NHS allow people to access free or nearly free healthcare for most procedures (citizens may be charged a nominal amount for treatment, such as £10).

The UK has private medical care, but it's treated as a top-up benefit. Private health insurance is seen as more of an extra benefit or "perk" if you want to give your employees more coverage than they already have access to, reduce their wait times to see a doctor, or help them see certain specialists. Unlike in the US, not having private medical care as a benefit will not put your employees at a huge disadvantage, though top employers in the UK do tend to offer private plans.

Private health plans in the UK require that the employees report back to the government the cost of private healthcare. They are taxed on that value because offering it is not seen as a tax advantage, but instead as something the employer is giving as a perk. In the US, by contrast, employees are not taxed on money their employers spend on private health insurance.

These are just a few ways the markets on the private and public sides work together to create different compliance environments. This is why you must enter into new countries with the right partners and local knowledge to hire and manage new team members (both employees and contractors).

Risks of noncompliance

Even well-intentioned companies trying to do the right thing by their people can easily run afoul of regulators without the right expertise and support. The resulting penalties for noncompliance can end up causing irreparable damage financially, in reputation, or both.

When we talk about the consequences of non-compliance, that usually includes fines and/or punishments for your organization handed down by the country's government.

Typical penalties for noncompliance include:

- Fines that reach into the thousands
- Fines reaching into the millions of dollars for the most egregious offenses
- Losing the ability to run certain operations in the associated country
- Losing tax-advantaged status on certain projects

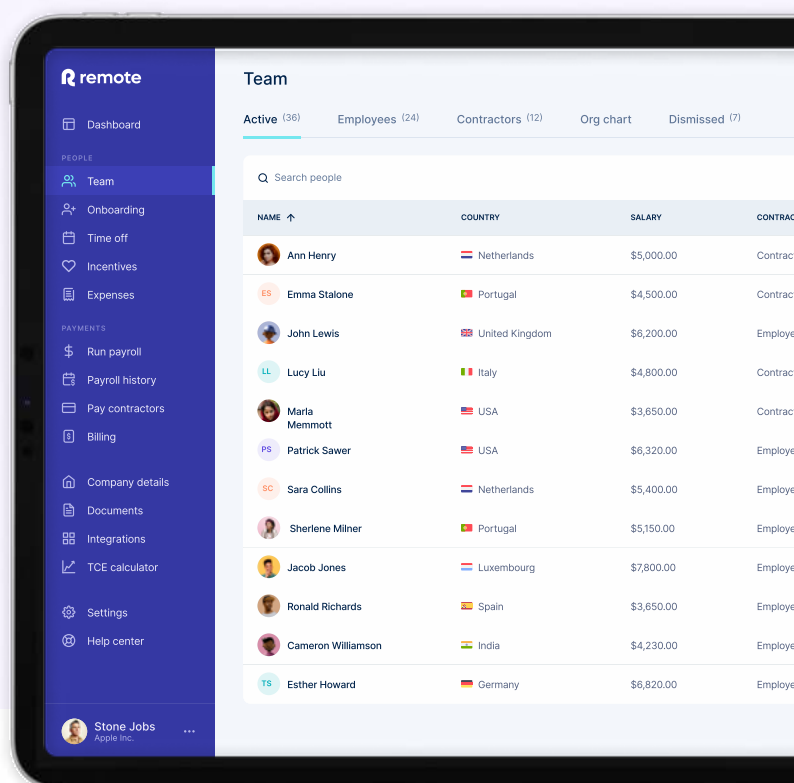


Many of these penalties can come with secondary impacts that follow your business for years to come. Handicaps to your benefits programs will also restrict your ability to recruit quality candidates. If you can no longer operate a retirement plan in that country, for example, top talent won't want to work for you.

Laws often change, which means your responsibilities change with them. Issues of past compliance can pop up months or years later, sometimes in the form of hefty fines. This is why it's so important to get compliance right.

Hiring the right people internally to manage your benefits plans and partnering with knowledgeable local entities is the best way to minimize risk. If you're not at that stage yet but still want to hire internationally while avoiding risk a global employment services provider like Remote can manage compliance with local regulations for you, freeing your team up to concentrate on other strategic areas.

GET STARTED WITH REMOTE



The screenshot shows the Remote app interface on a tablet. The left sidebar contains a navigation menu with sections: PEOPLE (Team, Onboarding, Time off, Incentives, Expenses), PAYMENTS (Run payroll, Payroll history, Pay contractors, Billing), and other options (Company details, Documents, Integrations, TCE calculator, Settings, Help center). The main content area is titled 'Team' and shows filters for Active (36), Employees (24), Contractors (12), Org chart, and Dismissed (7). Below the filters is a search bar and a table of team members.

NAME	COUNTRY	SALARY	CONTRACT
Ann Henry	Netherlands	\$5,000.00	Contractor
ES Emma Stalone	Portugal	\$4,500.00	Contractor
John Lewis	United Kingdom	\$6,200.00	Employee
LL Lucy Liu	Italy	\$4,800.00	Contractor
Marla Memmott	USA	\$3,650.00	Contractor
PS Patrick Sawyer	USA	\$6,320.00	Employee
SC Sara Collins	Netherlands	\$5,400.00	Employee
Sherlene Milner	Portugal	\$5,150.00	Employee
Jacob Jones	Luxembourg	\$7,800.00	Employee
Ronald Richards	Spain	\$3,650.00	Employee
Cameron Williamson	India	\$4,230.00	Employee
TS Esther Howard	Germany	\$6,820.00	Employee





Core benefits: Healthcare and other insurance

At Remote, we think about benefits in three parts: core benefits, statutory benefits (those that are required by law, as mentioned in the section above), and “perks,” which are extras that you can offer your team.

Certain benefits should always be considered part of core compensation for global employees, even if they are not statutory in the country where you are hiring. These are the benefits that ensure your employee’s basic needs are met.

There are the four benefits we identify as core offerings. If these benefits are not provided by a government program in a country where your employees reside, should to be addressed as part of your benefits program.

01

Medical insurance

So employees can afford to seek treatment if they need it (health, dental, and vision).

02

Life insurance

So employees and their families are protected against loss of income with additional financial security.

03

Disability insurance

So people have guaranteed income if an illness or accident occurs.

04

Pension or retirement funds

So people can save for retirement and feel secure about their financial future.

Health insurance

One of the most important things in your global benefits plan is medical care. Even in countries with universal healthcare policies, it can sometimes be helpful to offer secondary insurance to allow employees access to private specialists or shorter wait times.

However, in some countries the social programs for healthcare are so efficient and offer such a high quality of care, offering secondary health insurance is simply redundant — and can even have tax ramifications for your employees!

“At face value, it might seem great to offer private health insurance to Australian employees,” says Remote’s J Michael McMillan. “But working with international policy providers (instead of a local provider) means you won’t be able to circumvent the country’s medicare surcharge levy. Once you realize this, you may have to remove your health insurance offering from that country because of the tax burden on the employees who weren’t necessarily seeing much value in the plan to begin with.”

This demonstrates why it’s essential to understand what employees need and want in their country before simply offering a benefit that may end up as a net negative to the individual. You need to make sure your employees can access care when they need it, whether that’s through their local healthcare system or a benefit you provide.

Dental and vision insurance

Both dental and vision insurance should be considered part of the standard medical coverage your teams can access. Dental and vision insurance are important because even universal healthcare systems in some countries do not cover these areas, and this type of insurance encourages preventative care.

These provisions can dramatically reduce absentee and sick leave rates resulting from poorly or untreated dental and vision conditions.

Preventative care can lead to tangible health insurance savings for your company in the long run, so it's a win-win situation for employees and employers alike.

Life insurance

Life insurance helps provide security and peace of mind. For parents, spouses, and others, life insurance gives a foundation of financial security. This provision can be highly valued and explicitly sought after in some cultures where familial care requirements are significant.

Disability insurance

According to [Simply Insurance](#), 25% of today's 20-year-olds will be out of work for a year or more before they retire due to a disability. Without insurance, most people simply can't afford the cost of a permanent or temporary disability – which can become a significant source of stress for the under-insured. Disability insurance ensures that employees have a financial safety net in the event that an accident or illness occurs.

Pensions

A pension or retirement plan sets aside money for employees to access in their retirement. This is an important benefit for employees because many tax-funded social programs will only pay out a portion of what is needed to survive once they leave the workforce. Employees today are well aware of the costs of retirement in addition to the average life expectancy increasing alongside advances in modern medicine.


Most people are not planning to work into their 80s, so retirement funds become crucial. Many pension plans require workers to hit certain eligibility criteria – such as being employed by the company for a certain number of years. This incentivizes loyalty and leads to increases in retention rates.

Incorporating core benefits into your recruitment strategy

As we've mentioned, it's important to think about your benefits offering as part of the total rewards you offer to employees.

Total rewards are the value of the employee's base salary plus benefits.

Having a total rewards number can be very valuable to your recruitment strategy as you compete for the best global talent.



You shouldn't look at total rewards as a way to reduce the base salary you're offering, but as a way to add on to an employee's total compensation and make your employment offers more attractive.

To do this, look at the benefits you have in place in the country where you're hiring and see what you can easily quantify the value of, such as healthcare, dental care, vision, and disability insurance. Calculate the value (or estimates) of these benefits and include that total rewards number as part of what you're presenting to candidates. This number doesn't have to be listed in your employment agreement but it should be communicated during recruitment and onboarding so employees know what they can expect when accepting an offer.

For example, if you're hiring a marketing manager in the US with a salary of \$120K, you can include the cost of healthcare (approximately \$8000) and 401(K) matching (for example, 5%) to message that an additional \$14K in benefits is offered as part of the employee's overall compensation.

Don't blur the lines, however – be clear about the base salary number and that the value of the benefits they are getting is an additional part of their package.

If you're already offering a salary that is above market value, you don't necessarily need to include total rewards numbers during recruitment. However, it can still help when hiring high-earners who will expect a certain caliber of benefits.

Additionally, talk to your recruitment team. They know exactly what candidates are asking for and how your employment offers compare against your competitors. It's important for them to be involved in helping you frame total rewards as part of your overall narrative to attract the best talent.



Wellbeing benefits

We've discussed the importance of core benefits – but moving beyond that, it's important to also offer supplemental benefits that enhance the overall wellbeing of your workforce. Not only do these perks help differentiate your organization when recruiting in a competitive talent market, they also help your team members feel supported and improve their overall quality of life. We often refer to these as “values-based benefits” because they reflect the people-first values of the companies that offer them.

A modern benefits stack for global workers should include supplemental benefits like:

- Flexible work hours
- Paid time off (PTO)
- Global parental leave
- Mental healthcare and coaching
- Learning and development stipends

Let's drill down into some of these supplemental benefits and how you can offer them to your global team members...



Flexible work hours

In the new age of work, flexibility is one of the most important benefits you can offer your employees. In fact, in research from Remote workers across the US, UK, and Europe, 77% of workers said flexible work hours is one of their most desired benefits when deciding to move to a new company.

Flexibility goes beyond simply allowing people to work from home, which is now more of a norm than going to the office each day. When offering flexible work hours as a benefit, **it means that employees don't necessarily have to work specific hours**, like a traditional Monday through Friday, 9-to-5 schedule. Instead, they can work at times that suit their personal needs and lifestyles.

Allowing [asynchronous work](#) (not requiring employees to be online simultaneously) provides needed flexibility, increases employee happiness, and removes barriers to productivity. It's particularly valuable for women and working parents in the workforce, who are often juggling many different responsibilities outside of work. This is a benefit that costs nothing and can have a huge impact.

While adjusting to async workflows might require some growing pains, it can ultimately lead to better resource management and more transparent communication across your organization.

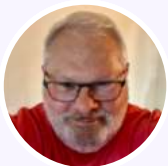
Paid time off

The most successful companies are full of happy, productive people who don't feel burnt out. Done right, unlimited PTO offers employees an opportunity to maintain a better work-life balance while ensuring your company thrives through an engaged, effective workforce.

"At Remote, we offer unlimited PTO, which has essentially been unheard of in the US until recently," notes Bruce Gilbert, Remote's Director of Global Benefits. "When examining your PTO policy, you need to ask yourself, how do you view your employees? Do you believe they will work hard and do what needs to be done? Or do you believe that if you give people the opportunity to take time off, they will and your business will suffer? I think the second viewpoint is archaic and not reflective of today's environment."



Companies providing **unlimited PTO** have found that it leads to **happier employees who work harder and that their business prospers**



BRUCE GILBERT

Global Director of Benefits at Remote.

It's important to not just offer unlimited PTO but structure your policy in such a way that actively encourages people to take time off. This means moving away from offering compensation at the end of the year if employees don't use up their PTO hours, and potentially requiring that employees hit a reasonable minimum number of days off.

At Remote, we mandate a minimum of 20 days off per year so that employees understand we are serious about wanting them to rest and recharge.

It's also important to have a global PTO policy that ensures no workers receive more time off than others due to requirements in their country of residence.

Global parental leave

Parental leave is not always guaranteed by country mandates (for example, in the US) and is important to include through explicit policies as a benefit for working parents. Parental leave allows parents to bond with their children and it helps ensure they come back to their job rather than leaving the workforce completely. To build a global workforce where employees are on equal footing, parental leave policies should be the same across all countries where you hire.

It's important to note that parental leave is known as an equalizer for women in the workforce.

A study conducted by the Institute for Women's Policy Research found that nearly **30% of women who do not have access to paid leave will drop out of the workforce within a year after having a child.** It's also important for fathers and all parents who want time to bond with their infant.



Providing equal opportunity for time off to welcome a new family member is crucial for an employee to bring their best self to work. **As an employer or people leader, it's your job to encourage your employees to take care of their families first.**



NADIA VATALIDIS
VP of People at Remote

Providing parental leave for LGBT+ couples, adoptive parents, and primary caregivers who do not give birth is also an excellent way to show employees you care. In addition, companies should consider adding miscarriage leave policies and policies for stillbirth, premature birth, or infant death.

Responsible parental leave policies start while the employee is still working and even continue when they come back to work. **Consider adding ramp-down and ramp-up periods for when employees are getting ready for leave and for when they return so they can take the time they need to catch up.**

Mental healthcare and coaching

Mental healthcare is an important but often ignored aspect of healthcare.

Mental health is especially important to consider for remote employees due to the unique stresses and potential loneliness that can come with this type of work. To support mental wellness, Remote offers quarterly self-care days (in addition to unlimited PTO) so that employees can recharge. We also offer our employees access to therapy, coaching, and guided meditations through our partnership with [Modern Health](#).

Learning and development

Learning and development programs empower employees by increasing their domain expertise. Employees are increasingly interested in how they can further their own skills and ambitions, and offering this will also benefit your organization as a whole.

Stipends for learning tools and programs like conference tickets, books, and courses will help your staff stay current on industry changes. These benefits will help employees sharpen their knowledge so they can further grow in their position within the company.

As with many of the benefits listed here, learning and development programs also help boost employee morale and satisfaction, which improves both productivity and retention rates. According to Ottawa University:

93% of employees will stay longer when a company invests in their career growth.

When offering learning and development benefits, it is standard practice to structure it as an annual stipend that employees can use to engage with the resources of their choosing.





Remote work benefits

When you work from home, your home expenses go up. These were costs previously covered by employers, who paid for the electricity, internet, desk, and chair in the office. It's important to understand and appreciate that there are now costs to the employee when offering a work-from-home position.

If you want to offer your team remote-specific benefits, start thinking about how you can make your workforce better equipped for both comfort and productivity at home.

A common modern benefits stack for remote work includes:

- Computer(s) and other necessary equipment
- Internet allowance
- Home office allowance
- Co-working allowance
- Fitness reimbursement

“These benefits are something that remote workers are interested in because they can personally see their costs increase,” says Bruce Gilbert. “Offering allowances is a very good idea. There may be tax consequences to this depending on the benefit and country, but it should at least be considered as part of your overall benefits program.”

Equipment

Make sure employees have all the equipment they need before starting, whether that's a wireless headset or a webcam. At Remote, we send a Macbook, a monitor, and other equipment like a mouse, keyboard, and external webcam to all employees before their first day. We know these tools are needed to do their job and we do not expect them to bear the financial or administrative burden of obtaining their own equipment.

Home office stipends

A home office stipend enables employees to get furniture and other tools they need to work comfortably. According to Remote's research, 62% of employees say they want their employer to fund part of their home office setup (a number we expect to grow as working from home becomes even more ubiquitous). A home office stipend can be used towards items like:

- A desk
- An ergonomic chair
- A microphone
- Headphones
- Lighting
- Physical storage solutions
- Additional monitors



Most remote workers have preferences when it comes to the type of equipment they'd like to use—they may also have [varying home office needs](#). Someone with back pain, for example, might want to invest more money in a high-end ergonomic chair rather than a webcam if they're rarely on camera. Stipends allow for flexibility, customization, and maximized productivity.

To learn more about putting together a productivity-informed space, visit our guide [“Build the perfect home office on a budget.”](#)

Internet and phone

In all likelihood, your remote team is using their personal internet to perform their job duties, and they're using their phone to access work-related email, texts, and Slack. Contributing to your employees' internet and phone usage helps acknowledge their contribution and ease the cost burden of being a remote employee.

The easiest way to accomplish this is typically by offering a stipend to cover a percentage or all of the cost. You can also have employees submit receipts for reimbursement, but this will require more administrative work.

Coworking

It's easy to assume that an employee who opts to work remotely already has a viable workspace in their home. However, this is often not the case. Employees, especially those based in large cities, often report working out of bedrooms, kitchens, or other already-utilized spaces rather than an actual office. Many also have to deal with distractions in their living environments throughout the workday.

A coworking space is a shared office space that offers many of the amenities of a typical office—desks, coffee, collaborative spaces, and a distraction-free environment.

Offering employees a coworking stipend is important because it:

- Offers employees a way to find community outside of their homes
- Addresses the feelings of isolation that can come with remote work
- Allows employees to choose the environment they're most productive in
- Can help employees access office amenities like printers, conference rooms, and more
- Attracts top talent

At Remote, we offer our entire global workforce of 900+ employees a monthly stipend to help cover the cost of a coworking space. We believe that doing so helps our employees live happier, more productive lives by giving them the flexibility they need to choose their work environment.



Relocation assistance

With the rise of remote work comes the opportunity for employees to reconsider where in the world they want to live and work.

In our survey of remote employees, 20% said that if they were able to work anywhere in the world without it affecting their salary and benefits, they'd be more likely to stay with their current company 10 years longer than they would otherwise. Another 45% said they would stay between 1 and 10 years longer, demonstrating the huge impact that relocation support can have on employee retention.



Offering benefits to contractors

If your business hires a combination of employees and independent contractors, you may have wondered how to create a stronger culture across your workforce and how to put every team member — employees and contractors alike — in positions to succeed.

In 2022, it is increasingly common for companies to offer benefits to their long-term contract workers. Benefits like healthcare, stock options, and PTO are a great way to attract and retain top freelance talent and build trust within your organization.

Contractors play important roles in the companies they join. In today's talent market, companies need to consider fair equity for all of their workers to create an environment that will attract top talent and keep their contractors engaged and happy. This starts with understanding the challenges contractors face and working to make their experience easier.

When and how to extend benefits to contract workers

Sometimes you only need contractors for short-term projects. In these cases, benefits may not provide many advantages to either employee or employer. Providing benefits to contractors does pose logistical challenges, so it's going to be an investment of your time and resources.



For contractors who are involved in long-term projects, though, whether that's six months or a year, offering benefits can help them feel like they're a valued member of your team.

"Benefits for contractors is challenging because contractors require individual plans instead of being part of group plans, so it's very difficult to administer," explains Bruce Gilbert. "That said, providing access to benefits is very important to many companies' benefits strategies today. It should be a consideration for anyone planning on building a global workforce with contractors."

However, there are possible compliance risks when offering benefits to contractors, namely misclassification. Misclassification is when a worker who should be legally classified as an employee is instead working as a contractor. Understanding what is permissible or not in the country your workers reside in is a key component to ensuring compliance. You need people in your organization who understand the distinction between an employee and a contractor and the risks you may run, as the impact of misclassification can be financially devastating to companies.

So how can you structure benefits for contractors without risking misclassification?

When you cannot offer certain benefits to contractors without blurring the line between employee and contractor (which is often the case), you can instead choose to build part of the cost of these benefits into contractors' compensation. Then you can offer an easy and intuitive way for them to purchase the benefits that best suit their needs.

At Remote, we're working on a benefits marketplace for contractors that will allow them to find and sign up for all the benefits that would meet their needs. As an employer, it's all about creating access.

What benefits to offer contractors

Contractors tend to prefer benefits that elevate their well-being and improve their work-life balance. These include:



PTO and parental leave

Needing time off for personal matters, growing a family, and engaging in self-care doesn't end because someone is a contract worker.

If you have long-term contractors on your team, consider offering them some paid time off and parental leave. A global leave policy is a simple way to create fair equity and a culture of belonging across all the workers in your organization, regardless of how they are taxed.



Home office and continued learning budget

When workers are comfortable in their office space, they are more efficient and productive. Additionally, when you invest in your contractors to help them learn new skills, they bring that new knowledge to their work and enrich your organization. These benefits will build greater trust and loyalty with the long-term contractors on your team.



Stock options

Stock options are a great way to keep all your workers motivated and engaged at work long-term. If you're offering stock options to your employees, consider offering stock options to your contractors as well.

Remote has extensive experience in international equity offerings. Contact us today for an [equity incentive planning consultation!](#)



Benefits done for you with Remote

We know that global benefits are essential for a thriving global workforce and are a driving force behind successful recruitment and retention. Now that you understand the challenges and compliance risks associated with a global benefits rollout, it's easy to see why in many cases it makes sense to work with an employer of record (EOR) like Remote for global hiring and benefits.

As complex as everything in this guide may seem, Remote can handle all of the hard parts related to global benefits for you and your team. The benefits we help our customers offer to their employees are not additional costs — they are what local talent will expect of you as you expand to new markets. Remote never charges additional fees for any specific benefits.

Through Remote's global employment solution, your team is employed by our local legal entities in each country. We handle compliance and the entire local employment process from end to end, including payroll and benefits, so you can simply focus on growing your business.

Why working with an EOR like Remote is the easy way to hire great global talent:

O1

Time and speed.

Setting up your own entity, bank accounts, registering your business, and building out benefits and HR in a new country involves a lot of resources, time, and expertise. If you do it yourself, it may take 6-12 months before you can even do business. When working with an EOR like Remote, you gain a partner with the local expertise you need to set up your employees immediately and match them with locally relevant benefits, in addition to having the compliance and regulatory backing your business needs.

02

Fewer risks for small or growing teams.

As we know, getting compliance right can be complicated and comes with many associated risks. But there are other financial risks that come with setting up benefits plans for small teams! If you set up benefits for one individual in one country and there's a car accident or illness that results in a loss greater than the paid premium for that individual, your rate may double or even quadruple the following year. Insurers may not be interested in dealing with that risk, either. With a higher headcount through Remote, we can deal with a large loss without it impacting our premium structure significantly.

03

Benefits are a numbers game.

If you want to hire one employee in Switzerland, it will be very difficult to set up benefits for that individual because brokers won't deal with you. The revenue generated from one person is insignificant and there is no economic reason for them to assist you. As an EOR like Remote, if you have 100 people, you'll have no trouble dealing with brokers. It's then easy and simple to put a benefits program in place that is market-specific and meets the needs of the workers there.

"This is difficult work!" explains J Michael McMillan. **"Our job at Remote is to make the complex very simple.** We also like to make sure that our clients understand just how complex this is. EORs offer an entity that can walk hand-in-hand with you as you navigate what it means to employ people in a new country. With Remote, in particular, customers often find that we can create a better experience for their people than they would be able to do as a company newly entering a country on their own."

Whether you are hiring one employee in another country or onboarding thousands of workers all over the world, Remote can help!

SIGN UP

**or contact us today to start offering the best
benefits to offer your global team!**





© 2022 Remote Technology, Inc.