International Hiring

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Foreign Compliance Requirements

1. Independent Contractors versus Employees
2. Teleworking abroad due to COVID-19 versus designated foreign appointments
3. In-country tax and labor laws
4. Local payroll requirements for employee and Princeton
5. Penalties for noncompliance abroad
   a) Financial
   b) Criminal
International Hiring Options

- Paid directly from University
- In-Country Partners
- Employed via a foreign PEO (Preferred Employer Organization)
- Princeton in-country entities
- Country-specific alternatives
- Princeton Shadow Payroll

Each individual employee circumstance will determine the most appropriate international hiring option.
PEO’s – In-country third-party employers

1. Positives
   1. Ensures local compliance
   2. Removes in-country compliance burdens from Princeton, while PEO manages employment and payroll
   3. Country-specific benefits offerings
   4. University still maintains control over employee’s day-to-day activities

2. Negatives
   1. Costs
   2. Longer set-up time
   3. Administratively more burdensome in certain ways
## Appendix: Independent Contractor vs. Employee

<table>
<thead>
<tr>
<th>Ind. Contractor</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specified payment for a specified result</td>
<td>Typically one employer. Employee works solely for University</td>
</tr>
<tr>
<td>Independently established profession or business <em>(offers similar service to others)</em></td>
<td>University provides tools, equipment, and training for employee’s role</td>
</tr>
<tr>
<td>Provides service outside University’s usual course of business <em>(teaching or research)</em></td>
<td>Performs services within University’s usual course of business <em>(teaching or research)</em></td>
</tr>
<tr>
<td>Provides services through a written contract and is free from University control or direction</td>
<td>Provides services under direction of University’s control</td>
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</tbody>
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