

Hiring Workers Outside of the United States

Overview

The **Mauve Group** and its U.S. entity **Coral Sunset** (“Mauve”) provides Employer of Record services for Northwestern University in any country where Northwestern does not have a local entity. With the exception of the NU-Q campus, any employee engaged to perform work outside of the United States must be processed and hired via Mauve. Mauve will employ the individual on behalf of Northwestern and is responsible for ensuring compliance with worker classification rules, local employment and tax law, and other legal matters applicable in the foreign jurisdiction(s).

When hiring an employee, Mauve owns the employment contract with the individual, though Northwestern provides input on the terms of that contract. Northwestern Human Resources enters into an agreement with Mauve to engage the services of that individual, and the Northwestern hiring department maintains day-to-day oversight of the employee and their work.

Requirements

Hiring a worker outside of the U.S. is only allowable when:

- the work is considered exempt-level work and either cannot be performed in the U.S., or the expertise/skillset cannot be found in the U.S.,
- all work will be performed overseas (this may not be used to bridge the gap in visa status for an individual intended to work in the U.S.),
- work has not begun, and will not begin, until a final agreement is signed with Mauve (retroactive payments are not allowed),
- the duration of work is at least three months, but no longer than one year (with the possibility of annual renewal), and
- the employee is not expected to travel to the U.S. for business.

The individual that is hired for work outside of the U.S.:

- must hold at least a bachelor’s degree or an equivalent degree in the foreign jurisdiction,
- must reside in the designated country for the entire duration of the employment contract,
- must have the appropriate authorization to work within the designated country, and
- *cannot* be a United States citizen or tax resident, even for a short period of time.

Important! No written or verbal offer or commitment may be presented to any individual until the initial proposal with Mauve is drafted. Doing so will invalidate any existing Mauve contract and will disqualify the individual from engaging in any new contract with Mauve.

Preparing to Hire an International Employee

When a need is identified for work to be performed overseas, preparation with the Office of Human Resources should begin immediately. Depending on the target country, the negotiation and hiring process may take several months, and no work may be performed during that time.

To begin, contact Leslie Johnson (Payroll Manager) and/or Chris Tondini (Director, HR Operations).

- Initial discussions may begin even if a final candidate is not been identified. The country-specific research and draft agreement will be independent of the employee and may provide additional information relevant to any negotiation (e.g. wage laws, benefits requirements, etc.).
- The hiring department must secure a funding commitment up-front (see “Funding Considerations” below).
- Mauve requires at least one month’s advance notice to execute an agreement *after* all terms have been approved.
- Mauve ultimately holds the right to refuse any work proposal, contract terms, or individual employee on any grounds. Mauve reserves the right to terminate the agreement if terms are violated by Northwestern University, the hiring department/school, or the employee.

Funding Considerations

- Departments will fund the full cost of the arrangement for the entire length of the contract, including required or requested benefits, approved expenses, exchange rate variances, and Mauve fees. All applicable fees will be defined in the final agreement.
- Departments must obtain authorization from ASRSP if any portion of the employee’s pay will be charged against a sponsored account. This approval must indicate understanding that the pay will be provided to an employee of a separate entity (The Mauve Group or Coral Sunset).
- No funds from the fringe pool may be used to cover any portion of the agreement, including local benefits or other related expenses. The department will not be charged the fringe rate on payment for the employee’s salary.
- Upon signing the contract, a Mauve set-up fee and two full months of salary are due. The two months’ salary will be held in escrow by Mauve for the duration of the arrangement; it will be applied to the final two months of the contract or refunded back to the department at the conclusion of the agreement.
- The department will be charged each month for the prior month’s salary and fees. Human Resources will pay Mauve directly and will journal the fee to the department’s provided account.
- Unless the terms of the contract change, the department *will not* receive a monthly bill or statement.

Other Considerations

- Non-U.S. employees working overseas do *not* need to complete Northwestern's I-9 process and do not need a U.S. visa or employment eligibility documents. However, the individual must satisfy all eligibility requirements for the country in which they are working. For an additional fee, Mauve can provide assistance with local immigration processes.
- Individuals hired to work overseas do *not* receive Northwestern benefits including health plans, retirement contributions or tuition assistance, and do not accrue service time for Northwestern. During the contract review process, departments will have the ability to evaluate options for local benefit plans at an additional cost, including any that may be similar to Northwestern's U.S.-based plans. Certain minimum benefits may be required by the local jurisdiction.
- Because the employee is contacted with Mauve in a foreign jurisdiction, certain employment transactions typically allowed for Northwestern's U.S.-based employees may not be applicable or may require additional review. The hiring department must notify HR immediately when any change in employment terms is desired (e.g. pay rate, FTE, appointment end date, job responsibilities, etc.). No changes may be proposed to the individual until HR has approved.

Initiating an International Hire

Once you are prepared to engage an individual overseas, the process will progress as follows:

1. The Department contacts Human Resources (Payroll Manager or Director of HR Operations) with initial information (target country, type of work, etc.). *This should begin at least two months before the anticipated start date and may begin before the final candidate is identified.*
2. HR provides a generic pricing range so the Department can evaluate its desire to proceed.
3. The Department submits an International Hire Intake Form to HR to initiate a formal request.
4. The Department contacts the Office of Export Controls and International Compliance *and* Northwestern IT's Information Security Office to assess any import/export controls or data retrieval/transmission/storage restrictions applicable to the foreign jurisdiction.
5. HR provides the Department with a detailed analysis including local employment requirements (e.g. minimum wage, minimum term length), additional options (e.g. expense reimbursements, benefits), and other legal considerations (e.g. local termination processes, travel policies).
6. The Department and HR finalize details of the anticipated employment agreement, and HR presents the information to Mauve for final review.
7. HR provides the Department with a copy of the Mauve-generated employment contract.
8. If all parties agree, HR signs the agreement with Mauve, and Mauve presents the official employment contract to the employee.
9. HR notifies the Department when the employee has signed the contract with Mauve, and payment of the initial setup fee and two months' salary is due immediately.

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