



UNITED STATES

Hire international talent in  
**United States**



EMERALDTECHNOLOGY



# Employment details in the United States

To start growing your team in the United States, you must establish a local entity, including an account with a local bank, a local office and an address registered as a subsidiary. This allows you to manage payroll, tax, benefits and compliance for your employees, but can take several months.

Emerald Technology can hire and payroll your workers, quickly and compliantly with their ready to go entity. So no more worrying about compliantly managing your international payroll. We handle everything in over 150 countries.

Make growing your team simple with Emerald as a global partner.



**Currency**  
Dollar (USD)



**Employer Costs**  
Estimated 11.08% -  
16.85% of employee's  
salary



**Onboarding**  
5 days with Emerald  
Technology



**Payroll Cycle**  
Monthly



# Employer Costs

| Cost                             | Rate           |
|----------------------------------|----------------|
| FICA Social Security             | 6.20%          |
| FICA Medicare                    | 1.45%          |
| FUTA Unemployment Tax Act        | 0.60% - 6%     |
| Unemployment Insurance State     | 0.01% - 20.06% |
| New Unemployment Insurance State | 0.1% -5.40%    |
| Disability                       | 0.10% - 0.75%  |

# Benefits

**Mandatory**

US employers are required to offer the following benefits to all full-time employees:

- Social Security
- Unemployment Insurance
- Health Insurance
- Medicare
- Worker's compensation
- Medical and family leave

**Additional**

Some employers like to offer additional benefits to improve employee retention and satisfaction.

- Hybrid Working
- Discounts
- Life Insurance



# Employment

## Contract

There is no legal requirement for a contract in the US, however it is best practice to provide a contract in writing to state the terms of employment.

- Employer details
- Start Date and Expected End Date
- Job Title
- Job Description
- Overtime
- Timesheet submittal method
- Salary
- Work Location
- Holiday entitlement
- Benefits

## Probation Period

Probation periods in the US are not statutory but are recommended as an opportunity for both the employer and employee to evaluate the suitability of the arrangement. A typical probation period in the US is 3-6 months and can be extended.

**Emerald Technology can create a compliant contract in the US in 48 hours.**



# Insurance

## Healthcare

Employers are not required to provide health insurance as a benefit to employees until they reach 50 full time employees. Once they have hit this number, they can be penalised under the Affordable Care Act for failing to provide policies. The ACA has also introduced tax credits for small businesses to assist with the cost of health insurance.

## Social Security

Every employee and employer in the US must pay social security contributions. It is the employer's responsibility to make the relevant deductions from an employee's salary. The contribution rate is 6.2% regardless of the employee's earnings, capped at \$147,000 per annum. The same contribution rate applies to both employees and employers.

# Leave Policy

## Parental Leave

The U.S is one of the only countries in the world that does not require paid maternity or paternity leave by law. However, although paid parental leave is not required at the federal level in the U.S, a few states do mandate paid parental leave.

Under the Family and Medical Leave Act (FMLA) some employees are entitled to up to 12 weeks of unpaid maternity leave. This is on the basis that the employer has at least 50 employees within a 75-mile radius, and that the employee has worked at least 1,250 hours over the past 12 months. Some companies do offer paid parental leave to be competitive and be a desirable place to work.

## Sickness Leave

Employers are not required to offer sick leave to their employees. If an employee does need to take time off due to illness, under the Family and Medical Leave Act (FMLA), some employees are entitled to up to 12 weeks unpaid sick leave. Sickness leave is one of the more common benefits within the US that employers do offer.

# Onboarding

## Details

As the legal employer, Emerald Technology requires the following employee documents to ensure complete compliance:

- Passport / ID (in line with I-9 work authorisation acceptable documents)
- W-4 and local tax forms

**Emerald Technology can onboard employees in the US within 5 days.**



# Resignation and Dismissal

## Details

Many employees in the US, with the exception of those in the state of Montana, are employed 'at will' meaning both the employee and employer can terminate the employment relationship at any time. If a written contract of employment is provided, most employers will state any required notice periods for both parties.

The employment contracts of management, senior executives, and highly skilled workers will often include a 'just cause' termination clause, meaning the employee may only be terminated on specific permitted grounds.

In mass dismissal cases, the Worker Adjustment and Retraining Notification (WARN) will need to be followed. The WARN Act has various criteria depending on the number of employees and the reason for the mass layoff of employees.

## Severance

There is no legal requirement for employers to provide terminated employees severance payments. However, this can be negotiated when the employee is first hired.

# Statutory Time Off

## Annual Leave

Annual leave is not a legal requirement in the United States. However, most employers will offer paid annual leave to employees. This is typically 10 days, but can vary.

## Public Holidays

There are 10 public holidays in the US, however, this can vary according to the state the employee is located in. It is at the employers discretion if an employee is paid for public holidays.

- New Years Day
- Martin Luther King's Birthday
- Washington Birthday
- Memorial Day
- Juneteenth National Independence Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans' Day
- Thanksgiving
- Christmas Day

# Work, Pay and Taxes

## Minimum Wage

The federal minimum wage is \$7.25 per hour (USD). Some states or cities may set this rate higher than the federal minimum wage.

## Working Time and Overtime

The standard working week is 40 hours per week. However, there is a substantial variation amongst industries and jobs. Under the Fair Labour Standards Act (FLSA), non-exempt employees who work more than 40 hours per week are entitled to one and a half times their standard salary rate.

Employees that are exempt are not entitled to overtime payment. Typical jobs that are exempt are; managerial or executive positions, administrative positions, creative jobs and professional positions.

## Salary Payments

Most states in the US require employees to be paid fortnightly. However, some do allow monthly payments, whilst others require weekly.

## Bonus

Employers are not required to provide employees a bonus. Any bonuses offered are at the employer's discretion.

## Income Tax

The U.S tax year runs from January to December. It is the employer's responsibility to ensure taxes are paid from salaries before payments are made to employees. There are state taxes to pay which vary in each state as well as federal tax. Federal tax varies depending on the employee's personal situation, such as if they are single, married or jointly filing with a partner, or if they are head of their household.

The below figures are based in a single employee with no dependants.



| Salary            | Tax Percentage |
|-------------------|----------------|
| Up to 9,950       | 10%            |
| 9,951 - 40,525    | 12%            |
| 40,526 - 86,375   | 22%            |
| 86,376 - 164,925  | 24%            |
| 164,926 - 209,425 | 32%            |
| 209,456 - 523,600 | 35%            |
| 523,601+          | 37%            |

## Discover how Emerald Technology can grow your international workforce risk-free.

Emerald is a global expansion partner, supporting B2B tech companies hire, onboard and payroll remotely across 150 countries. Handling local payroll, taxes, benefits and compliance in every region you want to expand your workforce.

**Book a free consultation with our experts today, [click here](#).**

