

Hiring Workers Outside of the United States – Employer of Record Services

Overview

Currently, the **Mauve Group** and its U.S. entity **Coral Sunset** (“Mauve”) provide Employer of Record services for Northwestern University in countries where Northwestern does not have a local entity. With few exceptions to be approved by HR and the Office of the Provost, any individual engaged to perform work as an employee outside of the United States must be processed and hired via Mauve.¹ 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 requirements applicable in the foreign jurisdiction(s).

When hiring an individual, Mauve owns the employment contract with the individual, though Northwestern provides input on the terms of that contract. The Office of the Provost assists in the process of engaging Mauve to hire the individual, and the Northwestern hiring department maintains day-to-day oversight of the individual 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,² but no longer than one year (with the possibility of annual renewal), and
- the individual 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,
- 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

¹ Exceptions may be possible if the unit/department engages with a local university or entity; however, these agreements must be fully vetted by the unit/department and the Office of the Provost to ensure local employment regulations are met.

² If the contract is less than three months or over one year, Mauve will review on a case-by-case basis. Please reach out to the Office of the Provost for assistance.

Northwestern

- *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

Please review Northwestern's [Employee vs. Independent Contractor](#) website. This website provides information on whether an individual is to be classified as an independent contractor or employee. Mauve is used when the Human Resources' determination for an overseas assignment is for an employee.

Please submit an [OnBase Worker Classification](#) request to Human Resources before contacting the Office of the Provost. The website notes if the result of the assessment is unclear, the individual will need to be hired and paid as an employee to ensure tax compliance.

When a need is identified for work to be performed by an employee overseas, preparation with the Office of the Provost 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 Kirchler-Owen (Director of Administration and Facilities) and Madison Pintér (Administrative Assistant, Administration and Finance).

- Initial discussions may begin even if a final candidate has 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 (including 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, but not limited to, 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 [one of its sub-contractors/local partners] 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 proposal, 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 set-up fee accounts for Mauve's assistance in contacting the employee, setting up the contract, and addressing questions.
- The department will be charged each month for the prior month's salary and fees. The Office of the Provost will coordinate all invoices and process via a department provided chartstring.
 - The department will receive a copy of the invoice in order to review its accuracy.
 - Any amendment to a contract must be initiated by the Office of the Provost. This may result in additional fees that will be passed along to the department.

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 U.S. 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.³
- Individuals hired to work overseas do *not* receive Northwestern benefits including, but not limited to, 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 contracted with Mauve in a foreign jurisdiction, certain employment-related transactions typically allowed for Northwestern's U.S.-based employees may not be applicable or may require additional review. The hiring

³ Please note, Mauve may not be able to accommodate all employment scenarios. It is important to provide sufficient time in case an alternate solution is needed.

department must notify the Office of the Provost 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 the Office of the Provost has approved.

Initiating an International Hire

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

1. Provide information on the classification from the Human Resources OnBase Worker Classification form (see above).
2. The department contacts the Office of the Provost 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.*
 - a. The department submits information via the [Office of the Provost form](#) to initiate the request.
 - i. If available, please include a short job description. Without this information, Mauve may not be able to proceed.
3. The Office of the Provost provides a pricing range from Mauve so the department can evaluate its desire to proceed.
 - a. A background check will be needed if the individual is new to Northwestern and a check is allowable by the local jurisdiction. This will result in an additional one-time fee.
4. The department reviews requirements from the [Office of Export Controls and International Compliance](#), [Research Security Program](#), and [Northwestern IT's Information Security Office](#) for applicable export controls or data retrieval/transmission/storage requirements for the foreign jurisdiction.
 - a. The department is responsible for adhering to the requirements noted by the Office of Export Controls and International Compliance, Research Security Program, and the Information Security Office. **The department (and/or investigator) is responsible for compliance.**
 - b. If needed, the Office of the Provost will help facilitate conversations with the above office(s).
 - c. Upon receipt of an individual candidate's name and resume/CV – a [restricted party screening](#) will be run. The Office of the Provost will assist with this screening.
5. If the pricing range from Mauve is acceptable to the department, the Office of the Provost will request a more detailed analysis including local employment requirements (e.g., minimum wage, minimum term length, severance pay, benefits), additional options (e.g.,

expense reimbursements), and other legal considerations (e.g., local termination processes, travel policies).

6. Mauve will provide a target-specific proposal containing costs for setup and anticipated monthly payments; depending on the country, additional information also will be included.
 - a. If the proposal is acceptable, the department's authorized signatory will sign the proposal.
 - b. The Office of the Provost will return the proposal to Mauve – this allows Mauve to begin contacting potential employees and developing the statement of work.
 - c. Payment of the initial, non-refundable setup fee and two months' salary is due immediately.
 - i. Please note, payment of the setup fee does not indicate that a hire will be successful, as the individual employee must also agree to the terms of the employment contract (see Step 6 below). However, this is the first financial commitment for the department.
7. The Office of the Provost receives a statement of work (SOW) and a copy of the potential employee contract for reference.
 - a. The department reviews the SOW, which contains details of the anticipated employment agreement, and confirms the information provided.
 - b. If the SOW is acceptable, the department's authorized signatory signs the SOW.
 - c. The employee contract is between the individual and Mauve and does not require a university signature.
 - i. Mauve utilizes sub-contractors/local partners for some locations; the employee contract may be issued by one of these entities.
8. If all parties agree to the SOW, Mauve (or its sub-contractor/local partner) presents the official employment contract to the employee.
9. The Office of the Provost notifies the department when the employee has signed the contract with Mauve (or its sub-contractors/local partners).
 - a. If the employee does not sign the contract and the agreement does not proceed, Mauve will assess any remaining fees and within 70 days will provide a refund to Northwestern. The setup fee will not be refunded.
10. Invoices will be issued on a monthly basis.
 - a. The Office of the Provost will coordinate receipt of the invoices and disseminate to the department(s) for review.
 - b. If there are no questions or concerns with the invoice, the Office of the Provost will request a chartstring and account code for payment.

11. As each employment situation is unique, the Office of the Provost will work with Mauve and the department upon completion of the contract term.

updated 2/06/2025