



BOUNDLESS

THE ULTIMATE GUIDE TO EMPLOYER OF RECORD

How to choose *the right EOR partner* for your business

What to expect *from this ebook*

In this guide, we'll explore everything you need to know about Employers of Record (EORs)—from the various model structures to common misconceptions.

Our goal is to offer you the clearest, most step-by-step framework on the market for choosing the right EOR for your specific needs.

If this eBook seems more detailed than you expected, that's intentional. Selecting an EOR is a complex decision that requires careful consideration of the intricacies of global employment.

We aim to provide you with a deep understanding so you can make the best choice for your organisation.

By the time you reach the final chapter, you'll have gained clarity on the optimal path forward to turn your global hiring plans into reality. You'll be equipped to find an EOR solution tailored to your unique requirements.

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The rise of global employment (*and its challenges*)

The geographic boundaries that once confined ambitious companies to recruiting talent locally have faded. Thanks to the rise of remote work and advancing technology, companies can now access exceptional talent across borders. However, this broader level of access has also introduced new challenges and complexities that need to be overcome.



Building an international team involves navigating complex legal, HR, payroll, financial, and operational requirements across multiple countries – and that's no easy feat.

Employer of Record (EOR) solutions exist to navigate these complexities, helping guide companies through the employment lifecycle while **removing the need to set up local entities**.

This allows companies to compliantly employ talent across borders with an experienced partner supporting and advising them every step of the way.

The challenges of global employment

Building an international team that crosses borders and cultures requires a thoughtful and considerate approach. Success depends on truly understanding the legal, governmental, and cultural considerations of employing globally.

Without this comprehensive insight, you risk choosing short-term fixes rather than developing compliant structures tailored for effective cross-border hiring.

Staying up-to-date with local employment laws

Every country has its unique employment laws shaped by local values, politics, and history. As a global employer, you need to ensure full compliance across your distributed workforce by understanding these laws and staying informed as they change over time. Regional differences in employment laws include:

Contracts

The mandatory structure and provisions required for compliant local employment contracts. For example, the contract's language will need to be in the local language and include translations. Specific wording might be required for certain provisions to ensure legal enforceability.

Leave, benefits, and contributions

Employees are entitled to various forms of leave, benefits, and social contributions from their employers. These include social security and healthcare access, paid time off for holidays and sick days, workplace protections, and other benefits. The specific packages available to employees can vary quite a bit between countries. For example, French law mandates that workers receive 30 paid vacation days yearly. On the other hand, there is no US federal law requiring private sector employers to provide paid holidays or vacation time.

Terminations

The procedures and notice periods for terminating employees can vary significantly across different countries. While the United States has "at-will employment" laws that give employers a lot of flexibility, many European countries have much stricter regulations that employers must adhere to. Even within the European Union, the specific protocols for ending someone's employment differ from country to country.

Worker classification

Correctly classifying workers across locations can be one of the most challenging things to get right. Independent contractors, freelancers, and other non-full-time employees are regulated differently across borders. Remaining compliant requires understanding variations in labour rules and employment statuses country-by-country. Many companies find themselves accidentally (or sometimes willingly) misclassifying full-time employees as independent contractors, resulting in substantial fines.

A notable case of worker misclassification includes both Uber and Lyft, which recently agreed to pay a **\$175 million settlement** fee in a landmark misclassification case in the US. However, these cases are not reserved for only large companies, proven by a case in Australia, where a much smaller company was fined **\$197,000 (AUD)** for misclassifying the status of three workers.

Payroll complexities

The workload of running multi-country payroll can grow exponentially as you expand into more territories, with varying systems, languages, currencies, and payroll cycles complicating matters. Even basic requirements like pay frequency and payment methods vary wildly between countries.

What may be straightforward in your headquarters' country can transform into a compliance difficulty in another. For example, while your home country may only require annual tax reporting, if you have employees in the UK, you'll need to report payroll to HMRC (Her Majesty's Revenue and Customs) monthly. This real-time tax reporting is mandated under UK law.

Creating payslips also differs across geographies. While some countries have relatively few requirements, others like France mandate extensive detail on each payslip.

The highly regulated French payslips must provide a breakdown of all deductions, contributions, and corresponding rates so employees can clearly understand how their net pay was calculated. Without localised expertise, international payroll can easily spiral into missed deadlines and frustrated team members.

The challenges of outsourced payroll

You will have to make some difficult decisions regarding payroll operations. For example, should you outsource payroll functions, and if so, should you use one global provider or local providers in each country? Using a single global provider may reduce overhead but will also probably lower quality.

Choosing local providers in each country could improve quality but require more effort to manage multiple vendors. You'll need to weigh the pros and cons of centralisation against localisation when deciding on the best payroll approach across borders.

Tax compliance

Each country has a unique set of regulations around income tax, social security, payroll taxes, etc.

Understanding local tax systems

As an employer, the tax rate you pay on top of an employee's gross salary can range from 1% to nearly 50%, depending on the country. The differences in what employees pay are even more dramatic – both for income tax and social security contributions.

While the United States has a progressive federal income tax system, some countries like the UAE do not levy any personal income tax at all. Most other nations fall somewhere between these two cases. To comply with local laws as a global employer, you'll need a solid understanding of the specific tax policies in each country where you have staff. The taxes that both employer and employee pay in different countries can significantly vary. Just as an example, if an employer is paying out a €60,000 salary, the added employer cost for it in Lithuania would be €1,074, while in France, it would be €28,618 on top of the gross salary.

Withholding and reporting

Employers typically withhold income tax and social security from pay, then report to local authorities. However, the exact processes differ significantly between countries, from deadlines to documents required.

If you want to dive deeper into employment taxes and costs, we have a separate ebook downloadable [here](#).



Building benefits packages

Putting together competitive benefits packages that attract and retain talent across different geographies is another challenging aspect of global employment HR and People Ops professionals need to stay on top of. That starts by understanding what employees in each market have come to expect from employers.

As mentioned earlier, every country has some non-negotiable baseline benefits, including healthcare, insurance, pensions, and paid time off. However, topping those off with a set of additional benefits will also need to come into play. Additional benefits that are expected across borders may include things like bonus pay and additional time off.

And then there are the benefits that are highly anticipated locally – health insurance in Ireland and South Africa, bike to work scheme in the UK, lunch vouchers in Portugal, and many more. None of these are required – but they can make a big difference in whether people feel valued and are attracted to work for a company.

If you're a business hiring globally, you've got to research what perks matter most in your different markets, offer those locally but also think how people in different jurisdictions will feel if they are given different benefits. Once you figure out the right benefits, you will have to select and manage local benefit providers. Managing benefits alone can quickly become a big overhead to manage.

Establishing an entity or registering as an employer

To hire employees compliantly in a foreign country, you'll typically need to establish some type of registered in-country presence, either by setting up a local legal entity or registering as an employer (with a foreign entity). Within the EU, registering as a local employer with a foreign entity might suffice, but you will need to check the legislation in each individual jurisdiction.

However, depending on the role and its activities, there's a risk of triggering a taxable presence in that country known as a "permanent establishment." This means that if the role generates revenue, such as a sales position, or creates a significant and ongoing presence in the foreign country, you could face additional tax obligations and compliance requirements.

The criteria that constitute a permanent establishment differs by country, so companies should consult local tax experts to assess permanent establishment risk based on their specific international activities and structure. These professionals can provide guidance on tax obligations and risk mitigation strategies.

Understanding the *Employer of Record* model

At this point, you probably recognise the benefits of getting help with all of the above when hiring employees in foreign countries. So let's clarify what exactly an Employer of Record is, how it helps you to stay on top of all those challenging aspects of global employment, the different types of EOR models out there, how providers differ, and clear up some common misconceptions.



What is an EOR?

An Employer of Record (EOR) is an organisation that legally functions as an employer to staff working in jurisdictions where your company does not have an established legal entity*.

By entering into an agreement with an EOR, they essentially take over all localised employer duties and obligations for your employees in that foreign location.

Specifically, the EOR becomes the official and legal employer on record for tax and employment purposes, managing in-country administrative tasks.

* In most cases, working with an EOR eliminates the need to establish an entity for employment purposes. However, there are instances where this may still be necessary. Having staff based in a country may constitute a taxable presence or lead to permanent establishment risk if they generate revenue locally. High-quality EORs can help detect these risks and, if so, work alongside local tax professionals and your in-house corporate tax teams to mitigate them. When in doubt, consult local tax experts, as EORs might not provide that guidance.

HR and legal compliance

The EOR ensures compliance with local employment laws and regulations, including drafting compliant employment contracts, employee onboarding and offboarding, and handling any employee relations issues.

Payroll and tax compliance

The EOR ensures accurate and timely payroll processing, including calculating and withholding taxes, social security contributions, and other statutory deductions. They also handle tax filings and reporting to local authorities.

Benefits administration

The EOR provides and manages employee benefits, including health insurance, retirement plans, and other mandated benefits, ensuring compliance with local regulations and employee expectations.

How EORs work: a technical overview

Now that you grasp the basics of what an EOR is, it's valuable to explore the technical details of how EORs function. Understanding the processes and arrangements that enable EOR services is vital for choosing the right partner tailored to your organisation's hiring priorities.

Tripartite agreements

In its purest form, the EOR model typically involves a **tripartite contractual agreement** between the company, the EOR, and an employee. This is viable when staff leasing is unregulated and there are no restrictions imposed. These tripartite EOR arrangements work as follows:

- The company maintains a direct relationship with the employee, allocating them work tasks, and managing their performance.
- As the one responsible for legal employment, the EOR takes care of the operational side of things such as payroll, taxes, benefits, etc., ensuring the employee and the client are compliant with all legal regulations when it comes to employment.
- The third party to the agreement, the employee, fulfils all of their obligations as a worker for the company.

In countries where the EOR model is permitted, such as Canada, Denmark, Ireland, the Netherlands, New Zealand, the UK and others, you should always be offered a tripartite agreement outlining the responsibilities of all parties. This type of agreement helps your overseas employee feel more connected to you as the employer. With all parties named in one contract, the employment conditions and expectations are clearly defined.

Temp agencies and licensing

However, tripartite EOR models are not always viable due to varying country laws and regulations. In these cases, the contracting structure is drafted differently to ensure compliance, which includes how the EOR itself is structured. In a lot of countries, they may need to hold a special temp agency licence.

Generally speaking, this means there will be two separate (two-way contracts) drafted and signed:

- The EOR establishes a service agreement with the company to provide its services
- The EOR establishes an employment agreement with the employee

Within these contracts, agreements will be made about the various employer and employee responsibilities, as well as the level of service that the EOR should provide to the company.

EOR restrictions

It is important to note that each country may impose its own restrictions and limitations on staff leasing, such as the duration of the lease, as well as restrictions on job roles and responsibilities. Here are some examples:



NORWAY

Employment through an EOR in Norway is only allowed for time-bound project work, with a maximum term of three years. This can be extended if the project goals were not reached or were expanded.



GERMANY

An EOR in Germany needs to have an AUG licence and can only employ a worker on behalf of a company for a limited period of 18 months.



FRANCE

An EOR in France is done through **Portage Salarial**, a structure that allows a non-French company to employ a French resident worker. Employment contracts under this program have a 36-month limitation.

There are more examples of limitations that exist, so it is important to keep in mind that the EOR model isn't a blanket way of employing people. Exploring your EOR options with your eyes wide open so you can select the arrangement that is above board with the law is key.

EORs are prohibited in some countries

This becomes particularly important in the countries where the EOR model, as a way to manage outsourced employment, is prohibited. In countries where this is the case, such as Spain, there are no existing compliant solutions that can be used to employ people without a company having its own entity.

In that case, you may be wondering how other EORs are able to offer employment in Spain. The answer often is that workarounds that do not fully comply with Spanish regulations are used, which carries legal risk for companies availing of those workarounds.

A common workaround is assigning employees to client companies as consultants rather than employees. However, **this classification often does not accurately reflect the actual working relationship and activities performed and is therefore not compliant**.

In a consulting arrangement, the client company should not be giving instructions, managing performance, or doing any of the typical employer-employee interactions. Instead, the consultant should be providing expert advice and services independently, with minimal supervision or control.

However, in many cases, these "consultants" are essentially performing the same duties as regular employees, working full-time on the client's premises, following the client's instructions, and being managed by the client's supervisors.

Not only does this create legal risk, but it can also create ethical concerns as these arrangements can negatively impact employee protections if disputes were to arise.

We believe it is critical to adhere both to the letter and spirit of local labour laws. This is why we have decided that we will not offer EOR services in Spain.

What's the difference between EOR providers?

While we've covered both the fundamentals and technicals of how EORs function, the on-the-ground reality may not always match expectations. Since the EOR industry lacks regulation, service quality varies drastically between providers.

To find the right partner, you need to understand what makes EORs different. What makes one provider better than another? What are the factors that influence compliance between vendors? What does good customer service even look like? With this in mind, here are some key differentiators that you need to be aware of as you begin your decision-making process.

Owned infrastructure

Top-tier EORs invest in building owned infrastructure in every country they serve, rather than white-labelling third-party services. This means establishing local entities, securing licensing, partnering with local lawyers, and developing in-house capabilities. Having in-country HR professionals means help is only a phone call away.

Why does this on-the-ground presence matter? Because it enables the EOR to maintain full control and oversight over every aspect of the employment experience. With centralised, proprietary systems and teams, EORs with owned infrastructure can deliver responsive, transparent service without relying on external parties.

In contrast, EORs that utilise third-party partnerships instead of owning infrastructure often struggle with service gaps and inconsistent experiences. They cannot directly resolve issues or answer client questions because so much happens behind the scenes through an additional intermediary. Sometimes, there may be many layers of additional service providers, making it nearly impossible to get answers to queries.

EORs with locally trained employees have deeper knowledge that only comes from direct involvement in compliant employment practices. By cutting out the middleman, the EOR also cuts out potential blind spots, bottlenecks, and risks.



Country support

Another way EORs differ is by the countries they support employment in. That could be anywhere from specialising in just one country, all the way to 185+. However, the number of nations covered can be an ultimately hollow metric.

More does not necessarily mean better for the client, company, or the employee. As we mentioned above, high-country coverage usually means that many third-party arrangements are involved, which may diminish the quality. Aside from that, it is also important to consider how relevant the large country count actually is.

Sustainability over scale

Not all countries have clear cut regulations around staff leasing models. While some EORs are transparent about the challenges that some countries present, others may use questionable workarounds (such as the Spain example above). Reassess whether extremely high country counts actually translate to legitimate, risk-free global employment.

Genuine in-country expertise

Providing compliant global employment services requires intimate knowledge of local employment laws and regulations in each supported country. If an EOR has over 100 potential countries to keep up with, it can be enormously challenging for any one provider to have fully in-house expertise across the board. When vetting partners, be sure to inquire about their on-the-ground capabilities in your specific locations. Localised knowledge, both regulatory and cultural, is key for sustainable, personalised global hiring.

Commitment to compliance

When it comes to legal compliance, EOR providers can differ in their approaches. Some EORs aim to strictly follow employment laws and regulations in every country where they operate. Others may explore more flexible arrangements that do not always align with all aspects of local labour laws. We believe it is critical to adhere both to the letter and spirit of local labour laws.

It is essential for companies to understand an EOR's philosophy and stance on compliance upfront. Transparency about which countries have restrictions and limitations is important. You need to know exactly what EOR model is being used, and what solutions are being implemented if restrictions are in place. This allows customers to find options that meet both their business needs and their comfort level in regard to regulatory alignment.



Technology stacks

EORs utilise technology in different ways when it comes to managing global workforces. Some still depend on spreadsheets and manual processes, while others offer full-scale HR platforms with extensive capabilities.

The sweet spot lies in finding practical solutions tailored to your real-world priorities. For most, this means opting for user-friendly tools that handle the must-haves rather than over-engineered features. Some of the key functionalities to look for include:

- Clear outlines of employer obligations
- Quick access to monthly payroll data
- Accessible dashboard indicating the status of onboarding new hires
- Benefits overview and management
- User-friendly document management
- Regular updates on laws and regulations

Streamlined technology that empowers users with understanding and control is crucial, especially for smaller companies just expanding overseas. Comprehensive dashboards, while appearing enticing, could overwhelm rather than simplify processes.

Customer support availability

As with any industry, there are some providers in the EOR space that are better at customer support than others. Given that you are handing off critical payroll, compliance, and HR functions to the EOR, response time and quality of ongoing support are vital considerations that you will need to keep in mind.

While most EORs offer email and ticketed support, the quality and depth of knowledge varies greatly. As we mentioned, many rely on outsourced third parties and do not own infrastructure. This can diminish expertise.

However, while fast response times are important, you should consider an EOR's track record when it comes to actually **resolving** real compliance challenges, payroll problems, and employee questions. Overcoming the challenges of global employment requires infrastructure and on-the-ground know-how. Vetting these capabilities upfront sets you up for success as you scale abroad.

EXAMPLE KPIs

KPIs

First Time Response	1h 53m
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Waiting Time	1h 16m
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Resulting Time	9h
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Invoicing

While not core to the employment process, invoicing is a key differentiator between EORs. Regardless of how you are paying for their fees (monthly or annually), typically you will have to pay a monthly invoice that covers the gross salaries that the EOR pays out to your employees, as well as any additional employer contributions.

Certain EOR providers will be able to consolidate all payroll expenses within the same invoice, regardless of number of employees, countries, and currencies. Not every EOR offers this, though, and you may receive multiple invoices each month (in some cases, this could be one for each employee). Keeping tabs on multiple invoices will become a challenge for finance and accounting teams as you scale. That is even more so the case if reconciliations need to be made on any of those invoices.

The straightforward approach of consolidated monthly billing wrapped up in a single invoice would be the preferred option if you're looking for simplicity. Whether you onboard one or 100 employees with the EOR, you still get one easy-to-reconcile bill.

Pricing transparency

Pricing can vary greatly amongst EORs. Most EORs offer all-inclusive pricing, typically charging a flat monthly fee per employee, or a percentage of each payroll cycle.

However, some providers may charge for additional services separately. These can often feel like "hidden fees" for customers as they are not communicated upfront as well as they should be.

It's important to closely compare pricing models to grasp the total cost of using an EOR provider. This ensures their fees align with your budget and support your growth plans. Thoroughly reviewing fee structures upfront prevents surprise charges down the road.

TIP

One valuable tip is to ask for a sample invoice for an employee you may have so you can see exactly what it would cost.

Dispelling common EOR misconceptions

As an industry that is not even 20 years old, the EOR space has had its fair share of misconceptions and myths – especially given how complex international employment can be.

Before you jump to choose a provider, let's quickly dispel some of these most common misunderstandings.

EOR is only a temporary solution

Some companies may decide to partner with an EOR for only a short period, but there are others that use EORs as an indefinite solution to their global hiring challenges.

The right EOR solution should offer ongoing strategic value as your company grows globally over the years across multiple countries. You can easily scale your international headcount without the headaches of setting up foreign subsidiaries.

With that said, there are some countries, such as Germany, that give a hard limit on how many months you can hire through an EOR. So in this case, EORs are only temporary, yes.

“Next 15 have been able to save close to half a million pounds per country.

Even if we employed a hundred people with Boundless in a country, it would still be a more cost-effective solution than us building the team and infrastructure entirely ourselves, particularly in some jurisdictions.”

Sam Theobald, Chief people officer, NEXT 15

NEXT15

EORs are more expensive than setting up your own entity

While EOR service fees may seem high upfront, it's important to account for the full costs of managing international hiring and foreign entities on your own. This includes overhead like legal, accounting, HR, and payroll administration that quickly adds up.

Even more significant are the hidden opportunity costs that can accumulate – the potential business growth, innovation, and leadership bandwidth sacrificed due to departments navigating global employment intricacies themselves. EORs ultimately provide specialised expertise to scale abroad in a cost and focus-efficient manner.

EORs are only for large companies

A common assumption is that only large, enterprise-scale corporations have the means to hire globally. While that may have been true ten years ago, this is no longer the case. Today, EORs make international expansion achievable for organisations of any size.

By handling the considerable HR obstacles behind the scenes, EORs essentially "level the playing field" – granting access to global talent pools without companies first building extensive in-house infrastructure and experience. For many SMBs, partnering with an EOR removes the key barriers of cost, risk and operational bandwidth that previously made overseas hiring seem out of reach.



EOR models work the same everywhere

Rather than a one-size-fits-all framework, EORs take different shapes between countries based on local regulations.

As we have covered, some regions enable straightforward three-party agreements without time limitations, e.g. the UK.

But many other countries have strict constraints around EOR tripartite relationships – including caps on arrangement duration, eligible roles, work details, etc.. Expert EORs help craft localised strategies to enter markets compliantly.

Using an EOR means losing control of your employees

While on paper the EOR serves as the legal employer, you still retain control over the management of your team day-to-day. You continue directing essential decisions around employment terms, work orders, performance, compensation and promotions.

The EOR simply owns the administrative burdens so you can devote more strategic attention to enriching your people and culture. The right partnership grants you more leadership bandwidth.

You can't use an EOR if you already have a local entity

In locations without outright bans on outsourced employment, EOR arrangements can complement companies' existing in-country entities if desired.

For example, EORs could flexibly take on employment for certain roles or departments. This provides helpful staffing bandwidth during growth spikes without overworking local HR teams. Done strategically, EORs can collaborate with rather than fully replace other global employment infrastructure.

EORs put your data at risk

Handling sensitive company and employee data inevitably carries security concerns around potential data breaches. However, reputable EOR providers implement robust protections – encryption, access controls, secure data storage, and rigorous compliance practices. Platforms fully adhere to the strict data privacy and security standards set by the European Union's General Data Protection Regulation (GDPR) as well as other international standards such as SOC 2 and ISO27001. Carefully vetting EOR security standards can help reassure that your understandable data privacy concerns are accounted for.

EORs can't handle specialised or high-skilled employees

Most EORs are fully equipped to manage specialised, advanced roles or niche expert talent hired abroad. Modern platforms have sophisticated infrastructure to handle unique demands around contracts, immigration, payroll, and conditions posed by high-level international recruits.

Choosing the right *EOR partner*

Now that you have a good understanding of what EOR is, how it works, and the different types available, it's time to figure out how to select the right EOR partner.

Choosing the right EOR involves more than just assessing their capabilities—it requires truly understanding your company's unique needs and makeup. A good EOR will be your strategic partner that matches who you are as an organisation and what you require, often anticipating needs you may not even realise yet. As such, there are five key aspects to evaluate:

- Your business needs
- Support levels that match those needs
- The EOR's country-specific expertise
- Quality of onboarding and employee support
- Ability to handle complexity and find resolutions



Everything to consider when choosing the right EOR

Now, let's dig into each of those points in more detail. Whether this is your first time selecting an EOR or you're looking for a better solution after a previous attempt, the following framework should help guide you in finding the right fit:

Understanding your business needs

Each company has unique requirements when it comes to international hiring support. Before selecting an EOR partner, it's essential to understand how differing employment needs should influence what features/capabilities you need from an Employer of Record:

Employee retention

If your focus is on retaining employees who are relocating between offices or to new countries, the EOR must prioritise maintaining a steady employee experience across regions that aligns well with your existing employment practices.

The EOR should **facilitate smooth transitions** related to payroll, benefits, contracts, etc., as employees move. They should also **make themselves available** to address the many questions employees will have about the transition and provide the same level of support you would have offered internally.

There will likely be **an adjustment period** as employees get used to the new setup of being employed by a third party. The relocating employees will also likely **have many questions** about practical aspects of living and working in the new country. Since you won't have all of this localised information readily available, **you need the EOR to fill in the gaps**.

If the EOR does not own the local entity and infrastructure but rather relies on another company, it may result in a less than ideal experience for the employee.

Evaluate the EOR's familiarity with the destination country by putting yourself in the shoes of your employee and the types of questions they may ask. It's understandable if the EOR doesn't have all the answers right away, but they should commit to providing requested information in a timely manner.

New talent acquisition

When bringing on new talent, it's **crucial to start them off with a positive first impression**. The **overall onboarding experience**, from reviewing and signing contracts to receiving pay correctly in the first couple months on the job, **shapes whether an employee will remain satisfied** being employed through the EOR model.

A poor-quality contract, confusing communications around who the employee should interact with, or payroll problems early on sets the relationship up for future issues down the line. This becomes especially important for high-growth companies looking to expand and hire at a high volume across borders rather than just adding one or two employees. The EOR must have the infrastructure and processes in place to support fast-paced, large-scale onboarding with consistent quality.

Reclassifying workers

If your company needs to convert independent contractors into full-time employees, the employer of record (EOR) needs an acute understanding of worker classification laws and should collaborate closely with you throughout the transition. Since contractors often have higher pay than salaried employees, there may be resistance to becoming a full-time employee if it seems like a pay cut—even if it comes with added job security and access to public services.

If the contractors were employees in function but not on paper, they may struggle to grasp the benefits of formal employment status. The EOR should be prepared to **navigate these nuanced situations skillfully**. There will likely be many questions around the new contract, acquired benefits, and having to understand employment from an entirely new perspective. **Clear ongoing communication** will be key to successfully reclassifying contractor roles.

QUESTIONS TO ASK

- How do your services support our specific international hiring goals?
- What is your experience working with companies in our industry and hiring in the countries we're targeting?
- How do you ensure and keep updated with compliance with local employment laws and regulations in the countries we're interested in?

RED FLAGS TO WATCH OUT FOR

- The EOR doesn't seem interested in understanding your specific business goals and getting to the bottom of your needs.
- They push the value of the platform over the service.
- They are unable to clearly articulate how their services address your compliance concerns or support your specific hiring scenarios.
- They don't have owned infrastructure and rely on third parties.



Support levels matching your business needs

Before contacting any providers, realistically assess your team's ability to handle payroll, benefits, compliance, and other HR tasks, not just initially but long-term. Your internal capacity directly correlates with the level of support you will require from an EOR.

If you are a small company where one person is responsible for bookkeeping and HR admin, you will likely need an EOR that provides heavier support beyond a self-serve model. Larger organisations with a dedicated Head of People Ops/HR may only require an EOR for guidance in a consultative role, allowing the team to manage much of the people operations work.

However, that is only to a point. Even well-developed HR departments can become overloaded when expanding to multiple markets or adding executives, needing the human support EORs can provide. That is the intricate dance to understand about EOR – it is a unique blend of product and service where one size doesn't fit all.

While EORs don't necessarily advertise the levels of support you could get, this will be on you to figure out. Ask your network and read reviews. The support you need should drive which EOR you choose. Some offer more customised services catered to your needs, while others take a more basic approach.

An easy way to differentiate them is to look at support as light touch, medium touch, and high touch.

Light-touch support

Light-touch EOR support works best when hiring complexity is lower. This could mean operating in countries with straightforward employment regulations and work cultures (e.g. the UK and Ireland). It also works for companies not in heavily regulated industries, with relatively simple organisational structures.

The EOR would cover payroll, benefits, basic HR services, and compliant employment contracts accessible through a platform. Communication channels like chat are available, but regular interaction is minimal. This meets the needs of only a few international team members without complex legal considerations.

Medium-touch support

Once hiring gets more complex – with intricate employment regulations like those in France, Germany, the Netherlands, and other EU countries – you are more likely to need more than the basic EOR support options. Medium-touch support goes beyond day-to-day employment management to provide consultations on country-specific compliance, localised benefits, remote work laws, legal frameworks, and other nuanced HR needs.

Having prompt access to expertise on complicated employment questions is key. A dedicated account manager also helps tailor guidance and point you in the right direction. Even if you only lean on medium-touch support during initial hiring and setup, having that fast access to niche consulting will likely prove very helpful later down the road.

While you handle some of the routine tasks through the EOR's platform, medium-touch support fills knowledge gaps so your international hiring and HR operations stay compliant across unique regulatory landscapes.

High-touch support

In some cases, hiring and managing an international team requires a highly customised approach from your EOR. Complex situations that may demand this bespoke level of support include high employee volume, senior-level positions, or expansion into intricate legal environments abroad.

If you think high-touch support is what you need, look for an EOR that provides a dedicated account manager, service level agreements (SLAs) governing response times, and the ability to expedite or escalate cases as needed. This suits companies that expect focused attention on certain employees – during onboarding, offboarding, or any time in between.

Think about your experience hiring for HQ roles. If the HR team ever had to provide extra support for certain people, it is likely those needs will be amplified on a global scale, in countries with less familiar regulations.



QUESTIONS TO ASK

- Can you provide examples of how your support levels have benefited companies with similar needs to ours?
- What are your service level agreements (SLAs) for response times and issue resolution?
- Will we have a dedicated account manager or support team, and how accessible will they be?

RED FLAGS TO WATCH OUT FOR

- The EOR is vague about their support levels or unable to provide concrete examples of how they've assisted other clients.
- They only offer self-service support on their platform without any dedicated support, which may not be sufficient for your needs.
- Reviews or testimonials on review websites such as G2 and Trustpilot indicate poor customer service or slow response times, raising concerns about their support capabilities.



The EOR's country-specific expertise

We previously discussed how some EORs own their entire infrastructure, while others rely on third parties. An important consideration is that this impacts the level of in-house country-specific expertise the EOR possesses. An EOR's local knowledge directly relates to the quality of experience they can offer you when employing staff abroad.

Ultimately, you are relying on the EOR's understanding of how to legally and compliantly hire employees in alignment with local regulations. Without extensive local expertise, it is impossible for the EOR to ensure a smooth employment experience for you or your overseas staff. The EOR's on-the-ground experience and networks are crucial factors.

Local knowledge

The ideal EOR has a very extensive understanding of the employment laws and regulations in every country where you want to hire staff. This local knowledge should include:

- Mandatory benefits and social welfare contributions
- Country-specific payroll schedules (not all countries follow a monthly payment cycle)
- Norms for employee classification and work arrangements
- Standard HR policies aligned with local laws
- Regulations around employee terminations and more

This information should be easily accessible to you as the client.

Jurisdictional nuances

The EOR should have an expert grasp of the legal and compliance specifics involved in implementing EOR solutions in each target country. As we have discussed, requirements differ significantly between countries. For example, hiring regulations in the UK or Ireland may be straightforward, but countries like France or Germany have strict labour rules, making employment more complex.

It's also an illusion that you can seamlessly hire staff anywhere in the world for an unlimited duration. The EOR should outline any jurisdictional restrictions or time limits on international hiring upfront.



QUESTIONS TO ASK

- Do you have a local entity and owned infrastructure in the countries where we're looking to hire?
- What are some of the local employment laws I should be aware of ahead of going into my countries of interest?
- How will you update me on changes in employment laws and regulations in those countries?

RED FLAGS TO WATCH OUT FOR

- The EOR claims to support a large number of countries but is unable to provide evidence of in-depth local knowledge in your target markets.
- They are hesitant or unable to provide specific details about their local entities or legal expertise in the relevant countries.
- They offer services in countries where EORs are prohibited (i.e. Spain) or unlimited services in countries where EORs are heavily restricted, raising compliance concerns (i.e. Germany, France, most Eastern European countries).

Quality of onboarding and employee support

First impressions count. Whether you're using an EOR as part of your talent acquisition process or you're switching EOR providers – getting onboarding right is vital. This sets the tone for the rest of the working relationship. Equally as important is the level of support that your employees receive from the EOR throughout their tenure. The EOR should be responsive, attentive, and be able to answer any questions that employees may have.

Onboarding

A smooth, positive onboarding process makes a strong first impression on new hires that aligns with your employer brand. Poorly written contracts or a fragmented onboarding experience can quickly damage new employee relationships. A streamlined first few months that accounts for local norms—like requiring wet signatures, medical examinations, and registrations with authorities—is essential.

Employee support

While the EOR primarily works with your HR and People Ops teams, responsive employee support should be baked into their model. After all, your overseas staff are the main beneficiaries of the EOR employment experience and will likely have many questions and uncertainties.

For an EOR to truly serve as an extension of your team, they should mirror the empathy and care you provide employees. This means availability and support throughout the employment lifecycle—not just at onboarding.

The EOR should also be ready to quickly resolve issues related to payroll, benefits, time off, etc., in compliance with local policies. Their responsiveness and in-country support quality greatly impact long-term employee satisfaction.

QUESTIONS TO ASK

- Can you walk me through your onboarding process for new international hires, including any country-specific requirements?
- What kind of ongoing support do you provide to employees throughout their employment, and how can they access it?
- How do you handle employee inquiries or concerns related to payroll, benefits, or other HR matters?
- What is your process for offboarding employees, and how do you ensure compliance with local termination laws and regulations?

RED FLAGS TO WATCH OUT FOR

- The EOR's onboarding process is unclear, overly complicated, or doesn't account for local nuances in your target countries.
- They don't offer any direct support to employees or rely solely on you to handle employee inquiries, potentially leading to a poor employee experience.
- They are unable to clearly explain their offboarding process or demonstrate how they handle terminations in compliance with local laws.

Support for complex scenarios

Employing staff internationally can be highly complex, with challenges that are often unseen at first. The right EOR will have extensive experience navigating this complexity on behalf of their customers. They proactively prepare for any scenarios that may arise and guide you through the nuances of local employment law.

For example, terminating international team members can prove extremely difficult compared to the at-will employment framework common in the US. Nearly every foreign jurisdiction requires stringent termination processes with extensive considerations around local labour laws that heavily favour and protect employees.

The Netherlands requires court permission before dismissal, while France has notoriously complex requirements.

Your EOR partner plays a crucial role in navigating localised termination frameworks. The best EORs possess specialised expertise guiding clients through country-specific nuances, enabling proper offboarding/ terminations that limit legal and financial risks and reputation damage internationally.



QUESTIONS TO ASK

- Do you approach all hiring the same way regardless of role, industry and country? Would I be able to make contract amendments?
- Can you provide specific examples of how you've navigated challenging employment situations or legal issues in the past?
- What is your process for resolving disputes or legal issues that may arise during employment, and how do you involve us in the process?
- How do you ensure compliance with local termination laws and regulations, especially in countries with complex termination procedures?

RED FLAGS TO WATCH OUT FOR

- The EOR seems unprepared or ill-equipped to handle complex hiring scenarios or legal issues that may arise.
- They are unable to provide concrete examples of how they've successfully resolved challenging situations for other clients.
- They downplay the potential risks or complexities associated with international employment, particularly in your target countries.
- They are vague about their dispute resolution process or how they would handle potential legal issues or alternatively they cannot promise that they will assist.



Summary

Choosing the right Employer of Record is about more than just their capabilities; it's about finding a strategic partner who understands your company's unique needs. Whether you're focused on employee retention, new talent acquisition, or reclassifying workers, the EOR should offer tailored support and expertise.

Consider your company's internal capacity, the complexity of your hiring needs, and the specific countries you're targeting. Look for an EOR with in-depth local knowledge, a strong track record of employee support, and the ability to navigate complex situations.

Don't be afraid to ask detailed questions and watch out for red flags like vague answers or a one-size-fits-all approach. Remember, the right EOR will be an extension of your team, ensuring a smooth and compliant international hiring experience.



How Boundless *takes the stress out* of global hiring

At Boundless, we know that navigating the complexities of international employment can be overwhelming. That's where we step in. As a leading Employer of Record, we've designed our services to be your consultative partner and help you handle the complexity of international employment, allowing you to focus on your main business goals.



01 | Global expertise with a local touch

We understand every country has unique employment laws, regulations, and cultural nuances. That's why we have established teams of local experts in every market we serve. Our staff possess deep knowledge of local practices, ensuring compliance and strong employee support. Partnering with Boundless provides access to this global expertise, allowing you to hire across borders with confidence.

02 | Tech that makes your life easier

We believe that technology should simplify, not complicate, your global hiring journey. That's why we've developed a user-friendly platform that streamlines every aspect of the EOR process. From onboarding new hires to managing payroll and benefits, our platform provides a centralised hub for all your international employment needs.

03 | Transparent pricing, no surprises

We understand the importance of financial predictability when expanding your business globally. That's why we offer a fully transparent pricing model with no hidden fees or unexpected costs. Our pricing is clearly laid out upfront, so you can budget accurately and avoid any unpleasant surprises down the line. We believe in building trust and long-term partnerships with our customers, and transparent pricing is a key component of that commitment.

04 | Baked-in compliance

We take compliance seriously. Our team of legal experts meticulously studies and applies the correct legislation. We then monitor and adapt to regulations as they evolve in every country we operate in. We have robust protocols in place to ensure that your global team remains in good standing, mitigating your risk of legal and financial penalties. With Boundless, you can rest assured that your international employment practices are always compliant and up-to-date.

05 | Dedicated support, every step of the way

We understand that global hiring can be complex, and we're here to support you every step of the way. From your very first international hire to building a fully distributed team, our world-class customer support team is dedicated to providing you with personalised assistance and guidance. We're more than just a technology platform—we're your trusted partner in your global expansion journey.

06 | We don't overpromise

We believe in transparency and honesty. We will never overpromise or make claims we can't back up. We'll be upfront about any limitations or challenges associated with hiring in specific countries, so you can make informed decisions about your global expansion strategy.

BOUNDLESS

We're passionate about empowering companies to access the best talent globally. Equally, we are passionate about allowing employees to have the best employee experience wherever they want to live without forfeiting any of their rights or protections. If you're exploring employing people beyond borders, our team is here to consult and make it achievable.

Get in touch with our
team today to get started



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