

STANDARD PROCESS

Section B: Financial and Administrative Systems (FAS)
Number/Title: **B504/Process for Establishing Employees in Foreign Countries**
Date Issued: September 30, 2004
Revision:
SP Contact: Senior Financial Analyst, FAS, 301-846-6952

I. Purpose

This Standard Process (SP) explains the process for establishing SAIC-Frederick, Inc., employees in permanent duty stations in foreign countries.

II. References

(NONE)

III. Definitions

COLA: Cost-of-living allowance

EE: Employee

HED: Hours earnings deduction

HOLA: Housing overseas living allowance

HR: Human Resources

IAA: International Assignment Agreement

OHS: Occupational Health Services

SP: Standard Process

IV. Scope

This SP applies to SAIC-Frederick, Inc., employees who are to be permanently stationed in foreign countries.

V. Processes/Guidelines

A. SAIC-Frederick, Inc., Program Area Responsibilities

1. Establishing an employee in a foreign country usually begins with a “yellow task” request, which includes a statement of work.
2. Upon receipt of the yellow task, a representative in the program area researches the following issues:
 - a. Customs/culture of the foreign country;
 - b. Communication methods to be used with the individual;
 - c. Transportation needs in the country (for example, is an international driver’s license required?);
 - d. Reliable shipping methods to the country;
 - e. Banking options in the country; and
 - f. Visa requirements.

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3. The program area representative will also
 - a. Determine allowances to be offered (research NCI policy, SAIC policy, NIH policy, and Department of State Standardized Regulations);
 - b. Determine benefits to be offered (“High” or “low” international health and dental insurance [based on country]);
 - c. Determine if bilateral country agreement can be made with foreign country to provide
 - (1) Check cashing services,
 - (2) Mail pouch services,
 - (3) Medical services,
 - (4) Vehicle tags,
 - (5) Shipping services, and
 - (6) Duty-free allowance; and
 - d. Determine if separate agreement can be made with the U.S. embassy in the country for additional services.
4. The program area representative prepares a cost estimate based on the above research and replies to the yellow task request.
5. If the government approves the cost estimate, the program area representative initiates and forwards to the Human Resources (HR) Department a personnel requisition so that the hiring process may begin.
6. The program area contact works with a contact in the HR Department to develop a job specification if one does not currently exist for the position.
7. After the candidate is selected, the program area contact will
 - a. Collect information from the candidate for completion of the “International Assignment Agreement” (IAA) form and forward the completed form to the SAIC-Frederick, Inc., HR Department;
 - b. Review the final IAA prepared by SAIC Corporate for accuracy;
 - c. Determine the date of hire; and
 - d. Determine if an initial visit to NCI-Frederick is required for training or Occupational Health Services (OHS) health evaluation.
8. After the candidate has been hired, the program area representative
 - a. Assists the individual in obtaining a passport and necessary visas for entry into the foreign country.
 - b. Makes travel arrangements for the individual to travel to NCI-Frederick for training and/or to travel to the duty station in the foreign country to start work.

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- c. Contacts the local U.S. embassy in the foreign country and notifies the embassy of the employee's long-term stay/employment in that country.
 - d. Establishes operating procedures for
 - (1) Communication methods (phone, fax, e-mail);
 - (2) Training methods (i.e., ethics briefing and other required employee training);
 - (3) Ways to monitoring worldly situations (i.e., security and health warnings related to the country);
 - (4) In-country holidays (based on the holiday policy of the government counterpart in that country); and
 - (5) Logistics of the performance review and other supervisory requirements.
 - e. Notifies SAIC-Frederick, Inc., Payroll Department of the following events for tax and payroll purposes:
 - (1) If the employee's initial preliminary visit to SAIC-Frederick, Inc., is considered "relocation" or "business travel";
 - (2) When the employee finds permanent housing in the foreign country, at which point the HOLA (housing overseas living allowance) and COLA (cost-of-living allowance) begin;
 - (3) When the employee spends days away from the host country (any time the employee leaves the host country);
 - (4) When the employee terminates; and
 - (5) When modifications are made to the IAA.
 - f. Notifies the prime contract administrator prior to the employee's start date for determination of risk management issues (including proper insurance coverages).
9. The IAA form must be monitored annually to determine that it is still accurate and whether any increases in allowances are required.

B. SAIC-Frederick, Inc., Human Resources Department Responsibilities

- 1. A representative of the HR Department determines requirements for the employee's visa/work permit and researches any tax issues.
 - a. Visa/work permit requirements (Are the candidates U.S. citizens? Do they have passports? Can they obtain valid working visas?)
 - b. Tax issues (Does the country require the employee to pay individual income tax?)

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2. The HR Department representative determines the “Corporate Risk Category” of the country. Approval from Keith Nightingale, Corporate High-Risk Administrator, and David Bufter, Director of Contracts and Administration, SAIC-Frederick, Inc., is required to hire an individual who will be located in a high-risk area.
3. The HR Department representative will generate a job specification if one does not already exist (in coordination with a program area representative).
4. In coordination with the program area representative, the HR Department representative determines salary, allowances, and start date.
 - a. Use U.S. Department of State, Office of Allowances Web site, www.state.gov/m/a/als, as a guideline.
 - b. Provide all costs, including relocation costs, to the hiring manager.
 - c. Verify a requisition has been submitted and received budget approval.
5. After the candidate is selected, an HR Department representative
 - a. Reviews the IAA form obtained from the program area representative.
 - b. Obtains from the program area representative, any personal information on the candidate needed for the IAA form.
 - c. Prepares the IAA form and forwards it to Christine Wilson, Expatriate Service Center, SAIC, McLean, VA, for review.
6. An SAIC Corporate representative prepares the IAA and forwards it to SAIC-Frederick, Inc., HR Department for review and finalization.
7. The final IAA form and offer letter is sent to the candidate for signature. The IAA must be signed by the prospective employee; Dr. Larry Arthur, President of SAIC-Frederick, Inc.; and Ms. Anita Jones, Corporate International HR Manager.
8. A copy of the signed IAA is forwarded to the new employee, the Payroll Department, and the program area representative.
9. After candidate is hired
 - a. He or she is enrolled in a benefits program.
 - (1) CIGNA International (High or Low) Health Insurance (at no cost to EE; charged to program)
 - (2) CIGNA International (High or Low) Dental Insurance (at no cost to EE; charged to program)
 - (3) Employee covered under Foreign General Liability insurance and Foreign Workers’ Compensation insurance (at no cost to EE; charged to program)

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- (4) All other benefits: the same as for employees located at NCI-Frederick (i.e., life insurance, long-term disability, short-term disability, 401[k], flexible spending, etc.)
- b. The HR Department representative approves expenses covered in the IAA.
10. The IAA form must be monitored annually to determine that it is still accurate and whether any increases in allowances are required.

C. SAIC-Frederick, Inc., Payroll Department Responsibilities

1. Schedule a conference call for the employee and Corporate Expatriate Tax Accountant to review and complete the tax forms necessary for international assignment.
2. Review direct deposit requirements with the employee to ensure prompt payment of earnings.
3. Establish earnings (HED) in Cyborg for items listed in agreement (i.e., hardship allowance, COLA, housing allowance, etc.).
4. Determine taxability of relocation and contract-allowable expenses paid to or on behalf of the employee and which are approved by the program area and/or HR Department representatives.
5. Deactivate and reactivate “Hardship Earnings” in Cyborg when the employee is away from the host country, per State Department regulations. The program area representative is responsible for notifying the Payroll Department any time the employee leaves the host country.
6. Monitor the employee’s earnings to ensure proper taxation after salary exemption limits are met.
7. Transfer the employee’s pay stub to “PDF format” and e-mail it to him/her.
8. Review employee tax status and earnings with the Corporate Expatriate Tax Accountant quarterly.
9. Notify the employee in December to submit new tax forms for the following calendar year.
10. Review the employee’s tax status annually.

D. Occupational Health Services Department Responsibilities

1. A post-offer, pre-placement health evaluation by OHS is required. Under rare and extenuating circumstances, if an individual is located internationally or will not be visiting NCI-Frederick, an alternate health care provider may perform the health evaluation.

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2. If the employee will not be visiting NCI-Frederick to obtain a health evaluation, OHS will work with the employee to determine an alternate health care provider to perform the health evaluation.
 - a. Forms or lists of required health information will be provided to the employee or the designated alternative health care provider.
 - b. All results must be forwarded to OHS for a determination of fitness.
 - c. Determination of fitness will be based on the job description, essential function checklist, and sound medical judgment.
 - d. Disputes about fitness between an outside provider and OHS clinical staff will be submitted first to the OHS medical consultant, then, if necessary, to an independent medical evaluator.
3. The employee hired to live or spend an extended period in foreign countries must be willing and able to follow Centers for Disease Control and Prevention (CDC), World Health Organization (WHO), and NIH medical guidelines. Guidelines are in place for
 - a. Recommended vaccinations, and prophylactic medications to protect against vector-borne and other diseases; and
 - b. Recommendations against travel due to medical conditions, emerging diseases, or other hazards that may arise.
4. OHS staff will determine time/need for follow-up with employees, based on hazards in the work environment, enrollment in specific medical surveillance programs, availability of alternative health care, and the employee's travel plans.
5. OHS staff will not provide immunizations, prescription medications, or prescriptions for medications under any non-medically sound circumstances.
6. OHS staff will monitor annual health evaluation follow-up, based on hazards in the work environment, enrollment in specific medical surveillance programs, availability of alternative health care, and the employee's travel plans.

VI. Attachments

(NONE)

VII. Records

Each responsible department will maintain records as appropriate.