

# MONTEREY INSTITUTE

MONTEREY INSTITUTE OF INTERNATIONAL STUDIES

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An affiliate of **Middlebury College**

Graduate School of International Policy Studies <http://policy.miis.edu>

## **OVERSEAS SALARY & BENEFITS: QUESTIONS TO ANSWER**

*In the following article we will attempt to examine a list of general issues that should be addressed by those considering employment outside their native countries. Although administrators typically may expect more generous terms than teachers, the glamour of going overseas should never outweigh practical financial considerations. Before accepting an employment offer, all candidates ought to clarify questions arising from any contract or employee handbook considered by both parties to be binding, so that the prospective employee enters such a situation with a full understanding of its financial impact. If the answers are not satisfactory, the professional should attempt to negotiate the contract accordingly; thorough understanding of the terms of employment is even more crucial in an overseas appointment than in its domestic equivalent since it impacts upon all aspects of a stay abroad- quality of life, respect in the workplace, and the cultural transition. Further, it is often all but impossible to find alternative employment if a job situation proves untenable.*

### **1. Salary**

- What is the average income of a professional employee in the country under consideration?
- How much does that professional have to supplement his or her salary to live an appropriate life-style?
- If you are already in that country and being recruited, what are the differences in salary and benefits between in-country/local hires and overseas hires?

### **2. Payment and transfer of funds**

- In what currency will your salary be paid?
- If you are paid on a dollar basis converted into the country's currency, is the exchange rate fixed or flexible?
- How is the rate determined?
- Will the employer cover the cost of money transfers back to your home country?
- Will your employer deposit your salary directly into your bank at home?
- If not, will he sponsor an account for you in a local one?
- Because of currency restrictions, many nations will allow foreign nationals to open bank accounts only under such an arrangement.

### **3. Timetable of payments and terms of dismissal**

- How often are you paid?
- Are there bonuses? If so, under what conditions?
- When do you collect your final paycheck?
- Do you collect your final paycheck before your departure?
- If you are dismissed or the program closes, what guarantees of salary and benefits do you have for what period of time?

### **4. Taxes**

- Will your salary and benefits be subject to taxation? How much will you be taxed for local (state or municipal) and national taxes in either country? Does your home country have a reciprocal tax agreement with your host nation, and must you then take the chance that you will be taxed twice?
- Must you pay such taxes monthly or annually, in advance or in arrears?
- Is there a cost for you to prepare your own tax reports or must you pay someone else to do it?

#### **5. Retirement**

- Will you have access to a retirement fund in which the employer contributes a percentage of your salary which is added to your total salary?
- Will payments be made on your behalf to any pension plan in your home country?
- Are payments made on your behalf to social security out of your salary? What are the additional costs for you to make such arrangements?

#### **6. Insurance**

- Medical, Dental, Eye, Life, Emergency evacuation and return of mortal remains, short-term disability, long-term disability, personal goods, automobile, fire, theft. Is it possible to get any or all of the coverage above while you are abroad?
- Are you covered by the national health system of your host country?
- Who pays for your coverage?
- Must you pay monthly or lump-sum premiums?
- Are you covered only in your host country or worldwide?
- To what extent are dependents covered?
- How long will coverage extend beyond your term of employment? Is such insurance then assumable at individual rates, and are there laws which govern this?
- Will you be required to carry certain types of insurance (such as "civil") foreign to your home country?

#### **7. Relocation**

- Who pays for your point-of-hire round-trip journey from your home to your new employment site?
- Is the shipping of personal freight or business-related equipment included in such a relocation allowance?
- Will transportation costs be paid only for the employee or for dependents as well?
- What means of transportation will be provided?
- Is there a travel allowance and, if so, are paid round-trip visits home included?
- If housing is provided will it include all daily community costs?
- Will costs be borne for work-related travel?
- If dependent children are community to school, who covers these costs?

#### **8. Housing**

- Will housing be provided by your prospective employer, and if so, at what level of comfort?
- Will you need to hire servants (a common expense in emerging nations for such chores as laundering and marketing)
- Who pays for security deposits, commissions, or other country-specific fees, monthly, rent, fire and apartment insurance, parking or maintenance fees?
- Will furnished units be provided or are they locally available to you?
- How much furniture will you need to purchase in country to make the unit minimally livable, and are you provided an additional allowance sufficient to cover such purchases?
- Who pays for the delivery and installation of equipment and appliances?

- Who pays the utilities, and how?\_ This can be one of the most harrowing chores during a stay abroad.
- Is a private phone line provided?
- Upon your arrival in country, if housing is not ready, who pays for temporary housing, storage of goods, additional costs of eating in restaurants?
- Are pets allowed in your housing units?

#### **9. Dependents**

- Can dependents enter local schools at no charge?
- If there is no language support, will tutoring and language lessons be provided?
- Who will pay for private international schools, which typically are taught in English and follow a curriculum acceptable to U.S. schools?
- Are all fees, tuition, and transportation covered for all dependent children?
- If the international school is not located in the place of employment, is room and board provided and at whose cost?
- Will the visas of dependents be guaranteed sponsorship by your employer or agency?

#### **10. Sick leave, Vacations, Holidays, Personal and Emergency leave**

- How many paid sick days will you have per year?
- How do they accumulate?
- How many will accumulate beyond one year?
- Are unused sick days financially compensated upon departure?
- How many work days per year are paid vacation days?
- How many paid holidays occur each year in addition to vacation?
- If one must take personal leave, how much salary per day is lost?
- If there is an emergency in your home country, such as a parent's or sibling's death, is paid leave provided and for how long?

#### **11. Overtime and Outside Employment**

- If you are required to work beyond the job description, how much are you paid and by what means?
- How is this recorded for tax purposes?
- How much are you compensated for substitution for colleagues in addition to your regular work?
- Are you prohibited in a contract from having additional outside employment?

#### **12. Professional Materials and Employment**

- What work-related expenses will you be expected to bear?
- Are you provided with office supplies or must you purchase your own?
- Is there a book allowance for purchase of books in-country or should you bring your resource library with you?
- Will you need to pay for students' books or photocopies?
- Will you have access to a computer, typewriter, phone, fax, copy machine?
- Must you pay costs for the use of this equipment?