***Department of Accounts***

***Payroll Bulletin***

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| *In This Issue of the Payroll Bulletin…....* | * Newest Member of State Payroll Operations * Foreign National Inquires * Staffing in Foreign Countries | The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Cathy McGill at (804) 371-7800 or Email at [cathy.mcgill@doa.virginia.gov](mailto:cathy.mcgill@doa.virginia.gov)  State Payroll Operations  **Director Lora L. George**  Assistant Director Cathy C. McGill |

#### **Newest Member of State Payroll Operations**

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| Welcome to Rob Ramey | Rob Ramey has joined the State Payroll Operations unit as a Business Systems Analyst. Rob, along with Martha Laster and Shannon Gulasky, is available to provide agency support. Rob has joined us from the Department of Corrections where he was a member of its payroll team. Rob can be contacted at 804-225-2004. |

#### **Foreign National Inquiries**

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| Foreign National Support | The Department of Accounts will cease providing assistance with foreign national inquires in the near future. Please be prepared to submit future inquires to the Office of Attorney General or agency legal counsel. |

#### **Staffing in Foreign Countries**

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| Best Practice – Staff in Foreign Countries | Agencies that hire non-US citizens to work outside of the United States are not required by *US tax law* to withhold or report their wages to the IRS.  However, they must comply with the *tax laws of the country in which they are working*.  To minimize compliance issues worldwide it is a best practice for agencies requiring staffing in a foreign country to use an employment agency or accounting firm in that country to hire local employees and comply with all of that country’s applicable laws and regulations for payroll, benefits, taxes, etc.  As none of the work is being performed in the United States no tax withholding is required from the Accounts Payable payment to the firm.   Similarly, agencies have US citizens and Lawful Permanent Residents working abroad.  Though they are to stay on the agency’s payroll, withholding the corresponding employment taxes for the US, each country has different rules regarding when a worker also becomes a tax resident of the country in which they are working.  It is recommended that agencies hire an employment agency or accounting firm in those other countries to monitor compliance with the laws of that country.  The Attorney General’s office concurs that these are best practices and should be used by all state agencies. |