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THE WELCOMING HANDBOOK

A Practical guide to assist
staff relocating to the U.S

December 2022

Executive summary

Purpose of the guide

The purpose of this guide is to provide a guideline to staff considering moving to the U.S. This guide will provide an outline of the important factors that need to be considered when moving to the U.S temporarily or permanently.

Do note that this does not cover everything you may need to know. It is a collection of reference points that we believe will be helpful in helping navigate the many things to think about when moving to the U.S.



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US Travel Checklist

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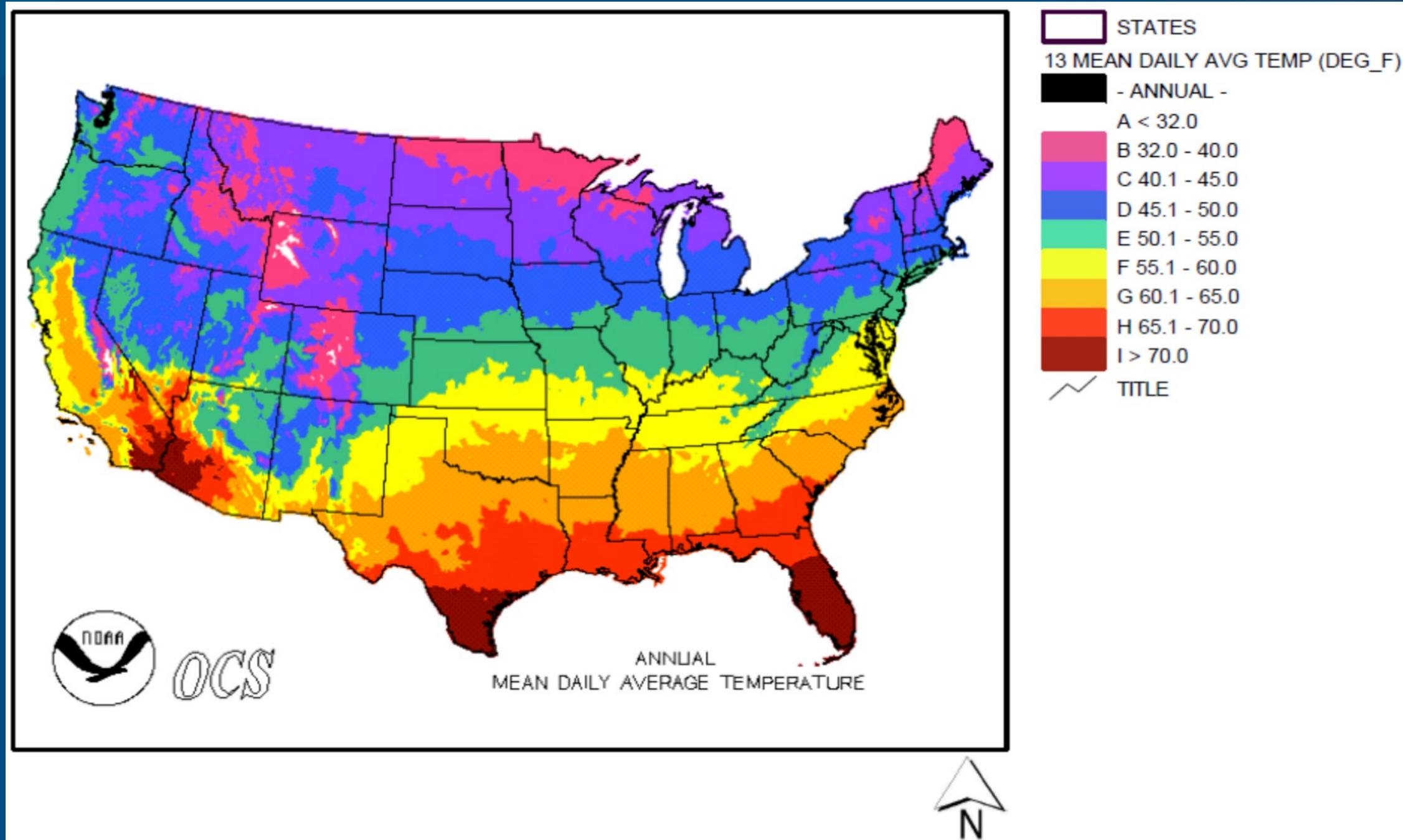
The Seasons

- **Spring (March to June)** — The start of the season can be a little cold, then warms up as it gets closer to summer. It is important to pack a combination of warm and light clothing.
- **Summer (June to September)** — Summer can be extremely hot in the US, depending on the state. Pack loose-fitting and flowing clothing such as dresses, skirts, shorts, t-shirts, short-sleeved shirts, and sleeveless shirts.
- **Autumn (September to December)** — Autumn can get chilly. Pack warm clothes such as coats and sweaters.
- **Winter (December to March)** — Winter in some US states can be extremely cold, sometimes even dropping to negative degrees Celsius! Pack items to keep yourself warm like boots, thick sweaters, coats and gloves.

Do check out the likely weather for the State / City you are headed to and adapt accordingly as climate varies considerably depending where you are in the US.



US Mean Daily Average Temperature



Travel Tips



- Tipping is customary in the US (taxi drivers, servers, bartenders, etc.), so having a few bills on hand will be super beneficial. Though you can also add a tip when paying by credit card.
- The typical tipping practice is between 15% to 20%.

- 911 is the emergency number to dial for emergencies in the US.



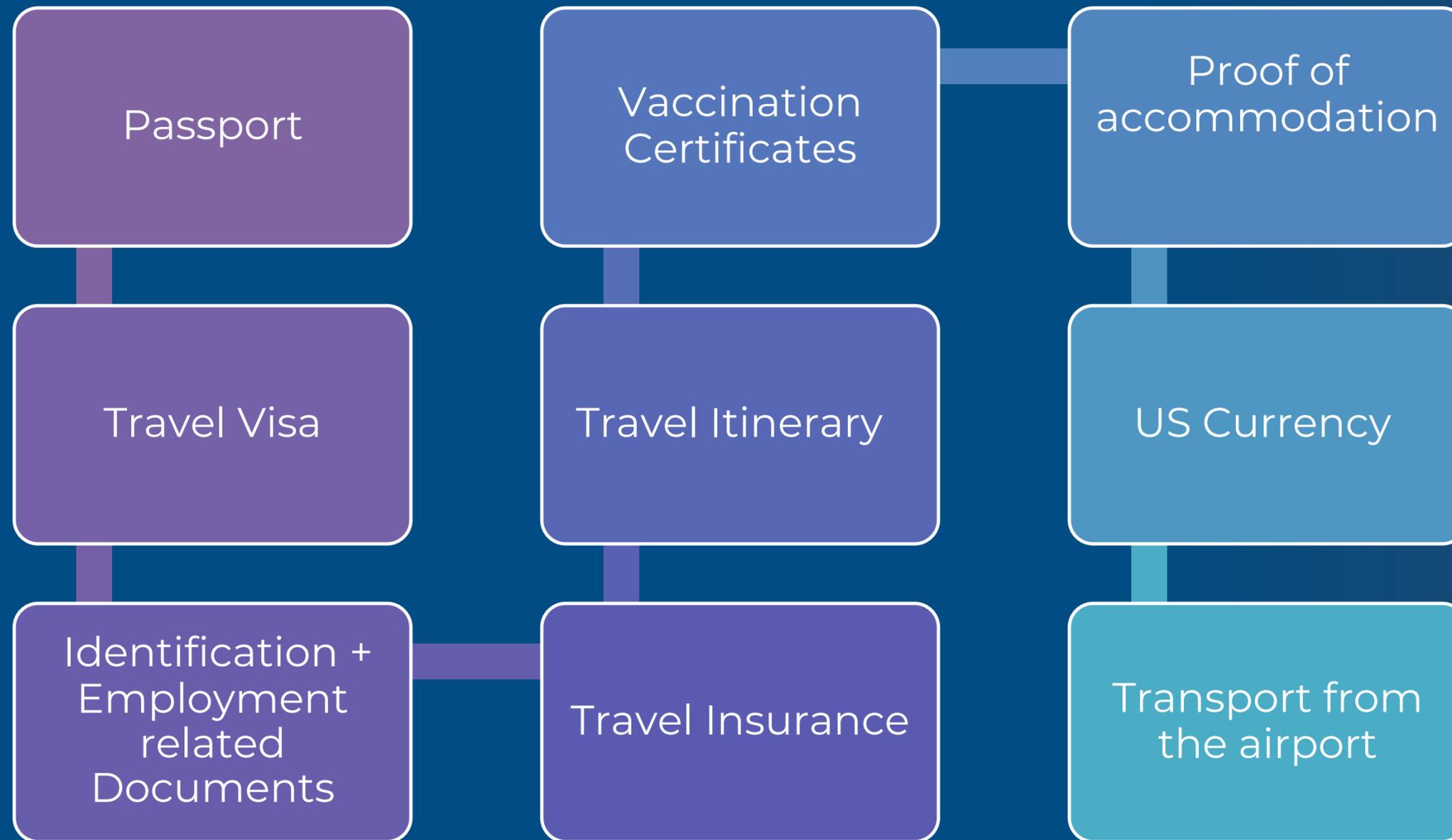
- In the US sales tax is not included in the prices, so be aware that the amount you may have to pay will be a bit higher due to the tax. Sales tax rates vary from State to State and some items are exempt from Sales Tax – including many grocery items.





Checklist of important documents

Important Checklists



Social Security Number (SSN)

- A SSN is necessary for you to establish a credit history – which in turn is required for general borrowing, including opening a card account or taking out a mortgage.
- Many Financial institutions – banks / credit card companies – will ask for a SSN in order for you to open a bank account etc.
- A SSN is a unique identifier and is needed to work in the US. Undocumented immigrants that are not eligible for an SSN, can get a Tax Identification number – as they are still required to pay tax.
- If you are working in the U.S then you will be liable to pay Federal Tax, plus State Tax (details vary by State as some States don not levy income tax, but then may charge higher rates of Property Tax.)
- Non-U.S. citizens authorized to work in the United States by the Department of Homeland Security can apply for a Social Security Number.
- To obtain one for the first time you will need to submit an application and show original documents (or certified copies from the issuing agency)
- You can find out more details and apply on-line at <https://www.ssa.gov/ssnumber/>



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Housing in the USA



Housing

Securing accommodation is one of the stressful steps when settling in a foreign country.

Depending on personal preferences and financial capabilities, housing options include renting, leasing and buying a house or an apartment.

The most common option for short term stays (12 months or less) is rented accommodation (apartments and houses).

Those intending to live in the US for a long period find it worthy buying a house on cash or on mortgage.

As a foreigner with no U.S. credit history you may have to build up a credit history before being able to apply for a mortgage and / or have to pay a larger deposit upfront.

If you rent an apartment and have no credit history you may need to pay a higher deposit upfront. This may be reduced if you can share reference letters from previous landlords from your home country.



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Types of accommodation

- Understanding the available accommodation options in the US is vital in making a choice of the property to rent or buy.
- The commonly rented properties in the USA are Apartments and Stand-alone houses

Apartments

- This is a self-contained housing unit that occupies part of a building.
- Most apartments have at least a one bedroom, a living room combined with a kitchen or a separate kitchen area.
- Depending on the apartment, facilities like the laundry room, parking space, and stairs may be shared.
- Some apartments come fully furnished, some semi furnished and some are not furnished.
- There may also be additional fees to cover maintenance of common areas.



Apartments (Continued)

The cost for renting an apartment depends on the following:

- Size of the apartment (Number of bedrooms and floor area)
- Location and neighborhood (Apartments that are close to metros and shopping stores are more expensive)
- Utilities covered in the rental (The more the utilities covered by the rental, the higher the rent).
- Furnishing (A fully furnished apartment is more expensive than one that is not furnished.)





Stand-alone houses / Single Family Homes

This is another option for rented accommodation.

- These come with additional features including a garage, a yard.
- Houses are more expensive to rent as they usually have more space and additional facilities.
- Single Family homes often have additional maintenance requirements.

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Buying a House or Obtaining Mortgage in the US



Can foreigners buy a home in the U.S?

YES! Foreigners can buy a home or obtain a mortgage in the US. This can be a challenge if you do not have a credit history. The following conditions apply:

1. Higher interest on loan
2. A larger down payment is required with stricter conditions
3. Loan process takes much longer
4. Higher taxes

Other Considerations:

1. Insurance – homeowners insurance is a key consideration in the U.S. Note that if you also have a motor car, savings can be obtained by ‘bundling’ car and home insurance together with the same insurance company.



Pros and Cons of Mortgage Payment

PROS

- Ability to own a house more quickly
- Cost effective borrowing as interest on borrowing are lower
- Easier to repay as repayment is over a period – fixed rate mortgages can be obtained for up to 30 years. Variable rate are also available.
- Mortgages can also be re-financed during the life of the mortgage.

CONS

- Debt profile as you get to pay more than you borrowed
- Loan is secured on property and can be lost if not repaid
- Various mortgage related fees to close out the deal
- Interest rate are constantly changing and can increase
- Property value may decrease as market fluctuates

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Credit in the US



Credit in the U.S

In the U.S, just like in most developed nations of the world, the credit score affects one's financial strengths and ability to access loans.

Banks and lenders use the credit score to determine ability to repay debts.

High credit score signifies ability to repay a loan without defaulting.

It takes about 6-8+ months to build a credit history from scratch.

There are some financial institutions that offer "Secured credit cards" for newcomers - small amounts but allows for one to build a credit history for a few months before one can apply for bigger amounts.

Buying a car on credit is usually easier to obtain than a mortgage and will allow you to build a credit history more quickly.



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Good Credit Score Defined

Your credit score is a three-digit number that represents a numerical expression of your credit health. This score is designed to help lenders assess risk—specifically, the likelihood that you will become delinquent on your credit obligations in the next 24 months. There are many different credit-scoring models out there, but the FICO credit score is the most popular and widely used. Another popular scoring model you may have heard of is the VantageScore, and there are several different models of VantageScores. When it comes to credit scores, and specifically FICO scores, you'll have three different ones. That's because each of the three credit bureaus—Experian, Equifax and TransUnion—assign you a credit score based on their internal process and the information they have in their reports.

When a foreigner arrives the US, he or she would be at the lowest as there is no credit history. A high credit score is a good credit score.

FICO Score Rating	Vantage Score Rating
1. Poor: 300 – 579	1. Very Poor: 300 – 499
2. Fair: 580 – 669	2. Poor: 500 – 600
3. Good: 670 – 739	3. Fair: 601 – 660
4. Very Good: 740 – 799	4. Good: 661 – 780
5. Exceptional: 800 – 850	5. Excellent: 781 – 850

Opening a Bank Account in the US

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Documents Required

Full US address

Contact info and Personal details

Immigration documents(i.e., a valid visa or Green card)

An opening deposit payment

Social Security Number

US Entry record is a key document to keep after entering



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Mobile Phone Service in the US

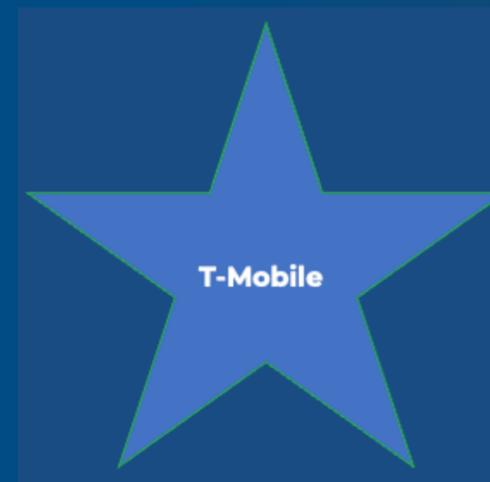
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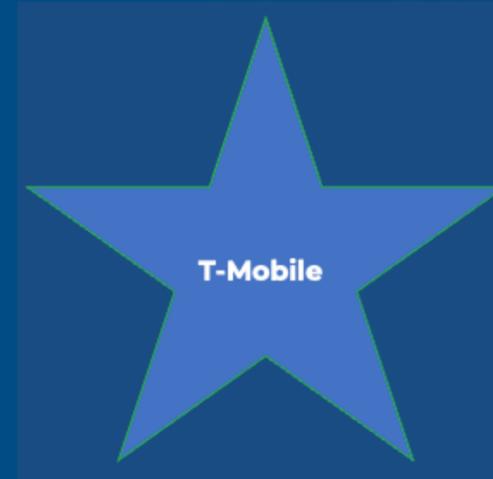
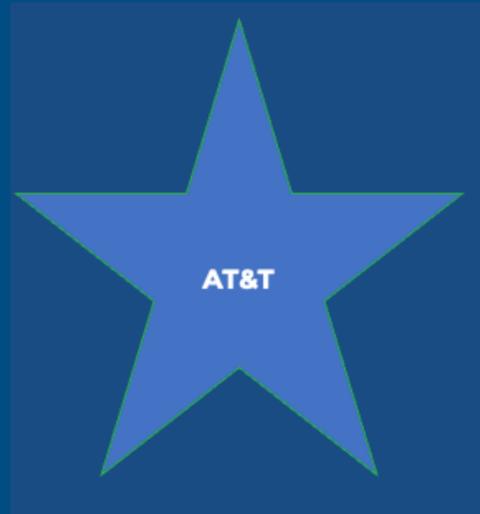
Service Providers for Prepaid Plans

- There are 3 main cell service providers in the U.S. – AT&T, T-Mobile and Verizon. Note that providers may use a different frequency to your home country if you plan to use an existing cell-phone. (This probably rules out Verizon unless you also buy a new phone).
- In recent years there has been an increase in firms offering lower cost solutions such as Mint Mobile, Red Pocket and others.
- If you don't want to buy a pre-paid plan then you can buy pre-paid sim-cards.
- You can buy pre-paid Sims from larger providers like AT&T or T-Mobile, but there are a number of other options.
- You can also buy a pre-paid Sim card in advance before you enter the U.S. (just search on-line for options) – so then you can connect when you land and sort out what solution then works best for you.



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- The prepaid plans offered by these two providers do not require social security numbers or credit checks.
- The best place to buy a sim card in the U.S. is in an official retail store such as a T-Mobile store. At the store, the phone can be set up with a working data connection.
- Sim cards are also available in certain stores. For example, 7Eleven, CVS and Walmart. However, do not assume staff will know about the products and be able to assist with setup.



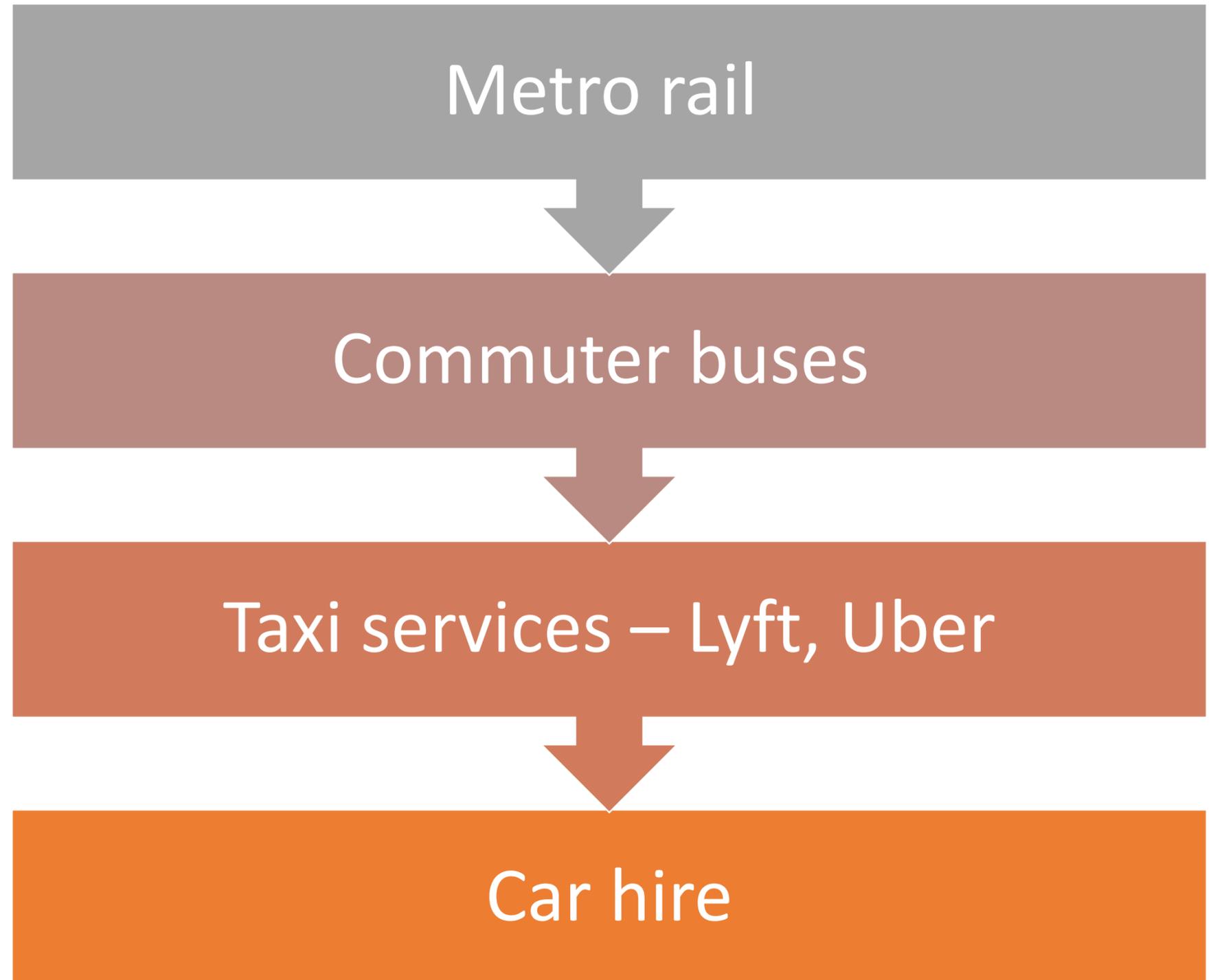
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Local Transport in the US



Local Transport options

(Longer distance can include rail and air)



Driving with a non – US driver's license

- It is possible to drive in the U.S. with a valid driver's license from the home country.
- Length of time for driving using the home-country's license depends on individual state law. If you are in the U.S. long-term you will have to get a U.S. license eventually.
- Some states may require an International Driver's Permit (IDP) even if the home country license is valid. There are also some States that may require you to take a license test as if you were a 'new driver'.
- An IDP can be applied for in the home country prior to arriving in the U.S.
- If you are in the U.S. for awhile, then getting a U.S. license is recommended as it is one of the main forms of ID requested, and easier to carry around.



Buying a Car

- If you want to get your own car in the US you have several options – buying a new or used car for cash, getting financing to buy a new or used car or leasing a new car.
- Insurance will be needed and expensive if you have no credit history. Having a letter of recommendation from your home country insurance company can result in getting a discount, especially if you shop around.
- Lack of credit history may also impact your ability to get financing or obtain a lease.
- Consider joining AAA – just one need for roadside assistance can easily pay for the cost of a subscription. They also offer other discounts.



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Healthcare in the USA

HEALTHCARE

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Overview of the US healthcare

Obtaining / maintaining healthcare coverage is a priority when coming to the US. Not having coverage can quickly lead to bankruptcy if you have to bear the full cost of any medical services.

The US healthcare system is made up of Private medical insurance and two government-run health insurance programs known as Medicare and Medicaid. Medicare is a tax assisted health insurance from the government available to Americans over 65 years and the disabled. Medicaid is a tax assisted health insurance from the government available to Americans over 65 years and the disabled. Neither of these are likely to be an option for someone moving to work in the US with a valid work visa.

Healthcare in the US is advanced but expensive. Americans either fund their healthcare directly from their out-of-pocket funds or indirectly through their health insurance .

In 2021, statistics showed that Private health insurance coverage was more prevalent at 66% than government coverage.

The private health insurance may be wholly or partly funded by the employer as an employment benefit.

Newcomers to the US mostly use the Private health Insurance funded personally or as an employee benefit by their employers. If self-funded then plans are available under the Affordable Care Act.

In the US, the primary care physicians are the Initial contact for medical needs and staff should register with a primary care physician.



Health Insurance for Us newcomers

Benefits of Private Health Insurance cover(Depends with the cover).

- **Coverage for expenses of in-patient hospitalization:** Hospital expenses for overnight hospital stays . These include expenses in ICU, rent room and medicines.
- **Transportation expenses:** Most health insurance plans provide coverage related to the expenses of transporting a patient.
- **Pre and Post hospitalization expenses:** That occurs within the specified period before and after hospital treatment.
- **Acute onset of pre-existing conditions:** Many comprehensive plans provide this benefit for people with pre-existing conditions.
- **Emergency Evacuation:** Health Insurance plans compensate for the expenses that occur for evacuating a patient to the nearest qualified facility.
- **Dismemberment benefits:** Paid if the policyholder accidentally dies or loses his sight or limbs in an accident.



Factors to consider when choosing a Health Insurance plan:

- Health Insurance plans(HMOs; PPOs; POS plans)
- Premiums
- Access to healthcare providers
- Out of pocket costs
- Coverage
- Benefits

Premiums, access to healthcare providers, out of pocket cost and coverage all depend on the Health Insurance plan chosen



Types of Health Insurance plans

Health maintenance organizations (HMOs)

- HMO is a medical insurance group that provides health services with providers under contract
- It limits coverage to care from doctors who work for the HMO. A primary care provider coordinates all care.

Preferred provider organizations (PPOs)

- PPOs plans offer more flexibility than HMOs in choosing care providers
- PPOs work like fee-for-service.

Point-of-Service Plans (POS)

- POS combines the characteristics of HMO and PPO



Plan Type	From whom you receive health care?	Do visiting specialists require a referral?	Summary
 <p>HMO</p>	 <p>Limits coverage to care from doctors who work for the HMO. Practically, It won't cover out-of-network care except in an emergency. You pick a primary care provider</p>	 <p>Yes. If you have to visit specialists, it requires referrals (e.g. permission) from your primary care provider in order for the insurer to cover the visits</p>	 <p>Makes sense if you want lower out-of-pocket costs and a primary doctor that coordinates your care. HMOs offer you lower premiums, predictable cost-sharing and administrative simplicity.</p>
 <p>PPO</p>	 <p>PPO has a wider choice of providers. Allows you to venture out of the provider network and to see any doctor. However benefits are reduced for services outside the network.</p>	 <p>No. You do not need a referral to see a specialist, but you may need to do some paperwork (such as fill out forms, send bills in for payment, and etc).</p>	 <p>Makes sense if you want more provider options and no referrals. However straying from the PPO network means that you may pay a greater share of the costs.</p>
 <p>POS</p>	 <p>You choose an in-network physician to be your primary care provider. However you can go outside of the network for health care services.</p>	 <p>Yes, your primary care provider may make a referral to the out-of-network provider. In this case, the medical plan has to pick up the tab.</p>	 <p>Makes sense if you want more provider options and a primary doctor. Offers more flexibility than HMOs but less than PPOs.</p>

Health Insurance

Out of pocket expenses

- These are costs for your medical care that are not reimbursed by the insurance and includes: Deductible; Co-insurance ; Co payments
- Deductibles are costs that you pay out of pocket before the insurance benefits begin.
- Co-insurance refers to the percentage of expenses you will still have to pay after your insurance policy takes effect.
- The co-pay is an amount paid to the doctor at every visit
- Before committing to a Health Insurance plan, it is advisable to fully understand how out of pocket costs are structured.

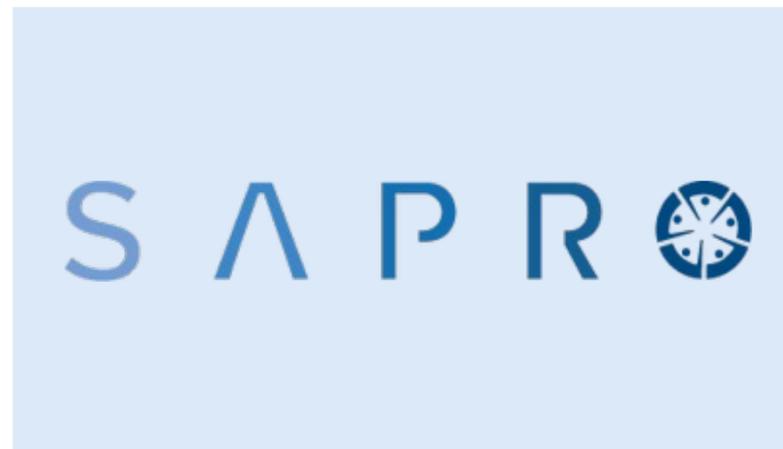
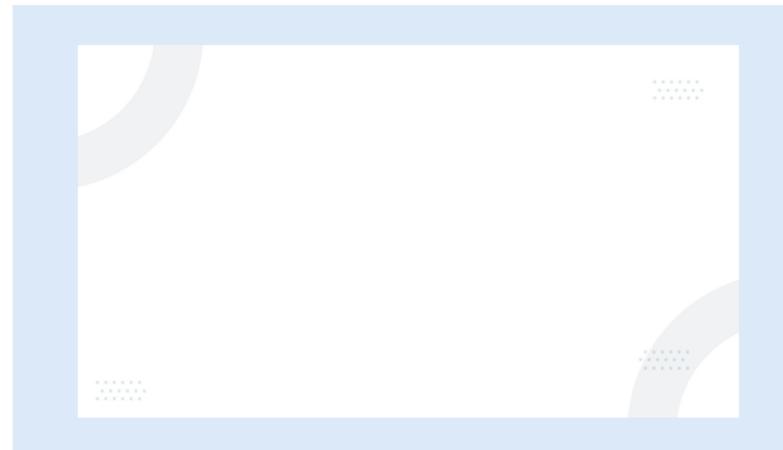
In general , a plan with lower premiums will have higher deductibles and higher co-insurance and vice versa.

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Tax implications for foreign
nationals in the US



Tax implications



Tax information for foreign persons are classified by the Internal Revenue Service of the US as

- **Resident aliens** who meet the green card test or substantial presence test in the current year
- **Non-resident aliens** who have not met the green card or substantial presence test
- **Dual status aliens** who change residency status in the current year

Resident Alien



You are a resident alien of the US for tax purposes if you are a foreign national who meets either the Green card test or the substantial presence test for the calendar year

The Green Card Test

- You are considered to be a resident for US federal tax purposes, if you are a lawful permanent resident of the US at any time during the calendar year.
- You are a lawful permanent resident of the US at any time, if you have been given the privilege, according to the immigration laws, of residing permanently in the US as an immigrant
- You generally have this status of the United States Citizenship and Immigration Services (USCIS) issued you a permanent Resident Card



Resident Alien



You continue to have US resident status under this test unless

- You voluntarily renounce and abandon this status in writing to the USCIS
- Your immigrant status is administratively terminated by the USCIS
- Your immigrant status is judicially terminated by a US federal court

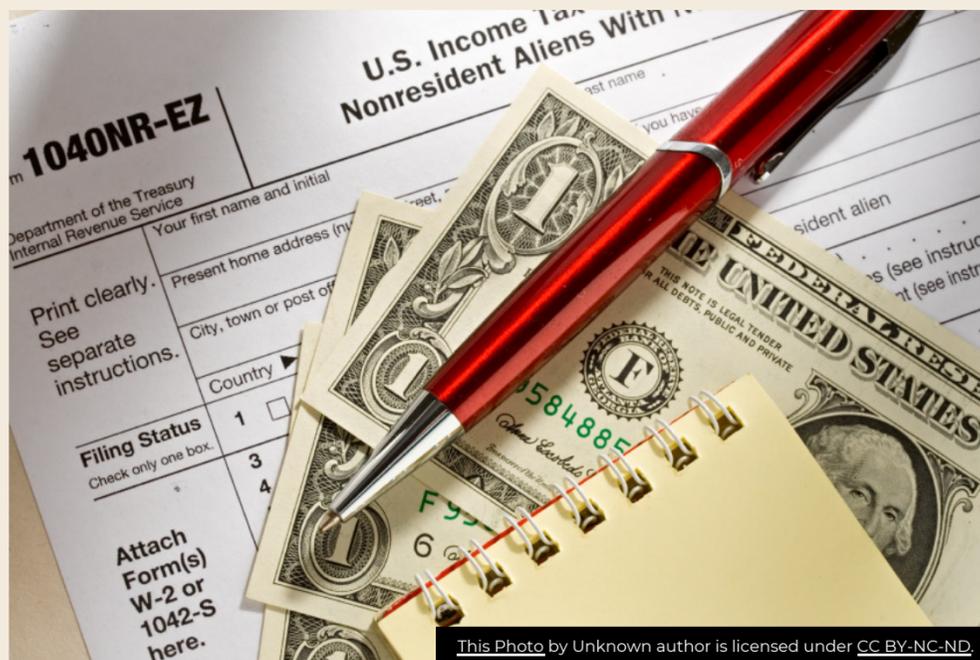
If you meet the green card test but do not meet the substantial presence test for that year, your residency starting date is the first day you are present in the US as a lawful permanent resident



Resident Alien

The Substantial Presence Test

- You will be considered to be a US resident for tax purposes if the following is met;
 - 31 days during the current year and
 - 183 days during the 3-year period that includes the current year and the 2 years immediately before that
 - All the days you were present in the current year
 - 1/3 of the days you were present in the first year before the current year and
 - 1/6 of the days you were present in the second year before the current year
- You are treated as present in the US on any day you are physically present in the country or at any time during the day



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Resident Alien

If you are considered to be a resident alien then the following is applicable:

- The rules for filing income, estate and gift tax returns are the same whether you are in the US or abroad. Worldwide income is subject to US income tax
- You use the same forms and mailing addresses as US citizens and you can also claim deductions allowed for US citizens
- All types of income must be declared. Form 1040 must be completed which is always due by the 15th of April of the following year
- An automatic extension to June 15 is allowed if your main place of business and the home you live in are outside the United States
- If you have significant assets held overseas – especially bank and investment accounts and they are above the reporting threshold, you must file details with your Tax return as well as an annual 'FBAR' report. Apps like 'TurboTax' can help if you file your own taxes, else it is recommended you get advice from a tax professional. Failure to declare foreign assets / income can lead to significant penalties.
- Some types of foreign savings and investment accounts, including retirement accounts, are incompatible with the US tax system and may need to be liquidated or restructured. Tax advice should be sought before establishing residency in the US.

Non-Resident Alien



An alien is any individual who is not a US citizen or US national. A non-resident alien is an alien who has not passed the green card test or the substantial presence test.

However, if you a non-resident alien at the end of the tax year and your spouse is a resident alien, your spouse can choose to treat you as a US resident alien for tax purposes and file Form 1040 using the filing status "**Married Filing Jointly**"

- ✓ If you are a non-resident alien engaged in trade or business in the US, you must pay US tax on the amount of your effectively connected income, after allowable deductions.
- ✓ If you are not engaged in a trade or business the payment of US source income is taxed at 30% and no deductions are allowed.
- ✓ You must also file an income tax return if you want to claim a refund of excess withholding or want to claim the benefit of any deductions. **Non-resident aliens file Form 1040-NR which is due by the 15th day of the 4th month after your tax year ends.**



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Federal Public Holidays



Public holidays

- ★ **New Year's Day** - 1 January
- ★ **Martin Luther King Jr. Day** – 17 January
- ★ **President's Day** - 3rd Monday in February
- ★ **Memorial Day** – 30 May
- ★ **Juneteenth National Independence** – 20 June
- ★ **Independence Day** - 4 July
- ★ **Labor Day** – 5 September
- ★ **Columbus Day** – 10 October
- ★ **Veteran's Day** - 11 November
- ★ **Thanksgiving Day** - 24 November
- ★ **Christmas Day** - 25 December



Federal Holidays

Federal Holidays in the United States are eleven calendar dates that are designated by the US government as holidays.

On U.S federal holidays, non-essential federal government offices are closed.

When a holiday falls on a Sunday, the following Monday will be a holiday in terms of Section 3(a) of Executive Order 11582, February 11, 1971.

The list on the left includes all federal holidays and does not include state-specific holidays.

Do note that not all federal holidays are observed by all – and recognition varies business to business.

Other items

- **Moving personal items to the U.S.** – usually people use a recognized moving company, often employer funded / assisted.
- **Leaving / re-entering the U.S.** – Do be aware of the requirements of your work visa and its impact on what is needed to exit and re-enter the U.S. There may be tax consequences of ‘leaving US residency’ and it is recommended tax advice should be sought if needed.
- **Visas** – covered in a companion document.