

## Using Opolis as Your Employer of Record and Why it's Important

If you've ever worked as a self-employed individual, contractor, or sole proprietor, chances are you've had to think about or address your Employer of Record. Even if you're just thinking about venturing out on your own, you've likely thought about what you'd do to establish your Employer of Record.



But if you've always been in a traditional, corporate gig, you likely have never had to answer any of these questions. You probably don't even understand why it's essential to find these answers. This article will detail what an employer of record is, why it's crucial to have an EOR, and different means of securing an EOR.

### What is an EOR?

An Employer or Record – EOR – is an organization that takes care of the hiring and/or compensating of an employee on behalf of another. Essentially, an EOR lets you legally and painlessly hire anyone anywhere in the world. The EOR takes on all the responsibility for formal employment tasks such as:

- Payroll Processing
- Payroll Taxes
- Processing Timesheets
- Employment Contracts
- Insurance and Other Employment Benefits
- New Employee Onboarding

Every country, and even many states or regions, have their own specific employment, payroll, and work permit requirements. Because of the often varied and complicated nature of these requirements, they can bog down independent workers.

### Why do You Need an EOR?

An employer of record is essential for those attempting to build their own business or working independently. That's because an Employer of Record serves as proof of employment for independent workers. Proof of employment is vital for income verification which is necessary for:



- **Lenders Originating a Loan** – Lenders are primarily concerned with your ability to manage ongoing payments. Employment income is a significant factor in managing your monthly expenses, and therefore your ability to make on-time loan payments.
- **Credit Card Issuers Seeking Salary Information** – Current salary doesn't affect your credit score, but it is one of many factors that affect a credit card issuer's decision.
- **Property Owners Issuing a Lease** – Because leases can be challenging to break, property owners must ensure tenants will make their rent.
- **Work Visa Holders Validating their Employment** – Employers typically take your current or most recent pay rate into account during salary negotiations. So, a new employer may require you to verify your provided salary information.

According to [Gusto founder Ryan Sandler](#), "Income verification is a prime example of a process that has been streamlined and secured for employees at a large enterprise organization while small businesses and their employees are left behind."

## **EOR vs. PEO vs. Payroll Services?**

There are other types of employment organizations. These organizations differ slightly from an employer of record but provide their own distinct benefits. Alternatives to EORs include PEOs and Payroll Services. Let's quickly break down each of these organizations and how they're similar and different from an EOR.

## PEO

A PEO – a professional employer organization – provides co-employment services. Essentially, both the client company and the PEO share in the management of employees, and both assume legal liabilities.

## Payroll Service

Payroll Service companies gather information from employers about the number of hours each worker has earned for a pay period. With this information, typically collected via software, payroll service companies can:

- Determine proper wages and tax-withholdings. They can also issue W-2s or 1099s on behalf of the employer.
- Manage employment benefits and retirement accounts.

**Note:** If you utilize a payroll service provider, it's still up to you – the employer – to ensure there are zero errors, omissions, or misclassifications. And your tax ID number is still on every report, which means you're responsible for any violations.

## Opolis vs. other EORs

Opolis Employment Commons is a unique and future-facing employment cooperative that provides high-quality, affordable employee benefits and shared services. Opolis is built by and for independent contractors, freelancers, gig workers, and all self-employed individuals.



The Employment Commons aims to give workers the freedom and flexibility that comes with being independent while maintaining traditional corporate job security. Through Opolis, self-employed individuals worry less about the small details of self-employment and focus more on the big picture.

In addition to serving as an Employer of Record that can provide income verification, Opolis provides its members with a robust menu of employment benefits and shared services. Employment benefits offered through Opolis include, but aren't limited to:

- Health Insurance
- Dental & Vision Insurance
- PTO & Digital Policy
- Digital Currency Options
- FSA & HSA
- Retirement Accounts
- Health & Wellness Stipends
- STD/LTD

Shared services provided by Opolis include, but aren't limited to:

- Automated Payroll
- Integrated Partners
- Tax Simplification
- Employee Protections
- Payroll Compliance
- Employer of Record



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## Opolis as Your Employer of Record

Utilizing Opolis as your Employer of Record is simple. To begin, become an Opolis member. To qualify for benefits through Opolis, you need to be a solopreneur, sole proprietor, contractor, or independent worker. Plus, you'll need to be a full-time employee working at least 20 hours per week.

If you're interested in joining Opolis, simply [visit the website](#), begin the process yourself, or [schedule an appointment](#) with the Opolis Membership Team today. Our Membership Stewards are available to answer any of your questions or, if desired, guide you through the entire process.