

MOVING TO ISRAEL WHILE WORKING REMOTELY



THE CORE ASSET: PERSONNEL

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As of 2023, the State of Israel has a total population of 9,174,000, with a whopping 3,340,000 of its citizens—nearly a third— having immigrated from almost every corner of the world beginning with ‘The First Aliyah’-- a surge in immigration— that began back in 1882. Coming from such Middle East countries as Yemen, Syria, Iraq, and Lebanon, from North African countries of Morocco, Tunisia, Algeria, and Egypt, and from the U.S., Canada, UK, and other Western countries, the newcomers—many of whom were motivated by religious sentiment and others by the fear of a threatening Diaspora— flocked to settle in the Holy Land which was then under the dominion of the Ottoman Empire whose rulers welcomed the arrival of a skilled, and oftentimes well-educated, workforce. Immigration has steadily continued to this day, with 70,000 new immigrants having arrived in 2022 alone. Aside from housing as a first priority, the next priority has been to provide for livelihood. We will examine how 21st Century ‘Olim’ (immigrants) are faring in what has become one of the world’s most advanced high-tech economies.

From Citrus to Silicon Chips

The economy was agricultural-based at first on account of a small industrial base due to a dearth of natural resources, but by 1980, Israel made a major decision to hitch its economy to the emerging high-tech industry. Requiring almost no raw materials but plenty of brainpower, Israel found that by emphasizing technology skills in its educational curriculum, it could produce an army of computer and algorithm whiz kids and attract global technology companies ranging from chip manufacturers such as Motorola, IBM and Intel, to biotech and generic pharmaceutical developers. Israel soon got the reputation—and nickname—of ‘Startup Nation’ building thousands of startups and currently having the 3rd most companies listed on the NASDAQ, following the U.S. and China.

Ideology Meets Reality

But not all highly motivated immigrants have mastered the complex Hebrew language, and not all are prepared to forego their comparatively lucrative American salaries for the lower-paying wages found in the Israeli workplace. The solution for many has been to keep their American jobs while relocating their families to Israel to

live out their ideological dreams. At first, that meant constant trans-Atlantic commuting, which in itself was a strain on families. But as more and more companies ‘went global’, with offices located around the world and a workday consisting not of 8 hours but of 24 hours in staggered shifts, acceptance of remote telecommuting by employers became the norm.

With the COVID-19 pandemic shuttering offices throughout the U.S., employers were even more willing to adopt remote work by employees regardless of location. And, the addition of a ‘night shift’ vis-à-vis the U.S. workday—which translated to a day shift for Israeli workers—without paying a night shift premium was also a boon for employers. Even those Israelis who begin their shift at 4 pm locally, are still online when the U.S. workday begins, and that overlap is ideal for such things as Zoom conferences and other critical real-time communication exchanges.

Remote Legal Services

Although the majority of immigrants working remotely are employed in the high-tech sector with such tech giants as Google, Amazon, Facebook, and others, there is a strong presence of

“THE DISTRIBUTED WORKFORCE MODEL IS HERE TO STAY. WITH PEOPLE WORKING FROM DIFFERENT PARTS OF THE WORLD, WE CAN SPREAD OUR SEARCHES MORE BROADLY AND SEEK OUT THE BEST TALENT.”

— Azi (Alan) Cutter, CEO of digital recruiting firm, AC Lion, run from Israel.

highly experienced American, UK, Canadian, and other Anglo lawyers residing in Israel, many of whom have held and will continue to hold a senior associate or even partnership positions with prestigious law firms or with FINTECH firms. The field of lawyers in Israel, available to handle litigation support as well as such matters as commercial contracts, Intellectual Property, real estate, and finance, is, therefore, a very substantial one. GreenPoint Law & Compliance has made extensive remote use of Israeli-Anglo lawyers to handle matters for its legal content publishing and insurance clients located around the world.

Structuring Remote Employment

In some cases, U.S. companies choose to open an entity in Israel which in turn hires the Israeli-Anglo employee. This format requires that the U.S. company opens a file with the Israeli tax authorities and the National Insurance (social security and benefits) office and arrange for a pension fund as well as employer-share contributions to a health fund. In other words, the employer takes on the status of an Israeli company for the purpose of such employment.

Alternatively, Israel-Anglo workers remain as U.S. employees but must then account for that global income on their Israeli tax returns. Lastly, some workers choose to go the independent contractor route, opening up their own entity in Israel—complete with Tax Authority, National Insurance, and other registrations—which then bills the U.S. company. U.S. law, however, requires that such companies opened overseas by U.S. citizens pay 15% to U.S. Social Security in addition to regular tax reporting. Specialized Israeli 'payroll companies' exist, which technically show the worker as their employee while the payroll company handles all requirements that would otherwise be the responsibility of the self-employed individual.



Workplace Culture Issues

A major benefit of working remotely from Israel is that it eliminates the need to undertake a local job search upon moving to Israel. Especially for the new immigrant who did not grow up in Israel, the requisite 'connections'—whether made in high school, college, compulsory army service, or through family—that are so important to get hired are lacking. Aside from the aforementioned Hebrew language challenges, there are other workplace-culture differences that can make the adjustment to the 'Middle Eastern mindset' difficult for employees who have only known the American way of doing things. By remaining employed by their American employer, this workplace cultural obstacle can be avoided.

For the employer, an advantage is that the company can greatly broaden its field of candidates of those who already possess the necessary experience and who are at the same time fully familiarized with American work culture, as opposed to outsourcing to locales where the 'fit' might take some time to click.

Dollar to Shekel Exchange

For those employees who are paid in the local Shekel (NIS) currency, no currency exchange rate issues arise. However, for those who are paid in U.S. Dollars into a U.S. bank account, depending upon exchange rate fluctuations, the employee may find himself or herself either at an advantage or disadvantage in terms of how a given exchange rate translates into spending power. Fortunately, the USD-NIS exchange rate has remained fairly constant and stable for the past several years. However, transfers of dollars into an Israeli bank account, as needed for various local expenses, will likely incur a bank transfer fee on both ends.

Best of Both Worlds

The convergence of a strong, renewed Aliyah (immigration to Israel) movement from the four corners of the world, combined with the post-pandemic remote workforce model for global employment, has resulted in a win-win opportunity for those who are motivated to relocate their families to Israel without giving up the professional employment they have worked hard to excel in. Such a move, however, requires some serious planning, and having a frank discussion with one's U.S. employer will quite likely help make the transition to living—and remotely working—abroad a seamless one.

Executive Summary

1. The Issue:?

What opportunities exist for those individuals dreaming of moving to Israel while maintaining their professional careers?

2. The Gravamen

In today's world of widespread remote telecommuting, many employers are quite amenable to a remote work arrangement with their employees who wish to remain employed with the firm or company while relocating to Israel.

3. The Path Forward

Particularly in the post-pandemic era, there is an increasing trend of people bringing their jobs with them to Israel, resulting in a benefit for both employees and employers.



Action Items:

1 Conversation With Employer:

As a first step, a professional looking to relocate to Israel should discuss the possibilities with his or her employer so that the mutual benefits of such an arrangement can be analyzed.

2 Structuring Remote Work:

An employee's financial advisor should be consulted in order to determine whether a continuing U.S.-employee scenario or a self-employment independent contractor plan is best suited for the particular circumstances.

3 Aliyah Resources:

Do your homework by taking advantage of such immigration resources as 'Nefesh b'Nefesh' and the Israeli Immigrant Absorption Ministry, which can advise you as to what to expect as a remote worker in Israel.

4 Finding New Remote Work:

Even if a remote work arrangement does not work out with your current employer, there are scores of online employment services that specialize in placing new immigrants in remote work positions.

Further Readings

1. <https://www.jta.org/2021/02/17/israel/how-to-move-to-israel-while-working-remotely-for-a-us-employer>
2. <https://www.jns.org/opinion/why-work-from-home-when-you-can-work-in-israel/>
3. <https://blog.route38.co.il/2021/06/06/pros-and-cons-of-working-remotely-in-israel/>
4. <https://www.cpa-dray.com/en/blog/working-in-israel-for-an-employer-abroad>
5. <https://www.israelhayom.com/2022/05/11/israel-is-world-leader-in-percentage-of-citizens-working-in-high-tech/>



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After receiving his Juris Doctor degree from The John Marshall Law School in Chicago, Mr. Brochin served as an Administrative Law Judge with the Illinois Department of Labor for six years where he presided over cases dealing with job separation issues and matters pertaining to contested Unemployment Insurance claims. He also co-wrote the agency's administrative rules, and periodically served as a 'ghost writer' for Board of Review decisions. Following that position, he was Director of Development for a Chicago-area non-profit college where he was responsible for High Net Worth donations to the institution. For the next eighteen years he practiced as a solo practitioner attorney with an emphasis in the fields of Real Estate law and Commercial Contracts transactions, and was an agent for several national title insurance agencies.

In 2003 he was recruited to head up a U.S. title insurance research office in Israel, a position he held for four years, and between 2007-2017 he participated in litigation support for several high-profile cases. He has taught Business Law as a faculty member of the Jerusalem College of Technology, and has authored a wide variety of legal White Papers and timely legal articles as a professional legal content writer for GPL clients. Separate from his legal writing, he has co-authored academic articles on Middle East security topics that have been published in peer-reviewed publications.



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William Anderson is Managing Director and Head of Law & Compliance. He leads the GreenPoint practice in providing regulatory, legal, and technology solutions to law firms, legal publishers, and in-house law departments around the world, overseeing our team of experienced US attorneys and data and technology experts. Will has over 25 years' experience working with corporations to improve the management of their legal and corporate compliance functions. Will began his legal career as a litigator with a predecessor firm to Drinker, Biddle LLP. He then served as in-house counsel to Andersen Consulting LLP, managing risk and working with outside counsel on active litigation involving the firm.

Will has leveraged his legal experience interpreting regulations and appearing before federal (DOJ, SEC, FTC) and state agencies (NYAG) to oversee research and other areas at Bear Stearns. In this capacity, he counseled analysts on regulatory risk and evolving compliance requirements. Will also consulted on the development of a proprietary tool to ensure effective documentation of compliance clearance of research reports. Will then went on to work in product development and content creation for a global online compliance development firm pioneering the dynamic updating of regulated firms' policies and procedures from online updates and resources. Will holds a Juris Doctorate with High Honors from the Washington University School of Law in Saint Louis and is admitted to state and federal bars. He lives in Pawling, NY, with his wife and daughter.



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