



6 Things To Do To
SET YOURSELF UP FOR
FINANCIAL SUCCESS
IF STARTING A JOB ON
H-1B VISA

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1 Introduction

On Feb 16th 2021, USCIS announced that they had received enough petitions to reach the H-1B visa cap both for the regular visas (65k) and the U.S Advanced degree exemption – Master’s cap (20k) for fiscal year 2021.

The H-1B Visa lottery and petition process is a long-drawn-out process for the employer and the potential employee. It typically takes months to prep and complete.

If in the country already when the approvals come through, you can start on the job right away.

If you are outside the country, apply for the visa at the local U.S Consulate or Embassy, which will allow you to travel to the U.S to start your new job.

The H-1B visa is valid for 3 years and can be extended for another 3 years. It is one of the most popular paths to permanent residency - a topic for another day.

Your success at the job is critical to your overall success. Most of these jobs are challenging and require a lot of time in addition to being able to navigate life in a new country.

In addition to the top 6 things, keep in mind especially with respect to taxes.

For example immigration status and tax status, FBAR filing requirements and a few other considerations.

But the top 6 are things that can be done right away and have an appreciable effect on your finances, giving you a great start.

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2 Do Not Blow Your Dreams Before You Start – Create a Budget

By now you know how much you are going to make as compensation. If you have been in the country a while, for example as an F1 student – you have a good idea of what life costs. If new to the U.S., this is good time to draw up a budget, knowing how much you will be making.

If completely new, figure out what it is going to cost you to [live in the U.S. compared to your home city](#). There are a lot of apps you can use for budgeting [like the ones detailed here](#), but a simple spreadsheet will do the trick as well.



3 Create an Emergency Fund Right Away

It is tempting to start spending right away, but before you do, you need a solid emergency fund. If you lose your job, you typically **have about 2 months to find a new job, change your visa status or leave the country**. These funds can be used to support you and your family if here, find another job or buy a ticket back to your home country. *A good amount to aim for is 3-6 months + the cost of a plane ticket back to your home country.*

4 Sign Up for Company Benefits

This is a good time to sit down with one of the HR folks to understand what benefits are available to you. But keep in mind that what they will provide is likely to be generic and more suited to a citizen or somebody that understands the system already. Your job is to gather as much information as possible.

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Different companies have different waiting periods especially for the optional benefits. Find out exactly how much time you have on each of the benefits, then start doing your own research.

This is a great time to chat with a financial advisor on some of your options.

Some companies will have a relocation specialist for those in executive positions that can assist with some of the international questions that arise. *Take full advantage if available.*

I will highlight the most important benefits, that are most likely to impact your life the first year.

4.1 401k Plan and Other Retirement Vehicles

As an employee, you are eligible to sign up for the 401k plan or the retirement plan available.

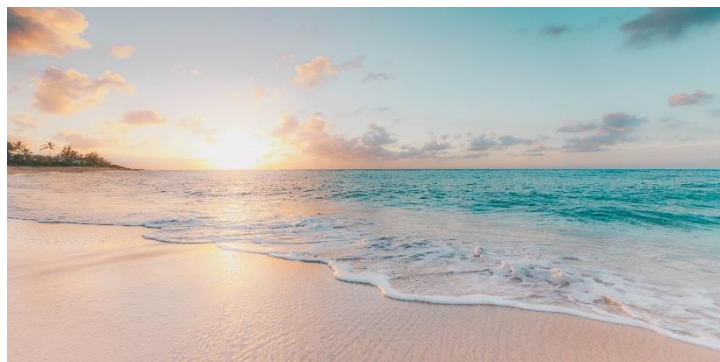
If the company has a match, not signing up is leaving money on the table.

It is also a way to reduce your taxable income (which is a good thing).

A lot of companies have chosen to go down [the path of least resistance](#), so they enroll you by default to encourage participation. It is a great option to get started on saving for your future.

In the long run, the best vehicle for you to save in is determined by whether you plan to go back to your country or planning on staying permanently in the U.S.

This is a decision you can make later, but for now, take what is



being offered and plan to make updates later.

New employees may be hesitant to sign up, because they are not sure what to invest in. **If your plan offers target-date funds, this is a great place to start.** The funds can be changed later, just get started.

4.2 Health Insurance

Most of the H-1B visa employees are hired by tech companies. These companies will offer different types of [health insurances](#) for their employees.

One of the options on offer may be **an HSA (Health Savings Account), usually paired with a high-deductible health plan (HDHP).**

HSAs are typically best for folks who are generally healthy, and not likely to need expensive health care in the future.

They lower your taxable income, grow tax-free and come out tax-free if used for qualified medical needs. They are not ideal for everyone, but certainly an attractive option when starting out. We have a paper coming out in future on this.

Some companies will have a long wait period, in this case, it may be worth considering private insurance to bridge the gap, if you have a medical condition that needs urgent attention or if you have young kids that need coverage right away.



4.3 Group Legal Benefits

If the company is offering legal insurance plans, it's a benefit, worth considering.

Each company is different (confirm what they offer), but typically there will be a network of vetted legal experts who can help answer common questions on wills, possibly immigration or refer you to a reputable professional.

You are likely to have a lot of legal, tax questions etc. especially if in a higher income bracket. This might come in handy the first year.



4.4 Life Insurance

Most companies will offer this as a group benefit. Sign up for it, but know that if something happens to your job, you will be out of luck.

Instead consider it a bonus, but plan to sign up for term life insurance outside of your work. This article lists out [insurance companies willing to sell life insurance to visa holders](#).

The broad recommendation is 10 times your income, if somebody is relying on you.

Another way of thinking about it is what would it take to replace your income if you got hit by the proverbial bus?



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4.5 Disability Insurance

If the benefit is free, sign up for it. Hold off signing up for supplemental insurance, as most insurances will not pay if you are not resident in the country.

This because a lot of visa holders are likely to want to move back to their home countries, if disabled and could not work.

5 Compensation

If part of your compensation is in Stocks Options, RSUs (Restricted Stock Options), or comes in other forms of executive pay package, **talking to an advisor or a good CPA is a great idea**. This will help you understand the nuances of what you have and the best way of utilizing it in your specific situation.

6 Career Success

Being successful at your job is key to being financially successful in the U.S. At a high level, get a good understanding of the company culture.

Understand what is expected of you, what your job entails, and more critical, **what success looks like in your current position.**



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Do not take anything for granted, get very comfortable asking questions, especially from your boss on matters that are not clear to you.

In my previous career in the high-tech space, I had the opportunity to hire for different roles. **The folks that succeeded had taken the time to understand how the company defined success. This was in addition to understanding their roles,**

knowing who the stakeholders were, and getting a good sense of the company culture.

7 Settling Down - Immerse Yourself into The Culture

As part of your overall journey, you will need to figure out living accommodations (start out renting), get some means of transportation (buy used and if possible, pay cash), open a bank account (lots of online options) and start building your credit history (more on this later).

Socially, you are likely to be interacting with a lot of folks from your country, which is understandable. It is very comforting to hang out with people that speak your language and know where you are coming from.

But interacting with current residents, gives you an opportunity to become immersed into the culture sooner, giving you a richer life experience.

Be very, very observant to understand how people behave, and interact with each other. It will give you a better idea of what the cultural norms are making the new life a lot easier for you.

We fear the unknown, and what we do not understand. The more you can integrate into the community, the more those around you will get to know you, creating connections and networks that can enhance your life and theirs.

It is okay to rely on your community to get answers to a lot of your questions, but it's a great idea to talk to professionals, like CPAs, Financial Advisors etc., for a second opinion.

Starting life in the U.S. is not easy, having the opportunity to do so is a testament to your hard work – please allow us to help you make the most of the opportunity. I am happy to chat anytime, drop me a line at hello@elgonfa.com or [schedule a 30-minute free consult](#).

I am also available for group presentations on the same issues for companies hiring a lot of H-1B employees. There are multiple ways of getting in touch with me.

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