

# Small business crypto guide (part 3 of 5):

How to **pay employees in crypto** and use it to attract global talent

In the third part of our **small business crypto guide**, we'll get into how to **pay employees in crypto** and its benefits to your business. Offering crypto payment options can help attract certain employees to your business, which can play a role in its future development and success.

Of course, if you're unfamiliar with crypto, you might think it's too complicated to be worth it. That's the goal of this series: create a **small business crypto guide** that breaks down everything you need to know about how to **accept crypto** in your business.

While offering crypto as a payment option for customers is becoming more widespread in some areas (we'll cover that in the next article), paying your employees in it can get a bit more difficult. But it's definitely possible, and many companies are already doing it!



Source: Pixabay

# How using crypto can benefit your employees

## Stand apart from your competitors

Offering [crypto as payment](#) can attract a broader range of employees to your small business and helps you stand out from your competition. Depending on what type of employees you want in your business, you could expect to attract [younger millennial and Gen Z](#) workers who are technologically savvy and already own crypto.

People who already own and **accept crypto** prefer a [decentralized financial](#) system over a traditional one. By offering crypto, you're signaling that you support that mission, too.

## Faster payments

Another [benefit to offering crypto](#) is faster payments. Employees don't have to worry about waiting for their paychecks to process or encountering delays with their bank or payment platform. With crypto, you can send paychecks much faster – in a matter of hours, if not faster.

## Potentially easier taxes

This will depend on your team members' locations and how crypto is treated in their state or country. But in the United States, [crypto is taxed](#) similarly to stocks or properties. This means crypto isn't taxable until it is sold.

At that point, the owner will have to pay capital gains (or loss) tax, which is the difference between the price the asset was bought at and the price it was sold for.

Depending on what tax bracket your employee falls under, this option may be preferable to paying income tax. However, taxes can also be a complication when it comes to crypto. We'll cover the potential risks in the last section.

## Fewer fees

Paying with crypto also comes with less fees because no middlemen are involved. We'll get into the different ways to pay your employees in crypto below.

But if you **pay employees in crypto** using the peer-to-peer method, you'll only have to pay the [gas fees](#) on the network you're using. If you go with a third-party payment processor, most of them will take a small fee.

## Beat inflation

In addition, some employees might worry that rising inflation is lowering the purchasing power of their wages. For this reason, they might seek crypto as an alternative way to secure an income that isn't affected by inflation.

## Building a remote workforce

Depending on the needs of your small business, crypto allows you to keep all or part of your workforce remote or even hire international workers.

[Remote work](#) has several advantages, from more productivity to better worker retention. It can also help your small business save money by not having to rent out a physical office space.



Source: Photo by Sigmund on Unsplash

## Using crypto to attract global talent

Your remote workers don't just have to be in the same state as you – they can even be in different countries.

Of course, this will also depend on the nature of your small business. But if your business is able, hiring internationally can help you save money, and [paying these workers in crypto](#) can simplify the payment process.

With crypto, both parties in the transaction don't have to worry about currency exchange rates, paying fees on international payments, or waiting days for the payment to process.

And as explored in the first part of this **small business crypto guide**, it's more secure because of [blockchain technology](#) and the lack of traditional middlemen.

# How to pay your employees in crypto

## Direct method

So if you decided it's the right move to **pay employees in crypto**, how exactly would you **accept crypto** and pay them? The first option we'll explore in this **small business crypto guide** is simply transferring the crypto from your [crypto wallet](#) directly into your team member's wallet.

This direct, peer-to-peer method is more complicated, especially if you're brand new to crypto. First, you'd have to set up a crypto wallet for your business. Then, you'd have to be responsible for purchasing the crypto and keeping the funds in your wallet secure.

You would also need to manually keep track of the crypto's price point when you purchase it and send it to your employee.



Source: Photo by Bermix Studio on Unsplash

## Crypto payroll companies

By far, the easiest way to pay your workers with crypto is using a third-party company. You don't even need to purchase or handle crypto yourself if you go this route. Some options include:

## Bitwage

[Bitwage is a crypto payroll](#) and HR company available to U.S., U.K., and EU employers. They provide payouts in Bitcoin and Ethereum, and also offer Bitcoin 401ks.

It's used by big companies like Google, Facebook, Uber, Coindesk, and Airbnb. Employers simply create an account and fund it with fiat or crypto. Then, Bitwage converts the amount and sends it to the employee. Bitwage also has no service fees.

## Bitpay Send

With [Bitpay's payroll platform](#), all you need to do to **pay employees in crypto** is deposit the paycheck amount in fiat currency. Bitpay will convert it to crypto and send it to your team member or independent contractor. You'll never need to handle or **accept crypto** yourself, and there's only a 1% transaction fee.

## Coinbase

[Coinbase's payroll service](#) works differently from the other options mentioned in this **small business crypto guide**. The business owner doesn't have to do anything – it's all done on the employee side. Employees can set up an account on Coinbase and have all or part of their paycheck directly deposited on the platform.

To do so, they simply set up direct deposit in the settings, select their employer or payroll company, and Coinbase will take care of updating the direct deposit preference. From there, users can take the money and purchase any of the cryptos available on Coinbase.

## Cash App

[Cash App has a similar service](#) as Coinbase, which they launched in early April of 2022. Employees can use the platform to deposit all or part of their paycheck and convert it to Bitcoin. Unlike Coinbase, Bitcoin is the only option.

This works by the team member setting up their paychecks to be directly deposited on Cash App instead of their bank. From there, they can purchase Bitcoin on the platform.

## Request Finance

[Request Finance](#) is a payroll and invoicing company employers can use to pay their workers in the crypto of their choice and to send mass payments. It keeps track of the exchange rates and price changes for different cryptos. This makes accounting much easier for employers [when it comes to taxes](#).

Employers can also import all their transactions data to their preferred accounting software. Request Finance is used by top crypto and blockchain companies like Aave, Sandbox, and Maker. Employees can choose from 70 different cryptos, and employers only have to pay a 0.1% fee, which is capped at \$2 per transaction.



Source: Photo by Kanchanara on Unsplash

## Risks to consider

Of course, this **small business crypto guide** wouldn't be honest if it didn't mention that paying employees in crypto comes with risks.

First, crypto is notoriously volatile. This means if the crypto drops in value, the worker would lose those earnings. This happened to Los Angeles Rams wide receiver [Odell Beckham, who opted to take his \\$750,000 salary in Bitcoin](#) in late 2021.

When Bitcoin dropped in value at the start of 2022, that salary became worth a little over \$400,000. On top of that, Beckham will still have to pay taxes on the crypto at the original \$750,000 value.

But it's also true that the opposite could happen. If the value of crypto rises, the employee could receive more than their paycheck amount.

In the end, this is a risk the team member will have to feel comfortable taking. A good way to mitigate the risk is a hybrid model where only part of their paycheck is paid in crypto.

You'll also have to be on top of tax rules and other regulations on crypto in your area. An important part of this is keeping track of the initial purchase price of your crypto because employees will be taxed at that amount.

You'll also have to make sure your plans comply with the [Fair Labor Standards Act \(FLSA\)](#). And if you're using international workers, things can get even more complicated.

Depending on the employee's location, crypto may not be a viable option for them. Some countries have banned crypto entirely while others have strict rules around how it can be used.

Don't worry if this sounds like a lot! We'll get into more detail on taxes and regulations in the last part of this **small business crypto guide**.

## What's next in the **small business crypto guide**?

Whether to **pay employees in crypto** is a choice that will depend on your small business' situation. However, [offering it as a payment option](#) to customers is a relatively straightforward process that can come with many benefits for the future of your business.

But how exactly do you go about setting up crypto payment options? In the next installment of the **small business crypto guide**, we'll break down all the technical aspects of accepting crypto as payment and show you that it's not as hard as you might think!

### About the author:

*Jennifer Jones is a content writer who just recently started exploring the world of crypto. She loves learning about new things and breaking down complex ideas. Whenever she's not writing, she enjoys playing guitar and obsessing over her cats.*

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### Focus keyword:

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Social description + hashtags:

Twitter: Want to take your small business to the next level? Paying employees in cryptocurrency could help you attract top global talent and grow your business! #smallbusiness #cryptocurrency #bitcoin #defi

Facebook: Giving your team members the option to get paid in crypto can be a great way to grow your small business. Plus, you can use it to attract global talent. Find out how to pay your workers in crypto in this post!

LinkedIn: Offering to pay your team members in crypto can have several benefits for them as well as your small business. Learn why you should consider this payment option and how exactly to get started if you decide it's the right move for your business.

Short description:

This installment of the small business crypto guide will explain how and why you should consider paying employees in crypto.

Long description:

Want to stand out from your competitors and take your small business to the next level? Giving your team members the option to get paid in crypto can be a great way to grow your business, attract and retain new team members, and even hire and pay international workers with ease. In this installment of the small business crypto guide, we'll break down how to pay employees in crypto and the benefits it can have to your business.