

Azerbaijan is a small Middle Eastern country on the western edge of the Caspian Sea. Expanding to Azerbaijan opens doors for relationships with other countries in the region, and it can prove to your customers that you're serious about expanding across borders. However, you also have to worry about how you'll set up your Azerbaijan payroll, [hire employees](#), provide [compensation and benefits](#), and more.

Globalization Partners can help you build a global workforce without [establishing a subsidiary](#). Through Azerbaijan payroll outsourcing, we can hire employees who work for your company and add them to our locally compliant payroll. We'll shift the worry of compliance from your shoulders onto our own and help you complete the onboarding process in a couple of days.

## Azerbaijan Taxation Rules

Following taxation rules is vital to both employees and employers. Both groups must contribute to the Social Protection Fund (SPF) at varying rates. Employees pay 3% of their salary, while employers owe 22% of the employee's salary, including any bonuses. All employers must withhold taxes from employees' salaries and pay employees using Azerbaijan's fully electronic payroll system.

## Azerbaijan Payroll Options

Every company has their own business goals and needs an Azerbaijan payroll option that fits those goals. You have four main choices, including:

- Remote: Your parent company may already run its own payroll, and you can add any new employees in Azerbaijan to the same payroll. However, these new employees will have separate labor and tax laws than your parent company's employees.
- Internal: Although it's not a viable option for everyone, larger companies looking to work in Azerbaijan for years to come may choose to set up internal payroll. With this option, you'll need to hire a bigger HR staff and an expert in Azerbaijan labor laws.
- Azerbaijan payroll processing company: If you don't have the time or knowledge to set up an Azerbaijan payroll, you can work with a local payroll processing company. Your company will still be responsible for compliance.

- Azerbaijan payroll outsourcing: Your other Azerbaijan payroll outsourcing option is to work with a global PEO such as Globalization Partners. We can set up your payroll and also deal with compliance so that you only have to worry about running your company.

## Requirements for Setting up Your Payroll

You cannot set up your Azerbaijan payroll until you [establish a subsidiary](#) in the country. This requirement involves a lengthy process, and it may take months before you're ready to hire employees and add them to your payroll. Azerbaijan payroll outsourcing through Globalization Partners will eliminate this step to help you start working faster. Our team understands all the ins and outs of employment compliance in Azerbaijan, and we'll take on the worry of compliance.

## Necessary Entitlement and Termination Terms

Hiring and terminating employees in an unfamiliar country such as Azerbaijan can prove difficult, so we recommend adding entitlement and termination terms to your employment contracts before choosing your payroll option. Employees usually get three months of severance pay, and employers must document the termination of employment to meet strict laws.

## Work With Globalization Partners Today

Your expansion doesn't have to take a significant amount of time and money. Contact Globalization Partners to learn more about Azerbaijan payroll outsourcing.