

The Bahamas is in the Caribbean, with the majority of the population living in the capital city of Nassau. Major industries include international banking and investment management, which have bolstered the country's economy. If you're looking to expand in any of these industries, The Bahamas is a great place to establish a new location.

While you may want to start working in The Bahamas immediately, you'll have to set up everything from a subsidiary to your payroll before you can benefit from your expansion. That's unless you're working with Globalization Partners. Choosing Bahamas payroll outsourcing with us will help you start work immediately, and you won't have to worry about taxes, how you'll pay employees, or even staying compliant.

## **Bahamas Taxation Rules for Employers and Employees**

The Bahamas' major tax is the National Insurance. The country does not have any income taxes but requires social tax contributions through the National Insurance program. The employer pays 5.9% of employees' salaries to this tax, while employees contribute 3.9%. The VAT is currently set at 12%, which is an increase over the previous 7.5%.

## **Bahamas Payroll Options**

It's important to choose a Bahamas payroll option that works for the way you operate each day. You can choose from four options, including:

- **Internal:** You can choose to implement an internal payroll at any time, but you'll need a large staff and an expert who can help you stay compliant. This option can work well for companies committed to working in The Bahamas for years.
- **Remote:** Your other option is using your parent company's remote payroll. However, this route means paying employees from another country, and every employee from a different country will have separate tax regulations and laws.
- **Local outsourcing company:** A Bahamas payroll processing company will make it easy to expand because you can outsource your payroll. That said, they can't outsource compliance, which means your company will still need to learn a variety of employment laws.
- **Global PEO:** Finally, you can choose a global PEO, such as Globalization Partners, for Bahamas payroll outsourcing. Unlike a local company, we outsource matters of compliance as the Employer of Record.

## Requirements to Set up Your Bahamas Payroll

Companies cannot purchase or lease a building in the Bahamas and immediately begin working. Instead, you need to have a registered subsidiary in the country to legally set up your payroll, hire employees, and give out compensation and benefits. Unfortunately, this requirement can take months to complete, which is before you can set up your Bahamas payroll.

When you need to start working fast, the Globalization Partners team can help you work in as little as a day or two. We'll add your employees to our payroll through our existing Bahamas PEO. They'll get paid the right amount at the right time, and your company will stay compliant.

## Entitlement and Termination Terms

While entitlement and termination terms may not seem relevant to your payroll, we recommend adding them to all employment contracts before officially employing an individual and adding them to your payroll. Employers must give notice of termination depending on how long the employee has worked for the company. Employees may also be eligible for severance depending on the nature of the termination.

## Globalization Partners Helps Companies Like Yours Expand

Globalization Partners knows what it's like to expand, which is why we're ready to help your company and make your expansion easier. Contact us today for more information about Bahamas payroll outsourcing.