

As a business owner, you're probably familiar with the payroll process in your home country. When you expand internationally, you have to consider a new set of payroll laws, including taxes, contributions, and severance terms. Globalization Partners streamlines your employee payment process with our payroll outsourcing services.

Taxation Laws

Often referred to as a tax haven, Belize has a flat income tax of 25 percent, and the first 14,500 Belize dollars (BZ) in income is tax-exempt. You are responsible for deducting these taxes from employee paychecks and must report these deductions to the Belize Tax Service.

Paycheck deductions also include contributions to the social security fund. You and your employees contribute a collective 9 percent, but the split depends on a worker's income. The first tier requires 1.69 percent from the employee and 7.31 percent from you.

As a worker earns more, they add a greater amount to the 9 percent contribution. Once an employee earns BZ\$160 in insurable earnings, they start contributing 2.21 percent. The maximum contribution an employee will make is 3.91 percent at BZ\$480 or more in insurable income.

Belize Payroll Options

When you start managing your international payroll, you have a few options for how to handle it:

- **Internal:** If you have a subsidiary in the country, you can create an internal payroll department. This arrangement gives you the most control over your processes but requires time and money to accomplish. This option isn't always accessible to companies just starting their expansion.
- **Payroll processing company:** You may choose to work with a payroll processing company and let their team handle paychecks and compensation. While these professionals offer more guidance, your company is liable for noncompliance.

- Remote: Companies beginning their expansion may choose to handle their international payroll remotely because it requires fewer resources. To accomplish this arrangement effectively, your payroll team at home must keep processes separate and familiarize themselves with a new set of tax laws.
- Globalization Partners: As your global PEO, we hire your employees through our subsidiary, putting them on our payroll. We also handle all the associated taxes and are responsible for any legal risks.

How to Set Up Your Payroll

Your payroll setup process depends on the management method you choose. If you establish an internal department, you need to create a subsidiary in the country first. This procedure requires clearance from the government and an established company structure.

Beyond the subsidiary process, setting up payroll requires your employees' tax identification numbers and social security numbers. These IDs will allow you to deduct income tax and contribute to the social security fund.

Entitlement and Termination

Employees are entitled to severance in a few cases. If an employee worked for you for five to 10 years, they receive severance when:

- You terminate them.
- They reach retirement age.

In these cases, employees receive one week of wages for every year they've worked. When a worker serves for over 10 years, they're entitled to severance when:

- You terminate them.
- They reach retirement age.
- They abandon service for a sufficient reason.
- The definite contract has reached its end date.

In these instances, an employee must receive two weeks of wages for every year of service.

Work With Globalization Partners for Belize Payroll Outsourcing

Payroll can be extensive, but with the right team, you can manage it legally and efficiently. Globalization Partners ensures that your processes are compliant and your employees receive their paychecks on time. To learn more about our global PEO services, [reach out to our team](#) today.