

Bosnia and Herzegovina is a country in southeastern Europe on the Balkan Peninsula. It borders Croatia, Serbia, Montenegro, and the Adriatic Sea, and it's increasingly becoming a popular tourist destination. The country's prime location makes it an attractive place for companies looking to expand to southeastern Europe.

Unfortunately, expanding to Bosnia and Herzegovina comes with some difficulties, starting with payroll. Instead of trying to choose a Bosnia and Herzegovina payroll option and setting up your payroll, Globalization Partners makes it easier with Bosnia and Herzegovina payroll outsourcing. Our goal is to help you expand faster without the hassle of compliance.

Bosnia and Herzegovina Taxation Rules

Before you look at setting up your Bosnia and Herzegovina payroll, you need to know that the country includes two entities — the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS). Each entity is almost entirely separate from the other and has its own government, parliament, police force, laws, and more.

In FBiH, employers contribute 10.5% of every employee's salary to social security, while the employee contributes 31%. In RS, the employer also contributes 10.5%, but employees contribute 33%.

Your Bosnia and Herzegovina Payroll Options

No matter which Bosnia and Herzegovina entity you're in, you can choose between four different payroll options:

- **Internal:** Using an internal payroll is a good option for large companies committed to Bosnia and Herzegovina. However, you'll need a large staff and a bigger budget to pay employees on time if you go with this solution.
- **Remote:** Other companies may prefer to simply add employees in Bosnia and Herzegovina to the parent company's remote payroll. Keep in mind that with this option, employees from different countries will have separate tax regulations.

- Bosnia and Herzegovina payroll processing company: Outsourcing with a local Bosnia and Herzegovina payroll processing company will take the stress of running payroll off your plate. That said, you'll still have to worry about compliance.
- Bosnia and Herzegovina payroll outsourcing: Working with Globalization Partners is the only Bosnia and Herzegovina payroll option that will take care of both your payroll and your employment regulations. We'll manage the risk for you, and you can concentrate on managing your company.

Requirements for Establishing Payroll

Before you can set up your payroll, you have to establish a subsidiary in Bosnia and Herzegovina. It can take a significant amount of time to do so, causing you to lose people you were going to hire and forfeit important business relationships. Globalization Partners cuts the time it takes to start working in a foreign country down to a few days. We'll use our existing subsidiary to help you get started quickly and efficiently without the worry of meeting compliance.

Necessary Entitlement and Termination Terms

Entitlement and termination terms are important parts of an employment contract that you need to outline before setting up your Bosnia and Herzegovina payroll. In FBiH, employees should get at least 14 days of notice, while employees in RS need at least 30 days of notice. Employees in FBiH are also usually entitled to severance pay.

Contact Globalization Partners to Learn More

Globalization Partners will help you make the most of working in Bosnia and Herzegovina. Contact us today to learn more about Bosnia and Herzegovina payroll outsourcing.