

Chad is a northern Central African country that's home to more than 200 different ethnic and linguistic groups. As a landlocked country with natural resources such as oil, gold, and uranium, it's a great place for companies to establish a new location. Unfortunately, it can still take months or as long as a year to start working in Chad.

Globalization Partners is a global PEO that offers a different way to expand across the globe. Instead of setting up your own Chad payroll, you can use our already compliant option through Chad payroll outsourcing. We'll take care of hiring your company's employees, paying them, and taking on all matters of compliance, so you'll have the time to focus on your business.

Taxation Rules for Payroll

Employers and employees contribute to Chad's social security program at 20% and 3.5% of wages respectively. The country uses a progressive income tax scale between 20 and 60% depending on wages. Under the country's Pay As You Earn (PAYE) system, employers are responsible for deducting taxes at the source, so you'll need to make sure you understand all the right taxation laws.

Chad Payroll Options

You have four different Chad payroll options to choose from:

- **Remote:** Using your parent company's existing remote payroll will help you pay all your employees using one system. However, employees from different companies will have separate tax codes, labor regulations, and more to follow.
- **Internal:** Your company can also create an internal payroll to pay the subsidiary's employees, but you'll need a large staff, a bigger budget, and an expert in compliance to make it work.
- **Outsourcing with a local company:** A local Chad payroll processing company is one outsourcing option for companies looking to expand. Keep in mind, however, that if you choose this option, you'll still be held responsible for everything the local company does.

- Outsourcing with Globalization Partners: Globalization Partners offers a different kind of Chad payroll outsourcing. We can act as the Employer of Record to outsource both payroll and compliance on your behalf.

What Is Required to Set up Payroll?

You'll need a subsidiary before you set up your Chad payroll if you're expanding without the help of a global PEO. The only way to eliminate this restriction is through working with Globalization Partners. You can use our existing Chad subsidiary to expand in a few days without your own entity or payroll.

Entitlement and Termination Terms for Payroll

Terminating an employment relationship is notoriously difficult in foreign countries. That's why adding entitlement and termination terms to your contracts before hiring employees and choosing a Chad payroll option can help you stay compliant. In Chad, you can hire employees using a probationary period, but it cannot exceed three months. Employees are also entitled to severance pay in cases of redundancy as long as they've worked at least five years.

Contact Globalization Partners

Globalization Partners has a team of global compliance experts ready to help you expand through Chad payroll outsourcing and more. Contact us today for more information about our suite of global expansion services.