

When deciding to expand your business into Chile, you'll need to consider a variety of factors. One of the first things to come to your mind might be how to set up payroll in Chile. From getting the necessary information from employees to making sure they get paid on time, you'll need to become an expert in [Chile employment law](#) to stay compliant. Globalization Partners can help by taking care of your payroll and assuming the risk, so you always remain in the clear.

Taxation Rules in Chile

Most social security costs are withheld from employees instead of the employer, which makes taxes reasonable for employers in Chile. Workers have to contribute 10% of their salary to a pension fund, 7% to a health insurance plan, 2.84 to 3.4% to a life insurance plan, and 0.6% to an unemployment insurance plan.

On the other hand, employers contribute to work-related accidents, illnesses, and the unemployment insurance plan. Depending on your industry, this adds up to between 0.9% and 4.4% of your payroll. An additional 2.4% goes to an unemployment fund. You'll also need to make sure you register all new employees with tax authorities within 60 days of hiring them.

Chile Payroll Options for Companies

Setting up Chile payroll yourself is not your only option. When you expand to Chile, you can:

- **Pay employees remotely:** When you pay employees remotely, you can simply add your employees in Chile to the payroll with everyone else at the parent company.
- **Choose Chile payroll outsourcing:** If you lack the resources to conduct payroll yourself, you can outsource to another company in Chile. Although they'll administer your payroll, you'll still be liable for meeting all employment laws.
- **Run payroll in Chile:** Some companies with more resources may choose to run payroll out of their Chile office. However, hiring the right personnel for the office can be more expensive, and you would need to understand everything about Chile's payroll laws.
- **Choose a Chile payroll processing company:** Instead, you can work with a global PEO

such as Globalization Partners. We will set up your Chile payroll and also put the liability straight on our shoulders.

How to Set Up a Payroll in Chile

Before you can hire employees or set up payroll, you have to establish a subsidiary. You must register your subsidiary with the Registro Publico de Comercio and Servicio de Impuestos Internos. It can take 15 to 20 days to complete. Then you'll need to set up a bank account with official paperwork and documentation. This part of the process can take up to four weeks to complete.

Entitlement/Termination Terms

Chile has complicated termination and severance rules. Before you hire someone, it's best practice to outline all employment terms in a strong employment contract. You'll also need to look at the reasons an employer can terminate employment and determine which termination payment is applicable.

Payroll Processing Company in Chile

By the time you start to look at your Chile payroll options and complete the lengthy payroll process on your own, the individuals you were hoping to hire may have had to take another position. Instead, Globalization Partners helps you speed up the process by hiring employees on your behalf. You'll save time and secure top talent quickly. [Contact us today](#) to learn more.