

Managing payroll is a complex task regardless of your company's size. When your team spreads out during an expansion, various factors further complicate payroll management.

International banking practices, nonworking holidays, time zones, and currency exchange rates present unique problems for companies expanding to new countries. Those intricacies can lead to late and inaccurate paychecks, which dissatisfy your employees and put your company at risk. Late and incorrect compensation can even have monetary fines. In extreme cases, a country can revoke your company's business license.

Globalization Partners can help. We have an experienced legal team and in-country experts that understand the details of local payroll regulations.

Taxation Rules

Unlike many other countries, Dominica does not charge a payroll tax. Instead, withholdings go toward social security benefits. The amount required for employer and employee contributions depends on whether a worker is employed with redundancy or not.

All wages and withholdings are subject to inspection. As an employer, you're responsible for keeping accurate documentation of your payroll.

Entitlement and Termination

Mandatory notice periods are negotiable within the employment contract. If you terminate the contract at-will and forgo the agreed-upon notice period, you must pay the wages the employee would have earned during the notice period. In addition, the employee is entitled to compensation for unused vacation leave.

Requirements to Set Up Dominica Payroll

Before you can establish payroll, you must register your company with the Inland Revenue

Division (IRD) and complete the required forms. Doing so makes your company eligible for a tax identification number (TIN). Beyond keeping accurate documentation, you also need to file annual returns.

Once you submit your registration and articles of association, you should choose the payroll management option that meets your company's needs.

Dominica Payroll Options

Your company can handle payroll in four ways:

- **Internal payroll:** Though it gets complicated, your in-house financial team can manage global payroll. This option is less expensive than others, but you maintain full liability. Plus, the larger workload can burden your administrative employees.
- **Self-managing subsidiary:** If you set up an in-country subsidiary, your team there can handle payroll. This option has some drawbacks, including the time and expenses associated with opening an entity. Your subsidiary is also responsible for any failures to comply with compensation and payroll regulations.
- **Payroll processing company:** Working with a Dominica payroll processing company can make things faster and easier for your employees. Unfortunately, this option can be expensive, and choosing a reputable company is essential since you retain legal responsibility for compliance.
- **Globalization Partners:** Working with an employer of record is an ideal solution for many countries. We accept full liability, and our fees pay for your employees' salaries. At Globalization Partners, we have business entities in 187 countries, so you can start paying your new hires fast.

How Globalization Partners Works

When you work with Globalization Partners, we eliminate the need to set up your own payroll. Instead, we add your employees to our compliant option. Our global PEO — also known as Employer of Record — model allows us to hire your employees, enabling them to work for you.

We use purpose-built software to ensure accurate, punctual payroll that complies with local regulations. Plus, our legal team, in-country experts, and support staff are available to resolve issues and offer informed advice.

Payroll management is just one of the compliance solutions our global PEO services handle. We can work with you to simplify your global expansion every step of the way. Growth is exciting and profitable — waiting to set up a subsidiary and navigating compliance issues are not. Leave those tasks to us and focus on your company's future.

Choose Globalization Partners for Dominica Payroll Outsourcing

If you're ready to employ a global workforce, enlist Globalization Partners for payroll outsourcing. [Contact our team today](#) to learn more about how our services can help you.