

The Dominican Republic is a Caribbean country that shares the island of Hispaniola with Haiti. The country is well-known for its beaches, resorts, golfing, and beautiful terrain. Its capital city of Santo Domingo is known for Spanish landmarks dating back five centuries to the Zona Colonial district.

If you're planning to expand to the Dominican Republic, you need to consider all aspects of an expansion, including how you'll set up a Dominican Republic payroll. Fortunately, Globalization Partners offers a solution, including Dominican Republic payroll outsourcing. We'll use our existing infrastructure in the country to help you run your payroll without any stress about compliance.

## **Dominican Republic Payroll Taxes**

The Dominican Republic has taxes that apply to both employees and employers. For example, employers and employees both pay into health insurance at a rate of 3.04% and 7.09%, respectively. Employers contribute 7.10% to social security, while employees contribute 2.87%. Employers also owe 1.2% of wages for Labor Risk Insurance. The country uses a progressive income tax scale, so employees owe anywhere from 0-25% depending on how much they make.

## **Dominican Republic Payroll Options**

You can choose from a couple of different Dominican Republic payroll options, including:

- **Remote:** A remote payroll is when you pay your employees through your parent company's existing payroll. However, this payroll is usually in another country, and you'll need to make sure you follow the Dominican Republic's laws.
- **Internal:** Another option is setting up your own internal payroll. This path usually requires a large subsidiary and enough resources to run the payroll successfully, including a big HR staff.
- **Outsourcing with a third party:** You can choose to work with a Dominican Republic payroll processing company if you'd like to outsource payroll operations. However, you'll still be held responsible for all compliance.

- Global PEO: Globalization Partners offers the only way to expand without also worrying about compliance. As the Employer of Record, we'll run your payroll and make sure you're following the right laws.

## **Requirements to Set up Your Dominican Republic Payroll**

You can't set up your Dominican Republic payroll without a subsidiary in the country. Without a registered entity, you cannot work in the country, and you won't be able to run payroll. However, you can avoid this requirement by working with a global PEO. Globalization Partners will eliminate the need you have for your own subsidiary — instead, you can use our existing structure in the country. By adding your employees to our payroll, you can ensure compliance and a quick expansion.

## **Termination and Entitlement Terms That You Must Know**

When you set up your Dominican Republic payroll, you need to draft termination and entitlement terms that will help you stay compliant. Any party can terminate an employment contract without a specific cause. However, they must give seven, 14, or 28 days of advance notice depending on how long the employment contract has been in effect.

## **Globalization Partners Can Help Your Expansion**

Globalization Partners will help you succeed in your expansion, starting with your payroll. [Contact us today](#) for more information about Dominican Republic payroll outsourcing.