

Georgia is a small country between Eastern Europe and Western Asia. Thanks to borders of Russia, the Black Sea, Armenia, and Azerbaijan, it's easy to connect with other companies in the region. The capital city, Tbilisi, is also well-known for its diverse architecture and cobblestone streets that act as a maze throughout the town.

If you're planning an expansion to Georgia, you may wonder how to handle payroll on your own. While you can outsource with a local company, it's better to set up your Georgia payroll through a global PEO such as Globalization Partners. When you choose to work with us, you can use our existing payroll, and we'll also handle compliance on your behalf.

## Georgia Taxation Rules

Georgia has state and local tax rules for both employers and employees. Employers must pay a 15% corporate profit tax rate as long as they are incorporated as a corporation. However, the country does not have any social security taxes. All employees must pay a 20% flat personal income tax. Any personal income from foreign sources is exempt from this tax. There's an 18% VAT on most goods, with the exceptions of medical care and exports.

## Georgia Payroll Options

You have four major Georgia payroll options to choose from:

- Remote: Does your parent company have a payroll they run out of another country? If so, you can add your employees to that payroll as long as you follow the correct laws for each country.
- Internal: Another option is establishing an internal payroll. However, for this route, you'll need a large HR staff and an understanding of all local labor laws so that you can stay compliant.
- Georgia payroll processing company: You can also work with a Georgia payroll processing company within the country. This company can ensure that you pay all employees, but you'll still need to focus on staying compliant.
- Georgia payroll outsourcing: Finally, your company can contract with a global PEO such as Globalization Partners. Our team will pay your employees through our payroll and also make sure you meet all compliance requirements.

## Your Payroll Requirements

Before you can set up your Georgia payroll, you'll need to have a subsidiary in the country. This entity will help you work legally, run payroll, hire employees, and give out compensation and benefits. Until you have a subsidiary, you can't work in the country.

Globalization Partners eliminates the need to establish a subsidiary on your own. You can use our Georgia PEO to start working immediately without your own entity. Doing so will ensure that you can work in as little as a day or two and always stay compliant.

## **Entitlement and Termination Terms You Should Know**

Entitlement and termination terms are essential to any employment relationship, especially when it comes to working abroad. We recommend including these terms in an employment contract before you set up your Georgia payroll. When the labor contract is terminated, you, as the employer, will need to make a final settlement with an employee no later than seven calendar days after the termination.

## **Work With Globalization Partners**

Globalization Partners is the global PEO you need on your team for a quick expansion. [Contact us today](#) to learn more about Georgia payroll outsourcing.