

Managing payroll involves close attention to legal details, no matter where you are. When you expand your company beyond your country, you need to consider the taxation and payroll requirements in your new locations. Globalization Partners can help you with your international expansion with our payroll outsourcing in Guyana.

## Payroll Taxation Rules

Employers must deduct income taxes from their employees' paychecks, and the deduction percentage includes two sections. For the first GYD 1,560,000 of income, employers must deduct 28 percent for the Revenue Authority. For anything over that amount, employers must deduct 40 percent.

Payroll deductions also include monthly contributions to the National Insurance Scheme. This fund contributes to a range of social security purposes, like maternity leave, sickness benefits, and injury compensation. The total contribution per paycheck is 14 percent. The employee pays 5.8 percent, and the employer pays 8.4 percent on behalf of the employee.

## Guyana Payroll Options

When you set up your global payroll, you have a few ways you can choose to handle it. Your options are:

- **Internal:** If you establish a subsidiary within the country, you might want to develop an internal payroll operation. While this option is possible for larger companies with time and financial resources, it's not always achievable for those just starting to expand. Your entity is also liable for any costly legal mistakes.
- **Payroll processing company:** You may choose to work with a payroll processing organization in the country. While these companies may be more familiar with the labor laws than you are, liability still falls on your shoulders if they make a mistake.
- **Remote:** For companies with less financial resources, managing payroll remotely is an option. This process involves handling your international paychecks on your payroll at home. While this option is cost-effective, you have to balance various legal regulations, and you run the risk of encountering liability concerns.

- Globalization Partners: As a global PEO, we hire your employees through our subsidiary and put them on our payroll. With this arrangement, we handle all legal matters, and liability is entirely on us. You can ensure your employees receive their paychecks, and you can sidestep the extensive legal issues.

## How to Set Up Guyana Payroll

Depending on the payroll option you choose, the setup process may begin with establishing a subsidiary. Registering your company in the country takes time and money, and it involves a series of governmental clearances and applications.

Regardless of how you choose to manage payroll, you need to register with the National Insurance Scheme and the Revenue Authority to pay employee contributions and taxes.

## Termination and Entitlement

Employers may terminate an employment contract with just cause, including behaviors like misconduct, continually missing work, or incompetency. Other causes could include redundancy or an agreement between both involved parties.

Entitlement terms include severance packages based on the years an employee has worked for the company. The terms are as follows:

For the first five years, employees receive one week of wages for each year of work.

For years six through 10, workers earn two weeks of wages for each year of work.

After 10 years, employees earn three weeks of wages for every year of work.

Severance packages cap off at 52 weeks of wages for any amount of service. Employees can also trade in their unused vacation days for wages as part of their severance.

## Trust Globalization Partners for Payroll Outsourcing in Guyana

Tax rules and entitlement terms change from one country to another, and Globalization Partners can ensure you meet the requirements no matter where you choose to expand. With

resources in over 180 countries, we have you covered. [Reach out today](#) to learn more about our global PEO services.