

Globalization Partners provides employer of record services for customers that want to hire employees and run payroll without first establishing a branch office or subsidiary in Honduras. Your candidate is hired via Globalization Partners' Honduras PEO in accordance with local labor laws and can be onboarded in days instead of the months it typically takes. The individual is assigned to work on your team, working on your company's behalf exactly as if he or she were your employee to fulfill your in-country requirements.

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Our solution enables customers to run payroll in Honduras while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. As a Global PEO expert, we manage employment contract best practices, statutory and market norm benefits, and employee expenses, as well as severance and termination if required. We also keep you apprised of changes to local employment laws in Honduras.

Your new employee is productive sooner, has a better hiring experience and is 100% dedicated to your team. You'll have peace of mind knowing you have a team of dedicated employment experts assisting with every hire. Globalization Partners allows you to harness the talent of the brightest people in more than 185 countries around the world, quickly and painlessly.

Honduras is a small country of 8 million people in Central America, bordering the Caribbean Sea and the Pacific Ocean. Tourists visit Honduras to scuba dive in the world's second largest barrier reef and to visit Mayan ruins. Hondurans value relationships and appreciate making small talk before getting down to business. Do not expect meetings to follow a strict agenda—the U.S. Department of Commerce advises that meetings often feel more like social activities than business. Hondurans tend to have an indirect communication style and are likely to say what they think you want to hear, so you should circle back and confirm what you have been told.

Basic Facts About Hiring in Honduras

Honduras may be known for its beautiful sandy beaches, ancient Mayan ruins and lush rainforests, but its workforce also has much to offer. At Globalization Partners, we are getting more requests than ever about this talented country. While there are numerous reasons to hire in-country, it is important to remember that Honduran labor law tends to be favorable to the employee, rather than the employer. Before extending an offer letter to an employee in Honduras, take into account this atmosphere, and the collective bargaining agreements and labor unions that may affect an employment relationship.

Honduras Holidays

Hondurans celebrate the following public holidays:

- New Years
- Day of the Americas (Pan-Americanism)
- International Labor Day
- Independence Day
- Francisco Morazán's Birth
- Day America was Discovered
- Armed Forces Day
- Christmas
- Thursday, Friday and Saturday of Easter Week, Holy Days

Bonus in Honduras

Hondurans are entitled to a 13th and 14th month bonus.

Working Hours in Honduras

Working hours generally cannot exceed eight hours per day or a total of 44 hours per week.

Night shift workers should not work more than a 36-hour week, and workers who perform a mixed day-night shift should not exceed 42 hours per week.

Vacation in Honduras

As you can imagine, in a country known for its ample recreational opportunities, vacation time is also an important piece of the HR mandate in Honduras. The minimum vacation time offered to any employee on a Honduran payroll is as follows:

- 10 days vacation after the 1st year of employment
- 12 days after the 2nd year
- 15 days after 3 years
- 20 days after 4 years

These are the statutory minimums: executives often negotiate for additional time at the outset of their agreement, based on what they received from their previous employer.

Sick Leave in Honduras

Hondurans are generally entitled to sick leave pay of 66% of their earnings, averaged over the prior three months. The sick pay starts after a three-day waiting period and continues for up to 26 weeks. In some cases, it may be extended to 52 weeks.

Employees who are not covered by social insurance, are generally entitled to have their

employers pay for their sick leave.

Maternity/Paternity Leave in Honduras

Female workers are generally entitled to six weeks of maternity leave before the birth and six weeks after the birth, to be compensated at a rate of 66% of their wages, averaged over the prior three months. Women who are not covered by social insurance can expect their employers to provide maternity leave pay.

There is no statutory paternity leave in Honduras.

Termination/Severance in Honduras

If your employee spends more time taking holidays than closing deals, and you find yourself in the unfortunate situation of having to end an employment relationship in Honduras, bear in mind that the required notice of termination ranges from 24 hours within the first two months of employment, to two months notice, depending on the length of service.

Accrued bonuses, vacation, severance and termination notices must be paid immediately when dismissing the employee.

Severance payments can range anywhere from 10 days severance for 3 to 6 months of employment, all the way up to a payout of one month per year worked. There may be ways to get around notification periods and severance pay if there is just cause, but the cost of the inevitable labor lawsuit would be significant and most clients pay out rather than risk worse consequences.

Honduras Taxes

Employers are expected to contribute 3.5% of their workers' monthly wages to Social Security and 4% to a fund which provides unemployment benefits.

Health Insurance in Honduras

The Honduran Health Insurance system guarantees individuals access to health care benefits and health services. The service is funded through contributions at the following monthly wage rate:

- Employee: 2.5% of monthly wage
- Employer: 5% of the employee's monthly wage
- Government: 0.5% of the employee's monthly wage

Bottom Line on Benefits in Honduras

Generally, we recommend budgeting 40% for benefits on top of the gross salary to calculate the total employee cost including benefits in Honduras.

Employment Contracts in Honduras

When negotiating an employment contract with the right candidate in Honduras, it is imperative that you understand the nuances of an appropriate offer. The 13th and 14th month bonus is a mandatory annual expense that should be factored into your budget. In your offer letter, be sure to clearly state whether the annual salary amount offered is inclusive of the 13th and/or 14th month bonus. Certain benefits, such as stock options, shouldn't be offered if you plan to use a PEO or employee leasing service.

In Honduras, it is legally required to put the employment contract in writing, and it should include the the employee's compensation, benefits, and termination requirements. Always state the salary and any compensation amounts in Honduran lempira rather than a foreign currency.

This summary is not meant to be used as legal advice but rather is intended as providing the basics when negotiating with employment candidates in Honduras.

Why Globalization Partners

Establishing a branch office or subsidiary in Honduras to engage a small team is time-consuming, expensive and complex. Honduran labor law has strong worker protections, requiring great attention to detail and an understanding of local best practices. Globalization Partners makes it painless and easy to expand into Honduras. We can help you hire your candidate of choice, handle HR matters and payroll, and ensure that you're in compliance with local laws, without the burden of setting up a foreign branch office or subsidiary. Our Honduras PEO and [Global Employer of Record](#) solution provides you peace of mind so that you can focus on running your company.

If you would like to discuss how Globalization Partners can provide a seamless employee leasing or PEO solution for hiring employees in Honduras, please [contact us](#).