

One of the first factors to focus on during an expansion is payroll. You have to learn a new country's set of employment compliance laws and customs and also figure out which Honduras payroll option is best for your company. Instead of adding another stressful component to your expansion, you can place your payroll on Globalization Partners' shoulders.

We offer Honduras payroll outsourcing to help you stay compliant and productive. As a global PEO, we use our existing Honduras subsidiary to help you run your company in a few days instead of setting up a subsidiary and waiting a few months. When you choose to run your payroll with us, you can feel confident that you'll stay compliant.

Taxation Rules to Know

As an employer, you have to worry about your own taxes and your employees' contributions. Employers contribute 3.5% of all employees' monthly wages to Honduras' social security plan. You also need to contribute 4% to an unemployment benefits fund.

Individuals living in Honduras for more than three months are considered residents and must pay income tax. Employers should withhold employees' income tax since individuals only receiving money from one source do not have to file a tax return. Honduras uses a progressive income tax scale ranging from 0-25%, and employees owe more as their income increases.

Honduras Payroll Options

You don't have to simply run payroll out of your subsidiary. You have four different Honduras payroll options, including:

- Remote: Parent companies already running payroll may want to add the subsidiary's employees to that international plan. However, employees from different countries will have separate tax laws and regulations.
- Internal: If you plan to operate in Honduras long-term, you may want to operate your

own payroll out of the subsidiary. Doing so is a good option for larger companies with the budget to hire a full HR staff.

- Outsourcing with a local company: You can also choose to work with a local Honduras payroll processing company that will outsource your payroll. Keep in mind that you'll still be held compliant with this solution.
- Global PEO: Working with a Global PEO such as Globalization Partners for Honduras payroll outsourcing is the best way to outsource your payroll and compliance. You won't have to worry about any aspects of your payroll when you work with us.

What Is Required to Set up Your Honduras Payroll?

Traditionally, you're required to set up a Honduras subsidiary before you can organize your payroll. Depending on where you incorporate and what entity you choose, it could take anywhere from weeks to months before you can operate in Honduras. Working with Globalization Partners will shorten the process. We'll set up your locally compliant Honduras payroll and help you get started working in a few days.

Entitlement/Termination Terms to Set up Payroll

Terminating an employee is not always easy in Honduras. You should draft certain entitlement and termination terms in an employment contract before choosing a Honduras payroll option. For example, the required notice period of termination ranges from 24 hours to two months, depending on how long the employee has worked for you. Severance payments also range from 10 days to three to six months.

Work With Globalization Partners

If you're ready to expand and need Honduras payroll outsourcing services that you can trust, contact Globalization Partners today.