

Expanding your company outside your home country involves hiring new staff and managing their payroll each month. Establishing a timely, accurate, and legally compliant payroll system is essential to meeting in-country laws and keeping your employees happy. Globalization Partners offers streamlined payroll outsourcing solutions in Kiribati designed to make your expansion smooth and seamless.

## Taxation Regulations

All residents must pay income tax on their net income. Income is typically taxed at a rate of 25% for any earnings under AUD 28,500. Anything over this amount is taxed at 35%. As an employer, you are expected to pay your employees' taxes directly from their salaries.

## Kiribati Payroll Options

When it comes to handling payroll, you have various options to consider. Most international companies choose from the following payroll types based on their budget, internal capabilities, and level of risk they are willing to take on:

- **In-house:** If you are planning to set up a subsidiary in the country, you may want to keep your payroll management in-house. While this option allows you to manage your payroll internally instead of outsourcing, it comes with financial and legal risks.
- **Remote:** If you don't have the time, funds, or personnel to establish a subsidiary, a remote payroll plan may work for you. This option allows you to manage your payroll from your home country, including overseeing legal compliance and tax laws.
- **Local:** Some companies decide to partner with local payroll processing companies to handle their national employee payment plans. This allows you to outsource the process, but you'll remain liable for any legal issues that arise.
- **Global PEO:** Hiring Globalization Partners as your Employer of Record means we'll hire your new staff under our subsidiary. We'll also manage your payroll and take on all the liability risks.

## How to Set Up Your Kiribati Payroll

The process of establishing your in-country payroll will differ depending on the model you

use. If you choose to set up a subsidiary, you'll need to complete numerous steps, including paying a deposit and registering your company with the Ministry of Commerce, Industry, and Cooperatives. Once you've obtained the appropriate licenses and registered as an employer with the Kiribati Provident Fund (KPF), you can start managing your company's payroll.

Partnering with a global PEO such as Globalization Partners helps you avoid the lengthy subsidiary setup process. We will handle all in-country payroll tasks, so you only have to transfer the required funds for us to distribute each month. You also won't have to stay up to date with in-country social security requirements and tax laws, which will likely differ from your own.

### **Entitlement and Termination Laws**

Each employment contract should include specific termination and entitlement terms in writing. Your contracts will form the framework for legal compliance in the case of a terminated employee. If you choose to end a contract earlier than the fixed-term deadline, you must provide the reason in writing. The same is true if you decide to terminate an employee with an open-term contract.

The terminated employee is entitled to payment for any hours worked since their last paycheck and any unused vacation time. If an employee decides to leave without giving the required notice — ranging from one week to four weeks depending on the length of their employment — they may lose the right to receive paid vacation.

### **Contact Globalization Partners to Set Up Payroll Outsourcing in Kiribati**

International companies can choose between several different methods of managing payroll. When you work with Globalization Partners, you'll experience reduced risk and streamlined payroll procedures. Leave the details to us, so you can focus on growing your company.

Are you ready to learn more about our global PEO services and payroll outsourcing? [Reach out to our team](#) today.