

Kosovo is a partially recognized state in Europe with a large population of ethnic Albanians who are mostly Muslim. A small part of the population of Kosovo includes Orthodox Christian Serbs living in the northern part of the state near Serbia.

If you're thinking of expanding to Kosovo, you'll have to start thinking about payroll, hiring, benefits, and more. One of your first tasks is deciding on a Kosovo payroll option that fits your company's activities, size, and commitment to Kosovo.

Globalization Partners makes it easy to expand to countries around the globe through Kosovo payroll outsourcing and our entire suite of global expansion services. When you use our Kosovo PEO for your expansion, you can focus your time on growing your company.

## **Taxation Rules for Kosovo Payroll**

Following tax rules and regulations is an essential part of setting up Kosovo payroll. The standard corporate tax rate in the state is 10%. Other taxes vary based on the industry of the employee, and taxpayers making up to EUR 50,000 can choose to pay tax on a gross income basis. Kosovo uses a Pay As You Earn (PAYE) system for personal income taxes, so you're responsible for withholding taxes from employees' wages.

## **Kosovo Payroll Options**

Every company has different ways of operating, which is why you can choose between these four Kosovo payroll options:

- **Remote:** A remote payroll means you must use your parent company's payroll to pay your employees in Kosovo and beyond. This setup can help you keep all employees on one payroll, but each individual will have different tax laws depending on the country or state where they're located.
- **Internal:** If you would rather run payroll out of your Kosovo subsidiary, you can as long as you have a large staff and a commitment to operating in Kosovo. If you don't already have an expert in compliance and labor laws, you'll need to hire one.

- Kosovo payroll processing company: Opting to work with a Kosovo payroll processing company will give you the freedom to focus on other tasks as you outsource your payroll, but you'll still have to focus on
- Kosovo payroll outsourcing: Kosovo payroll outsourcing with Globalization Partners is your single option to outsource your payroll along with all matters of compliance. We'll allow you to manage your company without worrying about managing the risk associated with compliance laws.

## Requirements to Set up a Kosovo Payroll

Before you can set up your Kosovo payroll, you have to incorporate in the state. Establishing a legal entity will open the door to working in Kosovo, but it can take you a couple of months to complete the subsidiary setup process. Instead, use Globalization Partners' established Kosovo PEO for your expansion. We'll act as the Employer of Record, and you can start working without your own subsidiary.

## Necessary Entitlement and Termination Terms

Entitlement and termination terms can vary by country or state, and Kosovo is no different. Knowing these terms inside and out before choosing a Kosovo payroll option can help you stay compliant and come to an agreement with your employees. You must give employees notice — the length depends on whether you hired them using a definite or indefinite contract.

## Work With Globalization Partners Now

Globalization Partners will make sure you get the support you need during your expansion. Contact us today for more information about Kosovo payroll outsourcing.