

Lebanon is a Middle Eastern country with a population of over 6 million. A little less than half of the population speaks French, and the majority of schools in the country teach French as a second language. Lebanon's location — with borders to Syria, Cyprus, and Israel — makes it a great country for companies that want to establish relationships with other Middle Eastern countries.

Globalization Partners knows that an expansion can take up much of your time, money, and energy. That's why we offer our global expansion solution, which includes services like Lebanon payroll outsourcing. When you take advantage of outsourcing with us, you won't have to worry about compliance, setting up your own Lebanon payroll, or figuring out the country's tax code.

Lebanon Taxation Rules for Payroll

Lebanon has a robust social security policy that both employers and employees contribute to. As an employer, you must contribute 7% for the maternity and sickness benefit, 5% for the family benefit scheme, and 8.5% of your total annual earnings for the end-of-service indemnity. Each percentage is subject to a cap ranging from 1.5 to 2.5 million Lebanese pounds (LBP) per month.

Employees must pay 2% of their earnings to maternity and sickness benefit schemes up to 2.5 million LBP per month. Lebanon uses a progressive income tax, which ranges between 2 and 20%. Employers have to pay progressive tax on their income between 4 and 21%.

Lebanon Payroll Options

Choosing between Lebanon's payroll options will help you find the best way to pay employees. You can decide from the following four setups:

- **Internal:** Your company can choose to run an internal payroll as long as you have a large budget, a full HR staff, and the time to devote to learning Lebanon's employment, labor, and tax laws.

- Remote: If you don't want to run an internal payroll but also don't want to outsource, you can use your parent company's remote payroll. However, all employees from different countries on that payroll will have separate regulations that you must follow.
- Local outsourcing: Outsourcing with a Lebanon payroll processing company is one option that will help you give back to the local economy. Unfortunately, that company cannot handle compliance for you, so you could face fines or delays based on their decisions.
- Outsourcing with a global PEO: Working with Globalization Partners through Lebanon payroll outsourcing is the only way to outsource your payroll along with your problems with compliance. You won't have to set up a subsidiary either, as you can use our Lebanon PEO.

Requirements to Set up a Lebanon Payroll

Setting up a Lebanon payroll typically requires a registered entity. If your company does not have a subsidiary in Lebanon, you won't be able to set up your Lebanon payroll, hire employees, or get started working in the country. This requirement can set back your expected start date and cost your company a significant amount of money.

Instead, you can bypass this requirement by choosing a global PEO such as Globalization Partners. We have subsidiaries in countries around the world that can help you start working in new places immediately. Instead of setting up a subsidiary before you can start work in a new country, our outsourcing options mean you can be productive from day one, and you won't have to worry about compliance.

Entitlement and Termination Terms You Must Know

Entitlement and termination terms can help you set up your Lebanon payroll and add employees without worrying about potential litigation. Employers and employees can mutually agree to break an employment contract at any time without any severance pay. That said, if one party breaks the contract, the other party can ask for compensation.

Work With Our Team for Fast and Quick Expansion

Work with our team today to get started on your expansion to Lebanon. Contact us today to learn more about Lebanon payroll outsourcing.