

Lesotho is a small African country with a population of over 2 million. The country is well-known for its mountains and being the highest country in Africa. South Africa encircles the landlocked kingdom, but there's a great sense of nationalism and pride in Lesotho's people.

Globalization Partners is a global PEO with an existing subsidiary in Lesotho. We can use that subsidiary to make it easier for you to expand to the area, hire employees, pay them, and provide benefits. When you invest in Lesotho payroll outsourcing with us, we'll add your employees to our payroll for your compliance and peace of mind.

Lesotho Taxation Rules

As a business, you need to worry about your own taxation requirements plus those of your employees. Lesotho has two personal income tax brackets — 20% and 30%. You need to take these income taxes straight from an employee's paycheck as part of a Pay As You Earn (PAYE) system. Manufacturing companies and commercial farming operations must pay a corporate income tax of 10%, while other companies owe 25%.

Lesotho has specific value-added taxes (VAT), including:

- Exports and basic commodities: 0%
- Electricity: 8%
- Telecommunications: 12%
- Other goods and services: 15%

Lesotho Payroll Options

When you're ready to set up your payroll, you have four different Lesotho payroll options:

- Remote: When your parent company has their own payroll, you can also use it for your subsidiary's employees. However, you need to follow the right regulations for each country to ensure that you stay compliant.
- Internal: Do you plan to operate a large subsidiary with a full HR staff in Lesotho? If so, you may be able to set up an internal payroll where you pay employees directly.
- Lesotho payroll processing company: One outsourcing option is working with a local company in Lesotho. However, this company can't ensure compliance, so you'll still need to make sure you follow the right laws.
- Lesotho payroll outsourcing: Your second outsourcing option is with a global PEO such as Globalization Partners. We'll add your employees to our payroll, so you won't need to worry about compliance or paying employees.

Requirements for Your Payroll

The first requirement companies run into when they're trying to set up their Lesotho payroll is that they must have a subsidiary. A registered entity in Lesotho will ensure that you can legally set up a payroll, give out compensation and benefits, and work in the country. However, it can take weeks or months to establish that subsidiary.

Globalization Partners will help you start working in a fraction of the time through Lesotho payroll outsourcing. You won't need to worry about payroll taxes, compliance, or related factors, as we'll act as an extension of your team.

Termination and Entitlement Terms to Set up Your Lesotho Payroll

Terminating an employment contract in a foreign country can often lead to litigation or other issues if you don't understand the right laws. Lesotho requires notice of termination based on how long the employee has worked for the company. For example, employees who have worked for one year or more should get one month's notice, while those who have worked for less than six months need only one week's notice.

Contact Globalization Partners Today

Globalization Partners wants you to take advantage of a fast and easy expansion to Lesotho. [Contact us today](#) to learn more about Lesotho payroll outsourcing.