

Malawi is an African country with a large population. The landlocked nation has highlands split by the Great Rift Valley as well as a large lake that's also near Lake Malawi National Park. The country's diverse animal life and luxurious beaches are also a draw for tourists as well as companies.

If your company is considering an expansion to Malawi, you have to focus on the many benefits and challenges facing you. One important factor to focus on is payroll. You can either set up your own payroll through a registered subsidiary or choose Malawi payroll outsourcing with a global PEO such as Globalization Partners. When you choose us, you won't have to establish a subsidiary or payroll, and you won't have worries about compliance.

## Malawi Taxation Rules

Malawi's taxation rules include a Pay As You Earn (PAYE) system for employers with employees making 30,000–360,000 Malawian kwacha per year. Under this system, you're required to deduct taxes straight from an employee's paycheck and send them to the relevant tax authority. Companies also need to pay a corporation tax of 30% of earnings.

## Malawi's Payroll Options

Your company can choose what kind of payroll to run from Malawi's four payroll options:

- **Internal:** When you use an internal payroll structure, you'll run your payroll out of your subsidiary in Malawi. While that may seem like a great option, it's usually only feasible for large subsidiaries with a full HR staff and a commitment to the country.
- **Remote:** Another option is to use your parent company's payroll if they have an internal setup in another country. You can use a remote payroll to pay all employees at once, but every employee from a different country will have separate laws that you must follow.
- **Outsourcing with a local company:** A Malawi payroll processing company can handle paying your employees for you, but you won't have ultimate peace of mind because they won't be able to shoulder your compliance.
- **Outsourcing with Globalization Partners:** Globalization Partners offers Malawi payroll outsourcing to give you the peace of mind you crave. We'll add your employees to our payroll through our Malawi PEO and handle all compliance laws related to taxes and more.

## Requirements for Setting up Your Malawi Payroll

You can't start working in Malawi until you have a subsidiary in the country. Registering your company is also a prerequisite to setting up your payroll in the country. After you spend months or even a year going through the subsidiary setup process, you'll be ready to choose a Malawi payroll option.

The alternative is working with Globalization Partners. Using our established subsidiary means you can start working in Malawi in a day or two. You won't stay up at night worrying about compliance if you choose this option, and you can focus your time on running your company.

## Learn These Entitlement and Termination Terms

Entitlement and termination terms vary widely by country. Learning them and adding them to an employment contract even before you add an employee to your payroll can help you stay compliant and avoid litigation. In Malawi, contract termination notice depends on the wage period. Both employers and employees can waive their right to notice and accept payment instead.

## Partner With Us Today

Globalization Partners will act as an extension of your team from the start. Contact us today to learn more about Malawi payroll outsourcing.