

As a business owner, you know that payroll can be a complicated process. You have to consider tax laws and ensure you're meeting deadlines and entitlement terms. When you expand internationally, you have to familiarize yourself with a new set of rules to stay compliant.

At Globalization Partners, we take the guesswork out of paychecks with our payroll outsourcing services.

Taxation Rules

Though Monaco is a country, it's also a sovereign principality, and France is its guarantor. While the area has its own laws and systems, it needs confirmation from France on foreign policies, and there is some overlap in taxation systems.

This principality is often considered an excellent place to work and live because of its lack of income, real estate, and capital gains tax. Employers are only responsible for deducting social security taxes, which depend upon gross salary. Social taxes include:

- Caisse de Compensation des Services Sociaux (CCSS): CCSS consists of all health and family benefits, and it starts at 15.4% up to a monthly income of €8,150.
- Caisse Autonome des Retraites (CAR): CAR is the pension fund, and it starts at 7.96% for up to €4,556 a month.
- Unemployment: All of these funds source from France's unemployment system, which is also where employers must direct these taxes. They start at 4% for up to €12,516.

Monaco Payroll Options

When you set up your payroll for your international company, you have a few management options. Your choices include:

- Remote: You can choose to handle your global payroll with your parent company at home. While this system is a less expensive option, you must be careful to keep all payroll regulations separate. You'll be liable for any compliance failures.

- Payroll processing company: If you have an in-country subsidiary, you can choose to work with a payroll company. This option relieves you from managing regulations, but your entity is still liable for any legal mistakes.
- Internal: With a subsidiary, you can set up an internal payroll team to manage employee paychecks. This option is one of the more expensive methods for processing payroll, and it may take a long time to establish.
- Globalization Partners: When you work with us, we hire your employees through our subsidiary — so we're responsible for payroll and liability. You don't have to think about the associated risks, and you pay your employee paychecks with our monthly invoice.

How to Set Up Payroll in Monaco

If you choose to set up a subsidiary in Monaco, you'll have to go through a lengthy process for establishing your entity. This process involves paperwork and clearances from various government departments. Once you have a legal company, you can start hiring employees and setting them up for payroll.

Regardless of how you handle your payroll, you'll need to register your employees with the social security fund for tax deductions. Your employees will also need a work permit for legal employment.

Termination and Entitlement

Termination and entitlement terms will vary according to collective agreements. These terms can include notice periods and severance packages. Regardless of any agreements you have with employees, national laws require one month of notice for six months of employment and two months of notice for two years of work.

Entitlement depends on the termination grounds. If there are grounds for dismissal, employees receive 25% of monthly pay for each year of seniority. If there are no grounds, employees receive daily wages for each month of seniority.

Work With Us for Payroll Outsourcing

Your international employees deserve properly managed paychecks. Globalization Partners will ensure you meet all local regulations, and we'll take the responsibility for all associated risks. To learn more about what we can do for your international company, [reach out](#) today.