

Mongolia is a landlocked eastern Asian country that borders Russia and China. A large portion of the population lives in the capital city of Ulaanbaatar, but overall, Mongolia is one of the least densely populated countries in the world. If you're looking for a place to expand that gives you ties to other eastern European countries but don't want to join the crowded business environment in Russia or China, Mongolia is a great location for your company.

Once you've chosen Mongolia, you'll have many different factors to consider during your expansion, such as how you'll set up your Mongolia payroll. Instead of learning a complicated set of labor laws and analyzing your Mongolia payroll options, keep in mind that Globalization Partners can make it easy with Mongolia payroll outsourcing. We'll take care of setting up your payroll and also shoulder the compliance so that you can focus on building your company.

Taxation Rules to Know for Payroll

Social insurance in Mongolia includes pension, medical insurance, and unemployment insurance. Employers and employees both pay into these funds at the same rates — 7% for pension, 2% for medical insurance, and 0.2% for unemployment insurance. However, employers also have to contribute between 0.4-3% of wages to benefit insurance.

Mongolia Payroll Options

You have four different Mongolia payroll options:

- **Remote:** Sometimes, you can run one payroll for both your parent company and subsidiary's employees if your parent company already has this structure in place. Keep in mind that employees from different countries will have different regulations to follow.
- **Internal:** While not every subsidiary has the means to set up an internal payroll, some larger subsidiaries looking to operate in Mongolia for a long time can. You'll need a larger HR staff and experts in the country's employment compliance laws if you choose this option.
- **Local payroll processing company:** A Mongolia payroll processing company is a great way for companies to outsource and not have to worry about setting up their payroll.

However, you'll still be responsible for all matters of compliance with this option.

- Globalization Partners: Choosing Mongolia payroll outsourcing with a global PEO such as Globalization Partners will ensure that you don't have to set up your payroll or worry about compliance. As the Employer of Record, we'll take on the risk for you.

Requirements for Establishing Payroll

You can't set up your Mongolia payroll until you first establish a subsidiary in the country. Meeting this requirement isn't always easy, as it can take weeks or months to incorporate, and that's before you can hire employees and start working. Globalization Partners has subsidiaries around the world that will help you expand faster. You won't have to set up your own entity when you work with us, and you can start working in as little as a single day.

Necessary Entitlement and Termination Terms

Including entitlement and termination terms in an employment contract before you settle on a Mongolia payroll option can help you avoid confusion in the future. Employees can terminate their employment contract with 30 days' notice, and employers need to give anywhere between 30 days to two months' notice. Generally, employees get one month's wages as severance pay.

Globalization Partners Can Help You Expand

Globalization Partners will help you make the most of your expansion. Contact us today to learn more about how Mongolia payroll outsourcing can make a difference for your company.