

Montenegro is a small country in southeastern Europe with mountains and a narrow coastal plain along the Adriatic Sea. The small population of the region primarily speaks Montenegrin and Serbian. If you're considering an expansion to the country, remember that you can benefit from beautiful views as well as proximity to other western and eastern European countries.

One of the first things you need to focus on is setting up your Montenegro payroll. You have several options to choose from, and you need to learn the country's tax codes, labor laws, and more to stay compliant. Globalization Partners makes the entire process easier with Montenegro payroll outsourcing. We'll add your employees to our payroll and manage the risk of compliance on your behalf.

### **Taxation Rules in Montenegro**

Both employers and employees must make contributions to Montenegro's social security plan. Rates vary by each portion of the plan, including:

- Pension and disability: Employers pay 5.5%, employees pay 15%
- Health insurance: Employers pay 2.3%, employees pay 8.5%
- Unemployment insurance: Employers pay 0.5%, employees pay 0.5%

### **Montenegro Payroll Options for Companies**

Every company that expands to Montenegro has four different payroll options:

- Internal: An internal payroll is one Montenegro payroll option for larger companies looking to work in the country long-term. However, you should make sure you have a big HR staff and a compliance expert.
- Remote: Another option is to add your subsidiary's employees to your parent company's payroll. If you do, you'll pay your employees remotely, and they may have different tax obligations than the parent company's employees.
- Local company: A Montenegro payroll processing company will help make sure you won't have to deal with your payroll. However, your company will still need to worry about meeting payroll laws.

- Globalization Partners: Globalization Partners offers Montenegro payroll outsourcing through our PEO, so you won't have to worry about setting up your own payroll or complying with the country's laws.

## **How to Set Up a Payroll in Montenegro**

Setting up your Montenegro payroll also requires the time to establish your own subsidiary. You can't start to run your payroll until you have a registered entity in the country, which could take up to a few months. As a global PEO, we can help you start working faster without any worries about compliance. You can trust us to add your employees to our existing, locally compliant payroll as well as hire employees for your team, provide compensation and benefits, and more.

## **Entitlement/Termination Terms**

One of the trickier aspects of employment is termination. That's why we recommend adding entitlement and termination terms to your employment contract before choosing a Montenegro payroll option and adding employees. Montenegro allows for probationary periods of up to six months. Afterwards, employees can be terminated for just cause, but you must give them at least 30 days of written notice. Usually, employees get severance pay of at least a third of their monthly pay over the last six months for each year they've worked.

## **Payroll Processing Company in Montenegro**

Our team wants to see you expand quickly without any additional hassles. Contact us today for more information about Montenegro payroll outsourcing and our global expansion solution.