

Nigeria is a West African country located on the Gulf of Guinea. It's the most populous country in Africa and boasts 500 different ethnic groups, although the official language is English. While these factors make it a great location for an expansion, you still need to consider all the challenges of establishing a new location in a foreign country.

One of those challenges is payroll. You have to consider your Nigeria payroll options, then set your payroll up to comply with local laws — all on top of running your company. Globalization Partners will make it easier for you to expand through Nigeria payroll outsourcing. We'll add your employees to our payroll and make sure you can work without worrying about compliance.

## **Payroll Taxation Rules**

Both employees and employers have to worry about taxes. Employees making over 3,000N contribute 2.5% of their wages to the National Housing Fund. The country also has a pension scheme that employers and employees contribute to. Employers pay 10% of employee monthly emolument, and employees contribute at least 8% of monthly emolument.

## **Nigeria Payroll Options**

Companies typically choose from four different payroll options:

- Remote: A remote payroll is when you add your subsidiary's employees to your parent company's payroll and compensate them remotely. However, you have to keep the separate laws per country in mind.
- Internal: Subsidiaries that want to work in Nigeria long-term may institute an internal payroll, but they need a bigger budget to hire a larger HR staff.
- Nigeria payroll processing company: If outsourcing works better for your company, you can choose to work with a local Nigeria payroll processing company. Your company will still need to learn all the country's laws, however, for you to stay compliant.
- Nigeria payroll outsourcing: Outsourcing with a global PEO, such as Globalization Partners, is the one way to outsource your payroll as well as all matters of compliance. We'll manage the risk so that you can manage your business.

## Requirements for Setting up Your Nigeria Payroll

Unless you're working with a global PEO, you can't set up your Nigeria payroll without first establishing a subsidiary. You won't need a subsidiary when you work with Globalization Partners because we already have one. We'll use our existing Nigeria subsidiary to hire employees on your behalf, add them to our locally compliant payroll, and ensure compliance every step of the way.

## Entitlement and Termination Terms to Know

Adding entitlement and termination terms to all your employment contracts can protect your company in the case of a termination. We recommend doing so before you choose a Nigeria payroll option. Employers have to provide written notice of dismissal and give employees an opportunity for defense. The country does not have any mandatory severance pay.

## Contact Globalization Partners Today

Globalization Partners envisions a world where all businesses can collaborate across borders, and we're in place and ready to help. We want to help you expand your company to Nigeria today. Contact us for more information about Nigeria payroll outsourcing and our suite of global expansion services.