

Norway is an excellent place to work for both employers and employees. The country's employment laws are considered some of the most generous in the world, and employees often recognize it as one of the best nations in which to work. However, Norway has specific payroll and taxation rules that can make it difficult to set up your Norway payroll and hire employees.

Globalization Partners' Employer of Record services offers an easier option. With us, you can hire employees and run payroll without setting up a subsidiary in Norway. You'll get peace of mind knowing your payroll is compliant with all of Norway's employment laws.

## Taxation Rules to Know

Taxation rules differ for resident and non-resident companies. Norway taxes resident companies based on their entire worldwide income. For non-resident companies, only Norwegian income is taxed. Your taxable income includes everything from your regular business income to your gains on foreign currency and capital gains. The same applies to employees who live in Norway more than 183 consecutive days or have incomes from other EU countries they do not want to pay tax twice on.

Employers are required to report all employees' income, tax deductions, and national insurance contributions each month. The corporate tax rate is 22% on all taxable profit.

## Norway Payroll Options for Companies

Companies that expand to Norway have three main choices for setting up payroll. These Norway payroll options include:

- **Internal:** Larger companies planning on keeping an active presence in Norway could hire the right staff necessary to run payroll out of their Norway subsidiary. However, this option is more expensive and time-consuming for businesses.
- **Local Norway payroll processing company:** If you do not want to set up your Norway payroll alone, you could outsource it with a Norway payroll processing company. However, compliance matters will still fall to your business.
- **Global PEO:** The only sure way to achieve Norway payroll outsourcing without liability is by working with a global PEO such as Globalization Partners. We'll make sure you can stay focused on growing your company.

## How to Set up Norway Payroll

Once you decide on the best Norway payroll option for your business, you'll need to receive some information from employees to add them to your payroll. Start by getting their personal ID number, tax deduction card, and emergency contact information. As soon as an employee starts working and gives you their tax deduction card, they become a part of the social security system and can receive benefits.

## Entitlement and Termination Terms

Norway has strong termination protections for employees, so including entitlement and termination terms in a written employment contract is essential. The notice period for an employer dismissing an employee ranges anywhere from one to six months depending on the employee's time with the company. Probationary periods are common and can include different entitlement and termination terms.

## Norway Payroll Processing Company

If you need Norway payroll outsourcing services, contact Globalization Partners to learn how we can help.