

Attractive compensation and benefits packages are invaluable in creating a thriving work culture. When managing these employment aspects, it's vital to consider local labor laws as well as cultural expectations and norms. Striking a balance between these two factors will help you appeal to the top talent in your country of choice.

At Globalization Partners, we're here to offer comprehensive in-country support and legal expertise. Our Palau benefits outsourcing services ensure your company can launch your overseas expansion in a compliant, competitive way.

### **Palau's Compensation Laws**

Compensation laws in this country are an ongoing topic of debate. The current legal minimum wage is \$3.50 per hour. This minimum wage only applies to citizens and doesn't extend to certain employment sectors, such as domestic work, agricultural work, non-governmental organizations, or any kind of student workers. The average salary of a full-time local worker is approximately \$2,730 per month.

There are currently no labor laws stipulating maximum work hours per week or any regulations governing overtime pay. These factors are typically determined on a case-by-case basis and must be outlined in your employment contracts.

### **Guaranteed Benefits**

Establishing a benefits plan in this country requires meeting government stipulations for compensation. Required benefits include accrued paid time off for full-time, continuously employed workers, as well as maternity leave for governmental workers. All employees, regardless of which sector they work in, are also entitled to social security taxes at a rate of 5 percent per quarter. Employees should also receive 11 public holidays off per year.

### **Palau Benefits Management**

Offering required benefits is essential when it comes to running legal operations in-country.

Your benefits packages, however, can go beyond the mandated benefits. Offering additional benefits can help your company stand out and draw exceptional talent to your open positions. Generous benefits packages can also help boost company morale and keep your employees satisfied, motivated, and productive.

When you offer more than the minimums, you encourage your employees to work harder and help them feel supported within the workplace. Additional benefits in this country often include:

- Housing stipends.
- Transportation coverage.
- Meal vouchers or complimentary workplace dining options.

Of course, managing complex benefits packages from abroad can further complicate the overseas expansion process. Globalization Partners offers a simple solution through our compensation and benefits outsourcing services in Palau. We'll work with you to create appealing benefits packages on a customized scale that meet your budget while aligning with local labor laws.

### **Restrictions to Keep in Mind**

National conversations regarding the country's minimum wage are ongoing. In 2017, the Senate discussed a bill to gradually raise the national minimum wage to \$8.50 per hour by 2026 by incorporating incremental raises each year. The suggestion was motivated by a desire to keep the local labor market competitive. The increased minimum wage was also proposed to reduce the country's rates of local "brain drain," where qualified young professionals decide to pursue employment opportunities overseas to gain better compensation.

While this bill was not been passed into law, there may be legislative changes in the future. As a result, it is vital to stay up to date with compensation and benefits legislation to ensure your company remains legally compliant.

## Contact Globalization Partners for Compensation Outsourcing

Expanding internationally can be a challenging next step for any company. Our Palau compensation outsourcing services make it fast and easy. Our in-country legal and HR experts can support your expansion every step of the way to help you draw top talent to your company.

Are you interested in learning more? [Contact our team](#) today to learn more about our Employer of Record services.