

When a Panama citizen starts to search for a job, they have numerous options. They may narrow it down to your open position and one other, but how do they choose? The answer often comes down to compensation and benefits. Without a strong compensation and Panama benefits management plan, you could lose out on hiring talented employees, and your whole company could suffer.

Globalization Partners can help your company succeed through Panama compensation and benefits outsourcing. We'll make benefits and compensation a priority by adding your employees to our existing plans. We'll take on compliance with Panama's compensation laws as the Employer of Record, and you can spend your time focused on building your company.

Panama Compensation Laws

Panama's compensation laws include a unique minimum wage structure in which the Minimum Wage Commission changes the wage every two years. The wage also changes between two regions. For example, in 2012, the wage ranged from 1.22 to 2.36 Panamanian balboas per hour depending on the region.

The country also provides employees a 13th-month bonus. If you terminate an employee, you must include this bonus in a severance package along with a seniority premium and holiday payment.

Benefits That Every Employee Must Receive

Every one of your Panama employees needs to receive certain benefits required by law. For example, you should get 18 paid days of leave for an injury or illness. The country celebrates 14 public holidays in which employees should get those days off. After 11 continuous months of employment, employees should receive a minimum of 30 days of vacation.

All female employees are also entitled to 14 weeks of maternity leave — six of those weeks before the birth and eight after. Pregnant women cannot get fired up to a year after returning

to work without good reasons and court approval.

How to Disperse Your Panama Benefits Management Plan

Putting your Panama benefits management plan together is only part of the challenge. You also need to disperse your benefits to all employees at the right time. During this step, we recommend giving out supplemental market norm benefits that employees may expect. Doing so can increase happiness and retention rates, both of which will benefit your company.

Some common supplemental benefits include:

- Monetary bonuses
- Company car
- Phone
- Education allowance
- Housing stipend

Restrictions for Compensation and Benefits in Panama

Your company cannot provide compensation and benefits in Panama until you have a subsidiary. Without a legal entity, you could face fines or delays in operating, and you won't benefit from your global expansion. The only way around this expansion is to work with a global PEO like Globalization Partners.

We can use our Panama subsidiary for your expansion, so you don't have to set up your own entity. Instead of sourcing your own benefits, remember that we can hire your employees and add them to our benefits plan and payroll. While we handle compliance, you can focus on running your company.

Contact Globalization Partners for More Information

If you're ready to work with a global PEO, we can help. [Contact us today](#) to learn more about

Panama compensation and benefits outsourcing.

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