

Russia is the world's largest country by land area and spans 11 time zones. It also has a large population close to 150 million people, giving you access to a diverse hiring pool. While there are many advantages to expanding to Russia, you also need to consider the challenges. You'll have to learn a whole new set of labor laws, set up your Russia payroll, and hire the right employees.

Instead of giving up on your dreams to expand, remember that Globalization Partners can make them a reality. We can act as the Employer of Record, taking on the risk of compliance and setting up your Russian payroll. You won't have to establish a subsidiary when you work with us, and we'll make sure you stay compliant while you focus on running your company.

Taxation Rules for Payroll

Russia has a social security fund that includes old-age pension, disability, and survivors benefits. Employers must contribute 22% of payroll to social security, while employees do not have to pay into the fund. The country's corporate tax rates range from 15.5 to 20%, which employers are responsible for. You also need to ensure that you withhold your employees' income taxes, which is a flat rate of 13% of gross income.

Russia Payroll Options

You have four different Russian payroll options, including:

- **Internal:** Some larger subsidiaries may want to use their own internal payroll, especially if they plan to work in Russia for a long time. You'll need a bigger HR staff with this option, however, as well as an expert in Russian employment compliance.
- **Remote:** Parent companies that already have their own payroll can also utilize that payroll for the subsidiary. However, your subsidiary's employees will have different regulations that you must follow.
- **Russia payroll processing company:** Working with a Russian payroll processing company is an easy way to outsource your payroll, but you'll still be the one held compliant for all payroll matters.
- **Russia payroll outsourcing:** Finally, you can opt for Russia payroll outsourcing through

Globalization Partners. We're the only option that handles setting up your payroll and ensures local compliance.

Requirements for Setting up Your Russia Payroll

You cannot set up your Russia payroll without first establishing a subsidiary. The subsidiary setup process can take anywhere from a couple of weeks to a couple of months, setting back your expansion and taking up a significant portion of your time. Globalization Partners knows that your time is valuable, which is why you won't have to incorporate when you work with us. We'll use our existing subsidiary to hire employees who work for you, then add them to our payroll so that you have no worries.

Entitlement and Termination Terms to Include

Terminating an employee outright in Russia is nearly impossible, which is why we recommend outlining entitlement and termination terms before setting up payroll. You should strive for peaceful termination if you decide an employee is not fulfilling their job duties. Employees typically get severance pay depending on their length of service, position, and more.

Choose Russia Payroll Outsourcing With Globalization Partners

Globalization Partners will help make your expansion quick and easy. Contact us today to learn more about Russia payroll outsourcing and our other services.