

At Globalization Partners, we offer global PEO services to companies seeking international growth. Our Employer of Record model makes an expansion to Samoa fast, simple, and compliant.

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Hiring, Negotiating, and Doing Business

Though their names are similar and the islands are close together, Samoa and American Samoa are separate entities. American Samoa is an unincorporated territory and follows some — but not all — of the U.S.'s laws. Both nations feature a blend of natural Polynesian beauty and a growing business sector.

Being polite is vital to your success during any international expansion. Knowing a few vital tips can help you hire, negotiate, and do business with confidence as you expand your business to Samoa. For example, word choice is important. When communicating through speech or writing, choose the most respectful language possible. Also, avoid criticizing people in the workplace, especially in the presence of others.

Employment Contracts

According to the Labor and Employment Relations Act of 2013, you must draft a written contract of service for every employee. Employment contracts should be in English or Samoan, depending on the employee's preference.

The Ministry of Commerce, Industry, and Labor will make a pro forma contract of service available to you upon request. This version acts as an example of a valid employment contract.

You must create three original employment contract copies — you keep one, give one to the employee, and submit one to the Chief Executive Officer (CEO) of the Ministry for their records.

Working Hours

Your employees must abide by a 40-hour workweek, with each day's work totaling no more than eight hours. There are several exceptions to this rule, including employees who work continuous shifts. However, workers must receive at least eight hours of rest between shifts.

Employees may not work more than 12 hours per day. Any extra time is considered overtime, and pay must equal at least 150 percent of an employee's standard wages.

These standard working hours do not apply to employees who have entered a piece-work arrangement.

Vacation Leave

After their first year of employment, employees are eligible for at least 10 days of annual leave. They may take their entire leave at once or break it up into several pieces. Employees must take at least one unbroken week of leave, though.

With your consent, an employee may receive compensation for their annual leave without taking it. If they elect not to take time off or seek monetary compensation, they forfeit that time and the related wages. If you do not notify your employees of this leave, you are subject to penalties.

Part-time employees are eligible for vacation, sick, and maternity leave proportional to that of a full-time employee.

Sick Leave

After performing one year of service, employees are entitled to at least 10 days of sick leave each year. While on approved sick leave, workers must receive their standard pay. If an employee takes three or more consecutive days of sick leave, they must present a valid medical certificate for approval.

Employees who do not use their sick leave may carry it into the next year. However, that previous year's sick leave cannot amount to more than 20 days.

Maternity Leave

Female employees with at least one year of continuous service are eligible for maternity leave upon presenting a medical certificate proving their pregnancy. Pregnant workers must submit a written notice that details the dates they intend to begin and end leave. While there is a six-week minimum, you may offer additional leave.

Employees can accept maternity pay in one of two ways:

- At least four weeks of full pay and two weeks without pay.
- At least six weeks of pay equaling two-thirds of their standard wages.

It is unlawful to terminate an employee during pregnancy or after birth if the grounds relate to her pregnancy or status as a mother. If you want to end her employment contract, you

must prove legitimate reasons for doing so.

After their first year of service, husbands and spouses — male employees who have cohabitated in a de facto relationship for at least nine months — are eligible for at least five days of paid paternity leave. They enjoy the same protection from baseless termination.

Termination/Severance

Either party can terminate a continuous contract.

The compulsory notice periods vary by years of service:

- Less than three months No notice period
- Three months to one year: One week
- One to four years: Two weeks
- Four to seven years of service: Three weeks
- Seven to 10 years: Four weeks
- 10 to 13 years: Five weeks
- 13 to 16 years: Six weeks
- 16 to 19 years: Seven weeks
- Over 19 years: Eight weeks

If either party seeks to end the employment contract, they must do so within the appropriate notice period. If you terminate an employee effective immediately, you must pay severance in the form of the wages the employee would have earned during the notice period.

Severance also includes compensation for any unused vacation leave.

Many employers draft employment contracts with fixed periods. However, the same regulations apply if you terminate the contract before the agreed-upon date. Also, notice periods do not apply to daily hires, part-time and seasonal employees, or workers fired with just cause.

Taxes

The government taxes workers on a Pay As You Earn (PAYE) basis. You must withhold part of each employee's salary for income taxes. Other taxes, which do not come out of employees' salaries, include corporate income tax, capital gains tax, value-added goods and services tax, and labor tax.

As the employer, you pay seven percent of employees' gross salaries to the Samoa National Provident Fund (SNPF). You must also pay a one percent accident levy and a 10.9 percent profit tax.

Health Insurance

Every employer has to find a private carrier and obtain insurance for accident compensation.

You must withhold five percent of each employee's wages and match that contribution to social security. You can also withhold a larger percentage from the employee's salary to make a bigger contribution if they request you to do so.

Employees can receive social security funds for:

- Old-age pensions.
- Senior citizen benefits.
- Disability pensions.
- Survivor's pensions.
- Death benefits.

While no cash benefits exist for employees on sick or maternity leave, they may receive some free medical care at government health centers. The senior citizen benefit scheme and work injury program include various hospital and medical services.

Additional Benefits and Bonuses

There are no compulsory benefits, but many employers use them to incentivize goals and reward their team. You can choose to provide additional benefits at your discretion.

Holidays

Employees are entitled to their full pay on several public holidays:

- New Year's Day and the day after
- Good Friday and the following Saturday
- Easter Monday
- Mother's Day
- Samoan Independence Day
- Father's Day
- White Sunday — observed on the following Monday
- Christmas Day
- Boxing Day

Grow With Globalization Partners

Is your company taking your global expansion to Samoa? Employer of Record services from Globalization Partners can help. [Reach out to us today](#) for more information.