

Managing global payroll is a challenging task. That's why Globalization Partners provides an effective, fast solution to simplify payroll for growing companies.

Taxation Rules

With its robust economy, San Marino is an excellent destination for a strategic global expansion.

Various tax credits attract international investors and companies to the country. One of these incentives cuts the 17 percent corporate income tax in half. For the first five years, new companies only pay 8.5 percent of their taxable profits to the government.

In addition to the taxes your company must pay, you have to withhold a percentage of employees' wages and make your own contributions. You must send 8.3 percent of each employee's salary to the Institute for Social Security (ISS), and you're responsible for contributing funds that total 27.4 percent of your workers' gross salaries.

Depending on your employee's income, you may have to withhold a specific percentage that aligns with their tax bracket. These withholdings act as the worker's personal income tax.

Termination and Severance Terms

While national legislation doesn't enforce any compulsory notice periods, your employees may negotiate these terms in their employment contract. If you terminate a contract without observing the agreed-upon notice period, you may need to pay severance.

However, there are various exceptions to this rule, including ending contracts for workers employed with redundancy and terminating employees on lawful grounds. Those circumstances could involve a breach of contract, property destruction or theft, and other forms of misconduct.

San Marino Payroll Options

When your company expands overseas, you can manage payroll in several ways. Carefully considering the cost, time, and risk associated with each option can help you find the best payroll solution. The most popular methods for handling global payroll include:

- **Internal:** Your parent company can add your global workforce to its internal payroll and manage it from within. While this method is less expensive than others, it costs resources such as time and personnel. If your local team misses a detail or has issues administering accurate payroll on time, your company could face serious consequences.
- **Subsidiary:** Many countries require you to have a subsidiary or business entity within their borders. If you choose this route, you can also have the subsidiary manage its own payroll. However, setting up a subsidiary and staffing its finance department consumes the same resources and incurs the same liability as handling payroll internally.
- **San Marino payroll processing company:** Third parties exist for the sole purpose of managing other companies' payrolls. These companies often charge excessive fees for their services, making them a costly solution. Plus, most do not free you from the legal responsibility of complying with payroll regulations, so your company could be held liable for the third party's mistakes.
- **Global PEO:** Globalization Partners is a global PEO, also known as an Employer of Record. Our services include adding your employees to our payroll, putting your global workforce on a single, accessible platform. We automate payments and ensure accurate, compliant payroll at all times. What's more, we back our services by accepting the liability for oversight.

How Globalization Partners Can Help

Globalization Partners operates as an Employer of Record. Since our model lets us employ your workers, we can pay them the correct compensation on a predictable schedule. The fees you pay us create the funds we need to pay each employee's salary. These features make our services a cost-effective, simple solution for one of your most complex tasks.

With your in-house team free of the tasks and legal responsibility associated with managing

payroll for a global workforce, your company can focus on expanding faster.

Get in Touch With Us

Our representatives are available to share additional information about San Marino payroll outsourcing services. [Contact Globalization Partners today](#) to learn more about setting up your payroll.