

Traditionally, companies looking to expand to Saudi Arabia must set up payroll, [hire employees](#), enact a benefit management plan, and manage compensation. This work is all on top of establishing a subsidiary to operate in the country legally. Globalization Partners can take the burden of compliance off your shoulders by hiring employees on your behalf and setting your payroll up according to Saudi Arabia's regulations.

Taxation Rules in Saudi Arabia

As an employer, you have to pay certain taxes on behalf of your employees and also make sure those employees are registered to pay taxes themselves. Employers are required to pay Saudi social insurance tax (GOSI) for every employee based on their basic salary. You should typically budget about 10% of the employer's cost for this. You'll also have to make a 2% contribution to occupational hazards insurance for all employees.

Saudi Arabia Payroll Options for Companies

You have several Saudi Arabia payroll options, including:

- Remote payroll: Larger companies may have resources to add employees in Saudi Arabia to the parent company's payroll. Although doing so streamlines the payroll process, your employees in Saudi Arabia will have separate payroll regulations than employees working for the parent company.
- Saudi Arabia payroll processing company: You can also opt to work with a local company in Saudi Arabia that will handle your payroll. Although they will pay your employees, you're still responsible for matters of compliance.
- Internal payroll: If you have a commitment to Saudi Arabia, you may want to open an internal payroll at this foreign office. However, doing so will require a significant amount of money and more HR employees.
- Saudi Arabia payroll outsourcing: Finally, you can outsource your payroll through Globalization Partners. We can ensure that your employees are paid the right rate on time, and we'll also take the compliance off your shoulders and onto ours.

How to Set Up a Payroll in Saudi Arabia

Before you can set up your Saudi Arabia payroll, you have to [establish a subsidiary](#). This process is often lengthy and can take several months or longer. Certain steps throughout the process may also have costs, making it important for companies to budget the correct amount. When you work with Globalization Partners, we will act as the Employer of Record, so you won't have to establish a subsidiary. We can help you get started in a few days as well so that you can set up your payroll and hire talented employees right away.

Entitlement/Termination Terms

Before you hire employees and establish payroll, it's critical to outline entitlement and termination terms. Saudi Arabia allows probation periods up to 90 days based on an agreement with the employer and employee. Certain employment contracts include how much notice you must give employees before the end of employment, and once employment ends, an employee is entitled to an "end-of-service award" depending on their wages.

Payroll Processing Company in Saudi Arabia

Globalization Partners will take the burden of compliance off your shoulders by hiring employees on your behalf and setting up your payroll according to Saudi Arabia's regulations. You can trust us to help you grow in a new country. [Contact us today](#) to learn more.