

*Reading Time: 2 minutes*

Uzbekistan is an Asian country with a population of over 32 million. The country has a long history as an ancient trade route between China and the Mediterranean and as a former Soviet republic. Today, Uzbekistan has beautiful mosques and mausoleums, and the capital city, Tashkent, has one of the most ornate train stations in the world.

Companies expanding to Uzbekistan get to take advantage of these cultural elements as well as a global presence. However, you also need to look at the difficult aspects of a global expansion, such as setting up an Uzbekistan payroll. As a global PEO, Globalization Partners can eliminate the hassles that otherwise come with an expansion, so you'll experience only the benefits. Deciding on Uzbekistan payroll outsourcing with us means choosing for us to outsource your employees to our payroll, so you won't need your own payroll, subsidiary, or compliance expert.

## Uzbekistan's Taxation Rules for Payroll

Uzbekistan requires both employees and employers to pay into social security at varying rates — 15-20% and 15-22%, respectively. Employees also need to contribute 8% of their salary to pension. However, it's optional for foreign nationals. Uzbekistan uses a progressive income tax rate of up to 23% depending on their income level.

## Uzbekistan Payroll Options

Once you decide to expand to Uzbekistan, you can use one of four Uzbekistan payroll options:

- **Remote:** If your parent company has several subsidiaries in countries around the world, you can use that payroll for your Uzbekistan subsidiary. If you do, however, you'll need to ensure that every employee meets the right laws for their country.
- **Internal:** Large subsidiaries that will keep working in Uzbekistan for years often want to set up an internal payroll. You should employ a large HR staff for this payroll and make sure you have the budget to sustain the infrastructure.
- **Local outsourcing company:** You can work with an Uzbekistan payroll processing company to outsource your payroll with a local company. Although this company will handle payroll, you'll still need to focus on compliance.
- **Global PEO:** Globalization Partners provides Uzbekistan payroll outsourcing through our subsidiary in the country. Choosing this option will allow you to focus your time on growing your company instead of worrying about compliance or payroll.

## Requirements to Set up Your Uzbekistan Payroll

You cannot set up your Uzbekistan payroll until you establish a subsidiary in the country. A subsidiary will ensure that you work in the country legally and can handle everything from hiring to compensation and benefits. The only way to avoid this requirement is through Uzbekistan payroll outsourcing with Globalization Partners. You can use our Uzbekistan PEO to start working immediately, without setting up your own entity.

## Entitlement and Termination Terms You Must Learn

Most companies jump into setting up their payroll without creating clear entitlement and termination terms in an employment contract. We recommend deciding on these terms before you set up your Uzbekistan payroll. Generally, you need to include applicable severance payments in an employment contract. If you terminate an employment relationship because of changes in technology, staff, the nature of the work, or a similar factor, you may agree to a two-month notice period or two months of regular pay for an immediate termination.

## Expand With Globalization Partners

Globalization Partners will ensure that you start working fast in Uzbekistan. [Contact us today](#) for more information about Uzbekistan payroll outsourcing.