Located in Southeast Asia, Vietnam is a populous country that values building relationships in business. Expanding into Vietnam is a great way to push the global boundaries of your company and create new partnerships that can improve your bottom line. However, you need to consider many payroll factors when you’re expanding, such as how to set up your Vietnam payroll, all your different payroll options, and whether you should outsource.

Globalization Partners can change how you do business in Vietnam through our Employer of Record platform. Instead of spending weeks or months establishing a subsidiary, you can trust us to help you get started in a few days using our established Vietnam subsidiary. We’ll run your payroll, help you hire employees, and ensure that you stay compliant.

**Vietnam Payroll Taxation Laws**

As an employer, you need to worry about both corporate taxes and understanding what your employees owe. Vietnam has a Statutory Social Insurance policy that applies to entities, enterprises, and organizations with employees under indefinite-term labor contracts or definite-term contracts that extend three months or longer. Employers contribute 23% of their payroll to this insurance, while employees contribute 10.5%.

**Different Vietnam Payroll Options for Companies**

You have four different Vietnam payroll options to choose from depending on your company’s size, goals, and more:

- **Internal**: Running an internal payroll is a great solution for large companies committed to having a long-term presence in Vietnam. However, if you select this option, you’ll need a larger budget to hire more employees for work in HR.
- **Remote**: If you’d rather have the parent company handle it, you can add your employees in Vietnam to your overall payroll. Just keep in mind that your employees from different countries will have separate compliance regulations.
- **Vietnam payroll processing company**: You can also choose to work with a Vietnam payroll processing company located in the country. While doing so will take care of outsourcing your payroll, you’ll still be held compliant for all payroll items.
- **Globalization Partners**: Globalization Partner’s Vietnam payroll outsourcing services can provide the biggest benefit to companies expanding to the country. We can take care of your payroll and shoulder matters of compliance, and you can focus on building your new location.
What Do You Need to Set up Vietnam Payroll?

Before you decide to set up your Vietnam payroll, you need to establish a subsidiary in the country. Without a subsidiary, you can’t operate legally in the country, which means you can’t hire employees, offer benefits, or pay any workers. Globalization Partners can take this necessity out of the equation. When you work with us, you won’t have to set up a subsidiary, and you can get started working in a few days.

Necessary Entitlement and Termination Terms

Before you hire employees and add them to your payroll, you should draft a strong, written employment contract that includes entitlement and termination terms. Probation periods are common in Vietnam, but they can’t exceed 60 days for highly technical or specialized work and 30 days for all other types of work. Terminating an employee is a complicated process, and you’ll need the right legal grounds to terminate a contract.

Outsource With Globalization Partners

If you’re planning an expansion to Vietnam, let Globalization Partners help you set up your Vietnam payroll. Contact us today to learn more.