

# Honduras

## 1. Government requirements

### Registration requirements

Companies must be registered at the Honduran Social Security Institute (IHSS) Ta Administration “Secretaría de Finanzas”, Instituto de Nacional de Formación Profesional (INFOP), Privat Contribution Scheme (RAP Régimen de Aportación Privada).

#### Honduran Social Security Institute (IHSS)

##### General requirements:

1. Photocopy of company deed
2. Classification of the economic activity of the company
3. Exact address of the company (sketch)
4. Registro Tributario Nacional/National Tax Registry of the Company
5. Email
6. Photocopy of identity card of the employer or manager
7. List of workers indicating
  - Number of identity or legal residence of each worker
  - Full name and surname
  - Start date
  - Number of affiliations
  - Salary that accrues monthly

### Tax administration

Every individual or legal entity is obliged to register in the Unique Tax Registry when starting any business (sale of goods or provision of services), subject to a tax under the administration of the General Tax Office.

#### General requirements:

To obtain the RTN of a commercial company, the following documents are required:

1. Registration form (Form DEI 410) needs to be duly completed; This form is obtained free of charge at the customer service windows of the Dirección Ejecutiva de Ingresos.
2. Photocopy of constitution deed or authorization letter issued by a notary
3. Photocopy of the RTN of the notary who authorized the deed of incorporation
4. Photocopy of the identity cards of the partners
5. Copy of identity and RTN of the manager or president

### Instituto Nacional de Formación Profesional (INFOP)/National Institute of Vocational Training

Autonomous and semi-autonomous institutions are not expressly exempted from paying contributions under this law; the contribution is one percent of the number of salaries and wages paid to the Institute on a monthly basis.

#### General requirements:

1. Fill out the registration form (it will be delivered to the Management of Contributions Department) signed and stamped by the general manager or legal representative

2. Photocopy of:
  - The constitution deeds
  - Current operating permit
  - National Tax Registry (RNT) of the Company
  - Identity card of the manager or legal representative

## Steps

- a. Enroll in the Register of Institute Taxpayers
- b. Submit to Institute the balance sheet corresponding to the previous year, within 60 days following the closing of operations
- c. Submit to the Institute monthly copies of the payroll and wages earned by their workers or other equivalent documents
- d. Structure and develop professional training services in accordance with the provisions of the Institute
- e. Present when required by accredited representatives of the Institute, the necessary accounting documentation for the verification of contributions (this information will be kept confidential)
- f. Provide the Institute within the terms set by it, with the information it requires for the fulfillment of its purposes

## Regimen de Aportaciones Privadas (RAP)

Any company that has 10 or more employees in the national scope, must contribute to the RAP. The RAP allows the affiliation of any company with a minimum of five employees for companies that wish to join voluntarily.

The RAP is the labor-employer contribution (equivalent to 1.5% worker and 1.5% employer), and it constitutes a mandatory contribution of employers and workers of the country. This is credited in the form of savings deposits in favor of each contributing worker.

### General requirements:

1. Photocopy of the constitution or document that protects legal status
2. Photocopy of the Legal Power of Representation
3. Photocopy of identity card of the legal representative of the company
4. Photocopy of the RTN of the company
5. Completed application for Registration of Employer Affiliation (signed and stamped)

## Ongoing compliance requirements

The monthly payment of taxes will be according to the annual tax calendar, validating the last digit of the tax identification number of the company.

The INFOP contributions must be paid at the institution determined by the Institute, within 10 business days following the corresponding month.

Neighborhood tax (Impuesto Vecinal): This is a type of personal tax that falls on the annual income received by natural persons within a municipality, whether or not they have domicile or residence therein. It is the income, any kind of return, profit, dividend, income, interest, product, profit, participation, salary and in general any perception in cash, in securities or in kind that modifies the assets of the taxpayer. This personal tax is paid to each municipality and needs to be deducted from payroll. The company is the withholding agent for this personal tax.

Every natural person will pay annually a personal tax, on their annual income received in the Municipality, which will be computed by applying the rate contemplated in Article 77 of the Municipalities Act and it must be presented before 30 March of each year.

## 2. Pension requirements

Refer to the earlier section on RAP for the registration requirements.

Affiliation to any other pension fund administration is voluntary and its contribution depends on the economic capacity of each person or the amount desired. The pension fund administration charges a percentage for the administration of the funds, which are invested in financing through banks.

### Ongoing compliance requirements related to pension

It is required to report salaries to RAP every month.

## 3. Employment obligations

Honduras		
Employer contribution	Percentage	Max cap Lempiras*
Reserva Laboral	3.30%	28,904.46
IHSS (EM & IVM) Sick, Maternity, Disability, Old age and death	5.00%	9,380.67
	3.50%	9,792.74
RAP	1.50%	n/A
INFOP	1.00%	n/A
13th month accrual	8.33%	n/A
14th month accrual	8.33%	n/A
Vacation (10 días Año 1)	2.78%	n/A
Severance	8.33%	n/A

\* The amounts of maximum cap will change every year in January.

### Thirteenth month:

Salary of the 13th month as a bonus will be paid in the month of December each year. However, the parties may agree on such delivery on a different date, and it will be paid by calculating the average of ordinary wages received during the time worked in the year in question. It takes into consideration the salaries paid from 1 January to 31 December of the current year.

### Fourteenth month:

Payment of the 14th month of salary is established as a right to all employees and workers. It is effective in the month of June each year, in the same modality and conditions with which the 13th month becomes effective (in Aguinaldo Concept). It takes into consideration the salaries paid from 1 July of the previous year through 30 June of the current year

A worker is entitled to paid annual leave after completing 12 months of continuous service with the same employer. To take advantage of the annual leave, the employee must have worked at least 200 days during a year. The length of annual leave depends on an employee's length of service with an employer. This is at least:

- 10 days per year of uninterrupted service
- 12 days for 2 years of uninterrupted service
- 15 days for 3 years of uninterrupted service
- 20 days for 4 or more years of service

#### **4. Payroll requirement**

Statutory payroll requirements

Employers must make monthly or biweekly salary, payments and comply with the above employment obligations.

The monthly payment of taxes will be according to the annual tax calendar, validating the last digit of the tax identification number of the company

For monthly social security reports, the payment is made on the 10th business day of each month.

The INFOP contributions must be paid within 10 business days following the corresponding month.

The RAP contributions must be paid within 10 business days following the corresponding month.

#### **5. Banking requirements related to payroll**

This information is not applicable.