

THE POSSIBILITY LENS: SEEING BEYOND PAYROLL COMPLEXITY

# 2025 Global Payroll Complexity Index (GPCI)



## EXECUTIVE SUMMARY


Global payroll is one of the most demanding aspects of workforce management, shaped by intricate tax regulations, diverse social security systems, evolving reporting requirements, and constant legislative change. For multinational organizations, the challenge isn't to eliminate complexity, but to understand it, stay ahead of it, and reduce the risks it presents, enabling smarter decisions, stronger compliance and more resilient operations.

Strada's Global Payroll Complexity Index (GPCI) returns for its seventh edition, reaffirming its position as the industry's original and most trusted benchmark for global payroll complexity. Recognized across the globe, the GPCI continues to set the standard for understanding the intricate landscape of payroll operations worldwide.

Building on a decade of data and the deep expertise of Strada's global payroll specialists, this latest edition of the GPCI continues our tradition of ranking the top 40 most complex countries\*. As in previous editions, this analysis focuses on critical factors - including tax regulations, mandatory deductions, social security contributions, and reporting requirements – to provide a comprehensive view of the challenges organizations face in managing global payroll and the threats and opportunities these present for organizational success.

**On average, complexity scores per country rose 5%, showing that the demands on payroll teams remain intense. The opportunity now lies in recognizing complexity early, managing it effectively, and reducing the risks it presents.**

\* Strada ranks the top 40 countries based on payroll complexity out of nearly 200 countries where we process payroll.



**This year's Index reveals a landscape that has stabilized at the top but remains demanding. However, stability does not equate to simplicity.**

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Europe continues to dominate the upper end of the complexity spectrum, holding seven of the top 10 positions. France retains the number one spot despite a 9% reduction led by government-mandated digital payroll reporting – proof that even the most complex markets can evolve and streamline.

For organizations still reliant on manual processes, mandatory digitization can feel like an added burden. However, the real opportunity lies in adopting cloud-based, integrated systems early, so regulatory digitization becomes a catalyst for clarity.

Sharp rises in complexity have been observed elsewhere with Australia up 21%, Slovakia up 19%, and the US up 17%, highlighting how quickly complexity can escalate and reinforcing the need for constant vigilance and local expertise.

The US's debut in the global top 10, alongside Australia and Czechia, marks a notable shift. For the first time, both North American nations, Canada and the US, rank among the most complex markets for operating payroll. Though complexities still remain, Southeast Asia continues to rank at the lower end of our top 40 Complexity Index, driven by greater stability, faster use of technology, and streamlined time-tracking requirements. Meanwhile, in the Middle East, the UAE and Saudi Arabia remain among the least complex jurisdictions in our Index, thanks to straightforward tax structures, limited deductions, and more flexible data privacy rules that contribute to simpler payroll operations.

Where complexity has decreased, it's often due to greater digitization and fewer legislative changes. Where it's increased, the main factors are expanded data fields for reporting and processing, along with more allowances and deductions that complicate payroll calculations.

Although unchanged from the previous edition, the gap between the top 10 and the next 30 remains significant at 31%.

For today's business leaders, the goal isn't to eliminate complexity, it's to understand where it exists, why it matters, and how to stay ahead of it. The most effective organizations aren't treating complexity as a background issue. They're actively mapping it, building repeatable processes to manage it, and using those insights to improve consistency, reduce risk, and scale with confidence.

This mindset shift, paired with the adoption of digital solutions, can turn payroll from a back-office function centered around compliance and avoiding penalties into a source of strategic business intelligence.

Payroll data – once purely operational – can offer valuable insight, helping organizations streamline efficiency, enable smarter decisions and optimize performance. While advanced technologies are the key enabler of this transformation, human expertise remains essential.

Cloud-based, integrated systems lay the foundation for automation. AI can handle high-volume, precision tasks, analyze data autonomously, and surface trends in real time. Yet these tools are only as effective as the people guiding them – payroll professionals who can interpret complex regulations, anticipate their impacts, and translate insights into action.

Achieving this level of clarity with payroll data can offer genuine opportunities that support growth and help employees perform at their best.

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HR and Payroll leaders who can see through complexity – connecting regulatory obligations, operational processes, and data – will be better positioned to act quickly, manage risk, and add business value. Some examples include:



### Tax optimization and engagement

Spotting underused deductions so employees aren't paying more than necessary, improving financial wellbeing and building trust.



### Workforce planning

Highlighting reliance on overtime in high-cost regions and modeling how roles might shift to balance skills and budgets more effectively.



### Benefits usage

Identifying overlooked allowances or benefits, enabling HR to encourage uptake and increase employee satisfaction.



### Error detection and compliance

Surfacing misclassifications, incorrect tax codes, or missed deadlines to help prevent costly penalties, reduce payroll leakage, and maintain regulatory integrity.

**By integrating payroll with wider HR and workforce data, organizations gain the ability to ask broader questions:**

- Are our pay and progression practices equitable?
- Which patterns signal disengagement or financial stress?
- How can we match compensation with skills and mobility, so we retain the best talent?
- Where are we exposed to compliance risk?
- Can we forecast payroll impact from workforce changes?

Payroll has the potential to deliver critical insights that directly inform C-suite decision-making. By leveraging insights from payroll complexity, Payroll and HR leaders can engage the CEO on organizational resilience, for example, how pay and benefits can help retain at-risk top talent essential for growth. These insights also equip the CFO with actionable perspectives on cost control, such as highlighting labor cost impacts across different locations. For the CHRO, payroll data supports discussions on equity and talent acquisition, including identifying highly competitive markets for new hires and exploring alternative strategies.

This is the evolution of payroll, from a transactional function to a strategic enabler. When payroll can simplify and find clarity in complexity, it has the potential to elevate its role as a true partner, to enhance retention, boost productivity, and strengthen long-term resilience, helping to fuel growth across an organization.

**Our 2025 Global Payroll Complexity Index (GPCI) makes one thing clear: complexity isn't going away, but the winners will be those who can understand it, anticipate it, and stay ahead.**

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# 1

## Introduction: A different perspective on global payroll

**GPCI 2025 signals a significant shift.  
Complexity is stabilizing.**

The most complex countries are no longer sprinting away from the rest. Instead, the gap at the top is narrowing. France remains in the number one spot, but its lead has diminished, with its score now much closer to 15th placed Finland than in previous years. This shift reflects a relatively stable legislative year in France, along with the streamlining effects of government-mandated digital payroll reporting.

Stabilization, though, is only part of the picture. While complexity across some markets eased, others experienced sharp upswings in complexity – a reminder that global payroll remains dynamic and that local changes can quickly raise the bar.

The message for business leaders is clear. Now is the time for fast, courageous action, changing traditional thinking about payroll, integrating the technology available, and realizing the powerful opportunities to work smarter and supercharge productivity.

As countries increasingly align on requirements – such as the breadth of data needed for processing and reporting – payroll is evolving from a function focused on avoiding errors and penalties to one that interrogates data for strategic decision-making across areas such as pay equity, benefits usage or talent management.

It begins with a deep understanding of the processes, data, reporting requirements, and quality controls that keep payroll streamlined and accurate every time.

The key is recognizing that while these are the same factors that create complexity, they're also the foundations for clarity and smarter decision-making. By embracing them rather than avoiding them, the same systems that run payroll can start to explain payroll – creating value by surfacing trends in costs, highlighting risks earlier, and informing financial and workforce planning.



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A deep understanding of the processes, data, reporting requirements, and quality controls keeps payroll streamlined and accurate every time.



This is the narrative pivot for 2025 – from controlling complexity to having the clarity to see possibility through it. The compliance lens alone asks, “How do we avoid errors and fines?” But the possibility lens goes further to interrogate: “What does this data reveal about our people, our costs, and our choices?”

Take the EU Pay Transparency Directive (EUPTD) as an example. Viewed narrowly, it’s a compliance task. Viewed strategically, it’s an opportunity to analyze pay equity across regions, incorporating variables like role, location, and tenure. These insights can all drive improvements in mobility, retention, and employee loyalty.

True clarity requires more than a different way of thinking. It’s also about working smarter. Many payroll functions still operate in hybrid environments – a patchwork of platforms, spreadsheets, and institutional knowledge. These familiar setups keep payroll running but make

it harder to automate confidently, to integrate data, or improve processes. Risk aversion is high, dependencies on key people are common, and systems are often slow to evolve.

Yet change is possible, necessary – and already underway. As highlighted in some of our recent research reports – from [Bridging the gap: From Good to Great in Payroll](#) to [The cost of standing still](#) – organizations that combine modern technology with the right skills, governance, and change management can move beyond compliance and into possibility.

In an environment where payroll challenges are increasingly systemic and interconnected, understanding complexity, adapting to its insights, and using that clarity to lead – in compliance, workforce planning, and organizational resilience – means HR and Payroll leaders can gain a competitive advantage while future-proofing the wider business.

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## Global complexity trends: A landscape where stability meets strain

GPCI 2025 paints a picture of contrasts. Stabilization at the very top, rising demands elsewhere, while others are experiencing a noticeable easing.

The gap between the top 10 and the rest of the world remains steady at around 31%, yet the average global score has risen from 5.55 to 5.68 – a 5% increase from our previous Index in 2023 – showing that although scores are tightening, the underlying demands are still growing.

Europe continues to dominate payroll complexity, with seven of the top 10 positions. For organizations operating in markets such as France, Germany, or Finland, it's double-edged. On one hand, it means working to a detailed, exacting standard that governs their overall approach to payroll.

On the other, meeting those requirements typically requires and develops a deep, structured understanding of payroll that can strengthen and guide overall business operations.

Rounding out the top 10 are Australia, Canada, and the US. At the other end of the Index, Southeast Asia dominates.

The biggest upward swings in complexity came from Japan, Mexico, and New Zealand, driven by factors such as:

- More mandatory deductions and allowances.
- Court-ordered deductions becoming part of payroll.
- Data protection rules moving closer to GDPR standards.
- Time-tracking requirements being built into payroll processes.

For organizations operating in these markets, the impact reaches well beyond compliance teams. New deductions and reporting requirements demand system updates and process changes, while evolving data protection laws call for deeper structural shifts – from access reviews to secure data storage. It also means HR, Finance, and Legal teams will need to work together more closely, and employees will need time to understand and adopt the changes.

This also creates added risks for the C-Suite: unbudgeted compliance costs for CFOs, potential employee dissatisfaction for CHROs, and integration challenges for CIOs and HRIT leads.

5%

increase of  
average global  
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(2023) to 5.68  
(2025)

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Moving in the opposite direction and recording the largest declines in complexity are Hong Kong, Singapore, China, and the Philippines. The reasons behind this shift can vary. As well as increased stability across the region and faster adoption of technology, country-specific points include:



**Singapore:** fewer reporting requirements and a change in how small to medium-sized enterprises (SMEs) view payroll's complexity.



**Hong Kong:** increased digital reporting, fewer legal updates, and perceived reduction in union influence.



**China:** digitized reporting, strict penalties and the risk of criminal liability in severe cases leads to more standardized payroll processes with less variation.



**Philippines:** fewer legal changes, relaxation of optional allowances, and lighter time-tracking requirements.

Businesses relying on outdated systems will likely find these updates complex and costly. But modern payroll technology can absorb them far more easily – ensuring compliance, accurate payments, and the resilience needed to navigate future regulatory shifts.

These contrasts highlight an important point for multinational organizations. Understanding complexity in one market creates an advantage in others. As more countries align on data requirements for processing and reporting, there's increasing scope to apply learning across borders, standardize practices, and ease entry into new markets.

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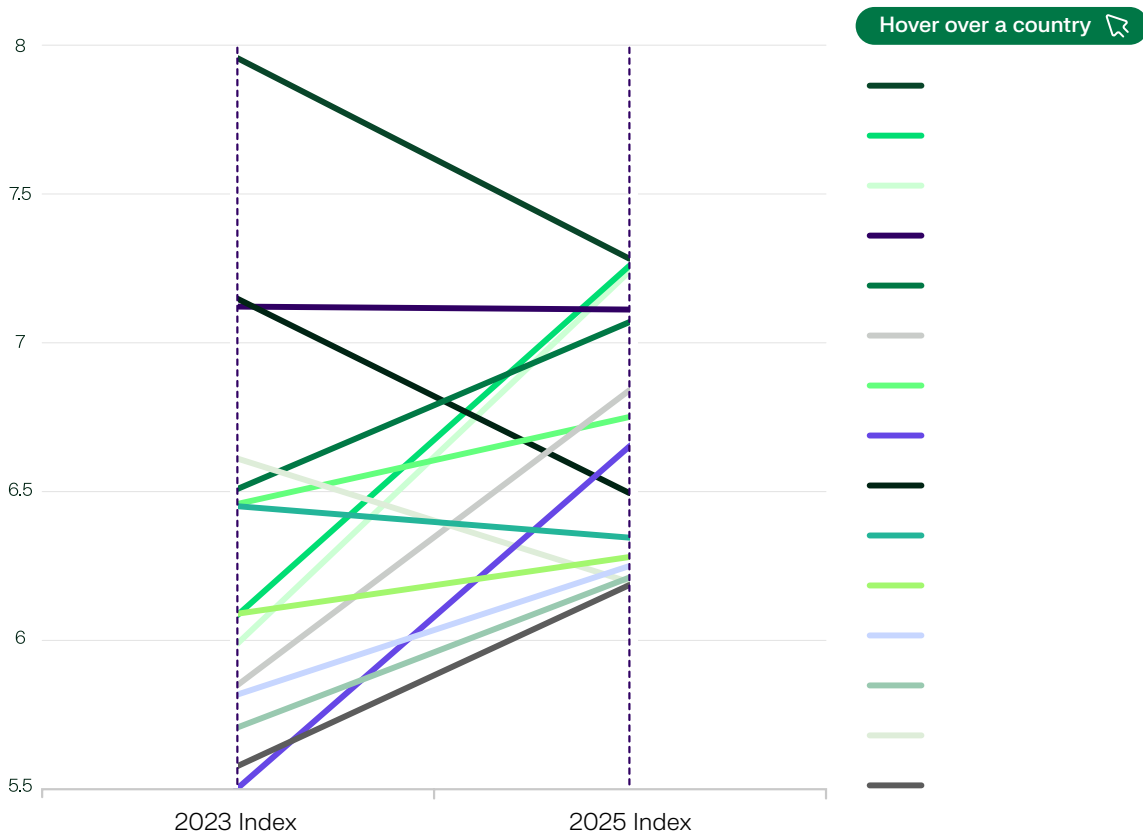
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Whatever the direction of travel, running payroll accurately means mastering country-specific details. The complexity differences between the top and bottom 10 in the Index hinge on understanding the local (and regional) laws and requirements, such as whether court-ordered deductions are processed in payroll, rules around pay frequency, mandatory allowances and reporting, or even if specific payroll reporting fields exist at all.

Without that depth of local knowledge, compliance risks increase – and so do the chances of missing opportunities to use that knowledge to guide workforce management and business strategy.

The distribution of score changes in this year’s Index shows how widely these pressures can vary from one market to the next.

### Top 15 2025 Index Change from 2023



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## Inside the top 10: Where complexity is the norm

The top 10 countries in this year's GPCI each present their own mix of technical demands, legal requirements, and process challenges. While some have climbed the rankings due to sharper regulations or expanded reporting, others remain entrenched because of complexity that is unlikely to shift anytime soon.



### 1 France ▼

Still ranked number one despite a 9% drop in complexity (score down from 7.96 to 7.28), France remains the most demanding payroll environment in the world. The fall is mainly due to local government reporting going digital, but the fundamentals haven't changed. The high number of reporting field requirements, tight privacy laws, court-ordered deductions, and a long list of both mandatory and optional allowances all make France a highly complex setting.

### 2 Slovakia ▲

A sharp 19% increase in complexity (6.09 to 7.25) pushes Slovakia from 10th to 2nd place in the Index. Regional differences in social security calculations based on the need to record where employees live, plus including new hires and leavers in payroll data, have added significantly to the administrative load.



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### 3 Australia ▲

Australia moved from 11th spot to 3rd place in this year's Index following a 21% rise in score relative to 2023 (5.99 to 7.24). This steep climb reflects several mandatory deductions, multiple organizations needing access to payroll data, and varied payment methods. These combined factors make accurate, timely payroll harder to manage.

### 4 Switzerland ▼

Dropping one place to 4th this year despite a stable score of 7.11, Switzerland continues to demand close attention to detail. A high number of data fields for payroll processing and reporting, strong union influence, and several official languages all keep complexity levels high.



### 5 Canada ▲

Holding steady in 5th place with a 9% rise in score from 2023 (6.51 to 7.07), Canada's payroll systems have had to absorb numerous legal updates alongside already high reporting requirements.

### 6 United States ▲

The US has entered the GPCI top 10 for the first time, with a 17% rise in complexity from 5.85 to 6.84, bringing it close to the top 5. This sizeable shift is driven by a growing number of mandatory deductions, expanded reporting fields, and pay frequency rules that differ for certain worker groups, particularly blue-collar.



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## 7 Poland ▼

Although dropping one place to 7th position since the 2023 Index, Poland still saw a 4% increase (6.46 to 6.75) in complexity, shaped by lots of required data fields, frequent legal updates in recent years, and strict payslip requirements.

## 8 Czechia ▲

One of the biggest movers in the entire Index, the former Czech Republic climbs from 20th to 8th place after a 21% increase in score since 2023 (5.50 to 6.65). The main reasons behind this big swing are more mandatory deductions, stricter time-tracking rules, and varied salary payment types.



## 9 Germany ▼

Falling from 2nd to 9th with a 9% drop from 7.15 to 6.49 since 2023, Germany's reduced complexity is due to fewer legal updates, though it still retains a complex baseline of rules and requirements.



## 10 Turkey ▼

Remaining in 10th place despite a slight 2% drop in score from 2023 (6.45 to 6.34), Turkey's payroll demands remain steady, with fewer recent legal changes but still several procedural requirements.



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## Regional lens: Complexity trends follow a predictable pattern



Comparing the scores by region shows that while complexity patterns remain regionally distinct, they also follow a predictable pattern. The Middle East is the only region to record a drop in average score because of lighter reporting requirements, simplified tax structures, and more relaxed privacy laws.

Europe and Asia have remained broadly stable, but both North and South America have become increasingly complex. North America's rise is driven by the US moving into the top 10 – following added reporting fields and more categories of mandatory deductions. Joining Canada in the highest-ranked group, North America is now the most complex region overall.

South America has three countries in scope for the GPCI – Brazil, Argentina, and Mexico – with Mexico's significant 32% rise in complexity (a shift of 19 places in the ranking) lifting the regional average. This was driven by increases in mandatory deductions and different social security calculations based on geographic location.

While individual country scores may fluctuate from year to year, regional patterns remain clear. Because every country is evaluated against the same set of factors – from reporting requirements to deductions and data rules – the differences reflect how these structural differences in payroll legislation are applied and enforced.

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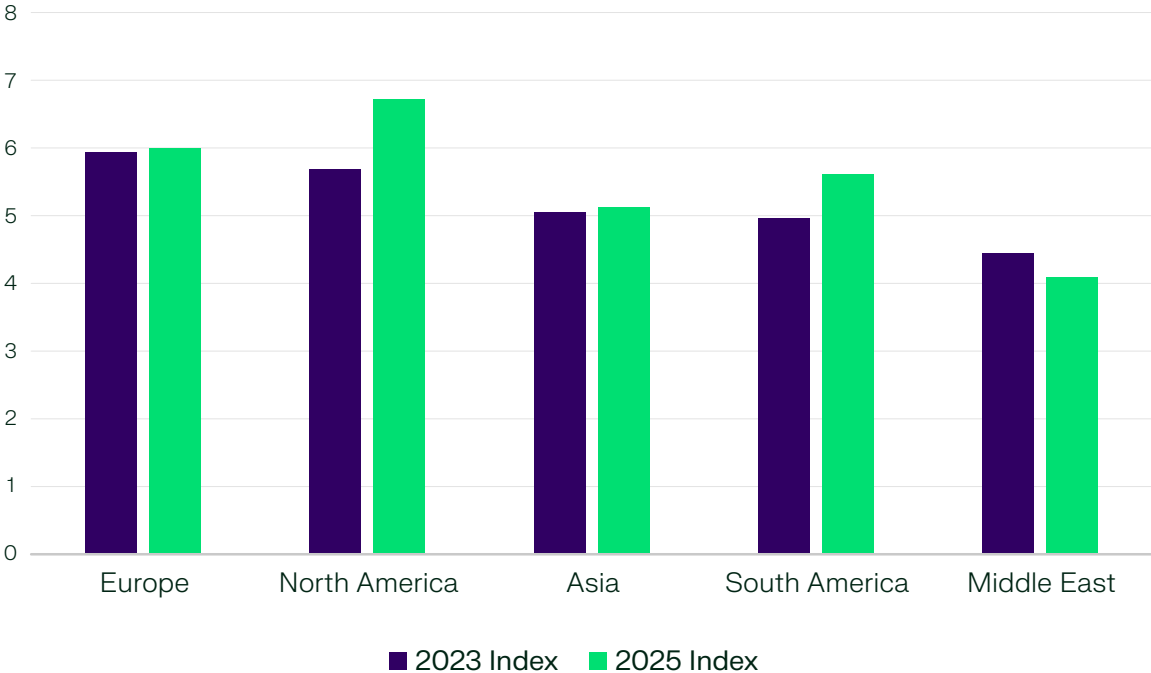
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Over time, this creates distinct regional profiles. Europe with its depth and detail, Southeast Asia with lighter requirements, and the Americas by rising demands. While year-on-year shifts in individual countries or the number of countries represented may affect regional scores, the underlying patterns remain consistent and broadly predictable.

These profiles present both opportunities and risks. Europe’s often detailed reporting and strict privacy rules drive up compliance costs, but they also usually result in strong governance frameworks valued by boards and regulators. While Southeast Asia’s more relaxed approach makes entering those markets simpler, without an express requirement for in-depth reporting obligations, companies may miss out on the depth of workforce data available for decision-making – an important consideration for CHROs and CIOs. In North America, particularly the US, rising scores underline a complex picture of federal, state, and local regulations, and the scale of investment required to stay compliant.

For companies evaluating new markets or looking to expand globally, these shifts highlight why payroll complexity must be factored into cost and risk models when planning for transformation.

### Score comparison by region



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## Patchwork processes and hidden risks: The myth of control

Most payroll teams have adapted around complexity, rather than working through it, understanding it and then using it to their advantage. As continuous law changes, new privacy rules, added reporting requests, and an expanding list of possible deductions have appeared, the instinct is to respond quickly – often driven by a compliance-first mindset where the main objective is to avoid mistakes and fines.

In many businesses, this has led to a mix of hybrid environments where some payroll processes are automated, others are manual, and a lot depends on individual knowledge and experience, especially by region. On the surface, payroll runs smoothly. Dig a little deeper, and this approach carries hidden costs, including lost time, more risk of errors, and a loss of valuable insights that could be drawn from existing payroll data.

This could be holding many businesses back and impacting the bottom line through inefficiencies and hidden costs. In short, this scenario highlights what we call ‘comfortable chaos’. It’s a state of play in HR and Finance teams where payroll is processed on time, in line with regulations, and with minimal visible disruption. But it leaves little room for the innovation, full automation, or advanced use of AI that will turn payroll data into valuable insights. It feels under control, but it isn’t moving forward – meaning that the true possibilities are not being realized.

Our findings reinforce why this is no longer just a payroll issue but a leadership imperative. The longer organizations remain in this state, the more they miss the opportunity to use payroll data as a strategic asset that fuels business growth.



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Used to its full advantage, payroll data can inform board-level decisions on where to invest, how to manage risk, and how to strengthen resilience across the workforce. This shifts the C-suite conversation from a focus on cost and compliance to one centered on growth and agility – the real markers of competitive advantage. However, breaking this cycle requires more than technology alone. It demands a mindset shift – especially in how organizations view the role of Payroll. It shouldn't be seen purely as an essential administrative task, but as a strategic capability.

As seen in our recent report, [Bridging the gap: From Good to Great in Payroll](#), automation and cloud-based solutions are essential to breaking this inertia – not to replace people, but to help them work smarter.

Technology can take on the repetitive tasks like calculations, data checks, and integrations. People bring the expertise and insight – interpreting new laws, understanding their implications, and adapting processes. Together, they can move payroll beyond compliance into a source of strategic intelligence that guides business decisions about workforce planning, engagement, and costs.

For companies evaluating new markets or looking to expand globally, payroll complexity must be factored into cost and risk models when planning for transformation.



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## Turning complexity into possibility: A leadership imperative

Complexity is here to stay – at least for the immediate future. But the organizations making the biggest gains aren't trying to eliminate it. Instead, they're focused on seeing through it, learning from it, and acting decisively.

For the C-Suite and leadership teams, this means moving payroll out of the back office and into the boardroom. However, there's little point in going down this road if the only goal remains the same – pay without mistakes. Paying people correctly and on time will always be non-negotiable. It's the backbone of every employment contract and the foundation of trust between employer and employee. While that reason alone is enough to embark on a transformation, stopping there misses the greater opportunity – recognizing Payroll's contribution to the wider business.

In many countries and regions, payroll complexity has stabilized and become more standardized, creating the perfect conditions for large-scale automation and AI adoption. Technology can now play a central role – with emerging AI tools already capable of carrying out admin-heavy and time-consuming tasks once reserved for highly experienced people.



**Payroll is a prime candidate for this evolution. And it's where transformation becomes truly strategic.**

When payroll data is connected with other workforce and financial data leaders can begin to ask more expansive questions:

- How can payroll data help us see and support our people, and guide business decisions?
- Are there gaps in benefits usage or pay equity that risk losing high-performing people?
- How do we strategically rebalance our skill sets to ensure a cost-effective and resilient contingency plan?
- Do we over-rely on overtime in high-cost countries, and what would rebalancing mean?
- Could moving resources geographically deliver the same skills at a lower overall cost?
- Are we exposed to destabilizing climate events such as hurricanes or earthquakes?

These kinds of questions link payroll directly to productivity, retention, and resilience – all key drivers of business growth and success. And the answers only become visible when complexity is understood and harnessed, not avoided. When that shift happens, the effect is immediate.

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Payroll data, combined with information on skills, locations, and workforce trends, can reveal where people shortages are likely to happen – often before they become apparent.



It can also show the true cost of replacing roles in different countries, enabling workforce plans that balance capability with budget. That same transparency makes it possible to assess the financial impact of entering or leaving a market, or to gauge how proposed legal changes might influence headcount and cost structures.

Getting there means combining technology and human expertise.

Many payroll operations still run on a mix of manual steps and automation, often because only a handful of people fully understand every requirement. Breaking out of that 'comfortable chaos' takes time, effort, and investment – and a willingness to trust new tools while recognizing that machines still need human oversight.

Even the most advanced AI can make errors or misinterpret data when trained incorrectly, so

pairing it with payroll specialists who can check, interpret, and adapt ensures accuracy and builds confidence.

When set up and programmed correctly, AI can take on a significant share of the payroll process, reducing the manual load and freeing people to focus on higher-value analysis and strategic decisions that drive innovation and growth.

Equally, cloud-native systems with AI capability aren't only there to make payroll faster or cleaner. Used well, they act as a lens. Payroll stops being a record of past transactions and becomes a forward-looking tool for better decisions – revealing trends, creating reports, running scenarios, and answering questions leaders may not think to ask. They improve productivity and reduce errors, but more importantly, they give organizations the ability to see their payroll in full context.

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## 7 Building a vision from a foundation of complexity

The data tells a clear story. Payroll complexity is no longer spiraling. Scores are stabilizing, the top 15 countries are converging in their requirements, and many regions are seeing fewer legal changes alongside greater digitization. These shifts point to a calmer payroll landscape – one where companies can stop reacting to constant disruption and start looking deeper into what their payroll data can reveal.

That shift is as much about mindset as it is about technology. AI, automation, and cloud systems can strip away the manual load, but it's human expertise that interprets the results. With that clarity, new possibilities emerge. When payroll is integrated with broader workforce data, its value extends across the entire C-suite.

For CEOs, this means a window into the cost of talent across markets, shaping investment and expansion plans. CFOs benefit from sharper forecasts and tighter cost control. And CHROs can spot equity gaps, underutilized deductions and benefits, overtime spikes, and recurring absences – early indicators of burnout or disengagement – enabling proactive intervention.

Taken as a whole, these insights reveal whether pay and progression are truly aligned with skills and mobility, or simply based on tenure, and whether benefits address real-world needs such as commuting costs or childcare access.

These aren't just compliance checks, but strategic insights that inform financial planning, guide workforce strategy, strengthen business resilience, and enhance employee wellbeing and engagement.

And when people flourish, workplaces grow stronger. The opportunity is clear for businesses ready to move beyond the basics and lead with data-driven clarity. With the right tools, the right partners, and the right perspective, Payroll leaders can move beyond simply managing complexity to extracting its full strategic value.

In a world where payroll complexity is inevitable, having the clarity to see the possibilities becomes a competitive edge for those willing to embrace it.

The time to act is now.

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## Why take action now?

Payroll complexity is stabilizing globally, giving organizations a rare opportunity to act with confidence. The rise of digitalization has improved accuracy and timeliness, but many businesses still fall short of using payroll data to drive strategic decisions. This is a missed opportunity.

When payroll is treated purely as a back-office function, it limits visibility into workforce trends, financial risks, and operational inefficiencies. But when viewed as a strategic business driver, payroll becomes a powerful lens for understanding cost, compliance, and employee experience. Now is the time to shift from reactive to proactive.

### Tips to get started:



#### Audit your current payroll processes

Identify where errors, delays, or manual work are creating risk or inefficiency.



#### Connect payroll with broader HR and Finance data

Unlock insights into workforce planning, equity, and cost optimization.



#### Look beyond compliance

Use payroll data to model scenarios, forecast costs, and support strategic decisions.



#### Prioritize visibility and control

Invest in a platform and partner that gives you real-time access to payroll data across regions.



#### Engage cross-functional stakeholders

Bring HR, Finance, and Operations together to align on payroll's role in business growth.

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# How Strada supports this shift

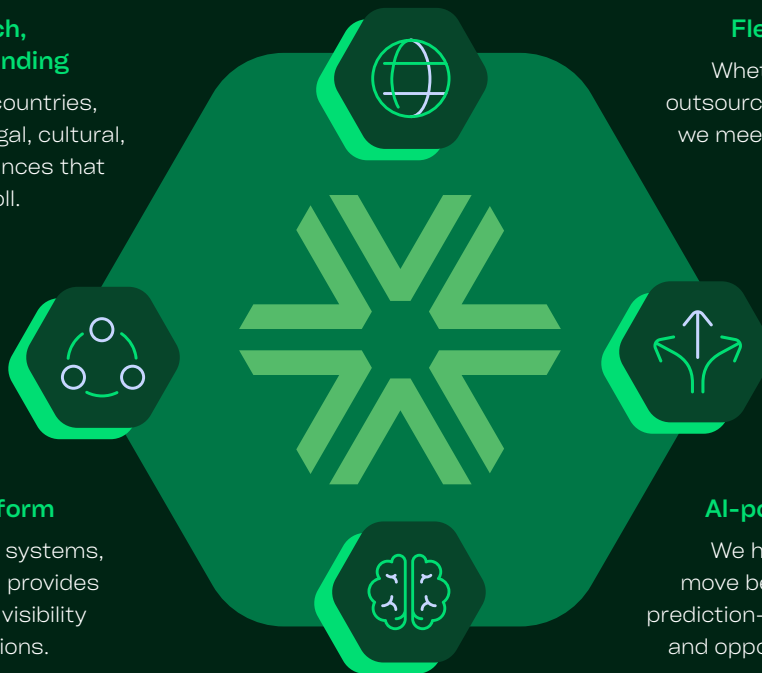
Strada helps organizations navigate complexity with confidence. Our unified global payroll solution combines automation, AI-powered insights, and deep local expertise to deliver accuracy, compliance, and strategic clarity.

## Global reach, local understanding

Operating in 180+ countries, we understand the legal, cultural, and operational nuances that shape payroll.

## Flexible delivery

Whether you need full outsourcing or hybrid support, we meet you where you are.



## Unified platform

Unlike fragmented systems, our single solution provides consistency and visibility across all regions.

## AI-powered insights

We help organizations move beyond processing to prediction—spotting trends, risks, and opportunities in real time.

Payroll doesn't just pay people—it powers decisions and insights. By acting now, organizations can turn complexity into clarity, and payroll into a lever for growth.

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## Top 40 ranking

	COUNTRY	SCORE	CHANGE IN POSITION	% CHANGE IN SCORE RELATIVE TO 2023
1	 France	7.28	0	-9%
2	 Slovakia	7.25	8	19%
3	 Australia	7.24	8	21%
4	 Switzerland	7.11	-1	0%
5	 Canada	7.07	0	9%
6	 United States	6.84	8	17%
7	 Poland	6.75	-1	4%
8	 Czechia	6.65	12	21%
9	 Germany	6.49	-7	-9%
10	 Turkey	6.34	-3	-2%
11	 Belgium	6.28	-2	3%
12	 Spain	6.25	3	7%
13	 Denmark	6.21	4	9%
14	 Italy	6.20	-10	-6%
15	 Finland	6.19	3	11%
16	 Mexico	6.18	19	32%
17	 Austria	6.16	5	16%
18	 Japan	6.14	20	41%
19	 New Zealand	6.01	10	23%
20	 Netherlands	5.75	-12	-6%

## Top 40 ranking (cont.)

	COUNTRY	SCORE	CHANGE IN POSITION	% CHANGE IN SCORE RELATIVE TO 2023
21	 India	5.74	0	7%
22	 Ireland	5.73	-3	4%
23	 Hungary	5.67	9	18%
24	 Argentina	5.65	13	22%
25	 Thailand	5.63	New	—
26	 Slovenia	5.57	1	10%
27	 Brazil	5.56	-2	6%
28	 Sweden	5.45	-15	-7%
29	 The United Kingdom	5.30	-6	0%
30	 Romania	5.12	4	10%
31	 China	5.06	-19	-14%
32	 Philippines	4.54	-8	-14%
33	 South Korea	4.45	3	-4%
34	 Portugal	4.45	-8	-13%
35	 The United Arab Emirates	4.30	-2	-8%
36	 Singapore	4.01	-5	-17%
37	 Taiwan	3.92	New	—
38	 Saudi Arabia	3.86	2	-7%
39	 Hong Kong	3.40	0	-19%
40	 Malta	3.27	New	—

## How to use the index

The Global Payroll Complexity Index (GPCI) is a valuable tool for organizations managing payroll complexity across different countries. It highlights where complexity is highest, tracks emerging trends, and shows how regulatory environments are evolving. This clarity helps payroll leaders develop more efficient, agile, and automated operations – ensuring compliance while freeing capacity for higher-value work.

By drawing on GPCI insights, organizations can make informed, strategic decisions on centralizing payroll functions, prioritizing professional development for payroll teams, or adopting innovative, new technologies that streamline processes and reduce costs.

The Index is particularly useful for businesses operating in multiple countries, expanding into new regions, or managing large, multinational workforces, where local rules and practices can vary widely.

Beyond measuring complexity, the GPCI equips leaders with the intelligence to anticipate change, align payroll strategy with business goals, and stay ahead of evolving regulations.

## Methodology

The GPCI measures payroll process complexity in the top 40 most complex countries by analyzing changes in key parameters compared with the previous three reports. The methodology continues to evolve to capture both micro and macro shifts in payroll rules, legislation, and regulations.

The Index is informed by Strada's subject-matter experts, who operate payroll daily across multiple geographies. Their practical experience ensures the rankings reflect both regulatory requirements and the realities of running payroll in each country.

Because the Index reflects combined changes across all countries, a rise in complexity in one country does not always result in a higher ranking. A country's position in 2025 shows how it compares with others, rather than indicating a direct increase or decrease in its own complexity.

While the report offers a valuable view of payroll complexity across these selected markets, the rankings may not reflect every organization's experience. The scope is limited to these 40 countries, and changes to the methodology may also affect comparisons with previous reports.



Strada is a people, payroll, and technology leader that simplifies international workforce management. Across 180+ countries, Strada designs and delivers people-first solutions powered by cloud-based technology that help organizations grow and enable workforces to perform at their best.

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