



# COUNTRY GUIDE: BANGLADESH

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<https://zapeo.net/bangladesh/>

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# ABOUT US

ZAPEO is an International PEO co-employer providing Employer of Record ( EOR ) Services in more than 113 countries around the world.

As an EOR, we provide employment contracts, payroll employees, pay over any taxes and statutory contributions and provide sponsorship for visa applications in order to comply with specific laws and regulations in the country.

We also assist with onboarding and termination of both local or expatriate employees.

## BENEFITS

- Legal compliance
- Time and cost savings
- Access to global talent
- Flexibility
- Reduced liability
- Expertise



# WORK PERMITS AND VISAS



## Types of Visas:

- Business - Business owners/CEOs wanting to set-up business in Bangladesh.
- Tourist - Individuals wanting to tour Bangladesh.
- Student - Individuals wanting to study in Bangladesh.
- Employment - Individuals wanting to work in Bangladesh.
- Investors - Individuals investing in new, existing or upcoming entities.
- NGO - Individuals working at an NGO.

Work visas may be awarded for single, double, or triple entries for those who intend to enter and depart the nation multiple times throughout the course of their visa. The cost of the visa will vary based on the category selected by the employee. Work permits are usually valid for 3 months but can be extended.



# EMPLOYMENT CONTRACTS



## **Probation period**

Clerical workers are entitled to a six-month probationary term, whereas other workers are entitled to a three-month probationary period.

## **Notice period**

In Bangladesh, employers are normally required to offer written notice of 120 days for monthly rated workers and 60 days for other workers, or comparable compensation in lieu, when terminating employment for other reasons. In addition, for every year worked, the employee is entitled to 30 days of salary.

## **Minimum wage**

The minimum wage in Bangladesh is 1,500 taka per month for all economic sectors that are not governed by industry-specific rates (in the garment industry the minimum wage is 5,300 taka per month).

## **Working hours and overtime**

Workers are permitted to work up to 48 hours a week. The maximum working hours, including overtime, in any week may not exceed sixty hours, and the average weekly working hours in any year may not exceed fifty-six hours. Overtime is paid at 200% of the base salary rate, plus a "dearness allowance" and, if appropriate, interim pay.

## **Termination**

Employees may be terminated for physical or mental incapacity, or for continuing ill-health as confirmed by a medical practitioner. If the employee has been with the company for at least one year, he or she is entitled to 30 days of pay for each year of service.

Employees who have been convicted of a felony or found guilty of misbehavior are not entitled to notice or severance pay.

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# EMPLOYMENT CONTRACTS



## **Severance**

Employees with at least one year of service who are laid off are normally entitled to one month's notice or pay in lieu of notice, as well as 30 days of compensation for every year served.

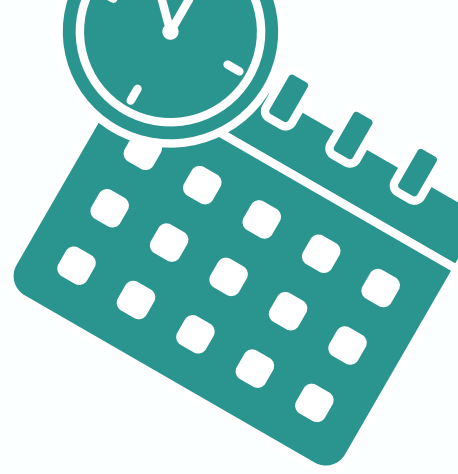
## **Non-compete clause**

A non-compete clause in a contract or a non-compete agreement prohibits an employee from competing with the employer. This may be included in employment contracts.

## **Collective bargaining**

Is recognized in Bangladesh.

# PAID TIME OFF



## Annual Vacation

Employees who have worked for at least one year are normally eligible to the following yearly leave:

- One day off for every 18 days worked at a retail, commercial, industrial, or manufacturing establishment, or a road transport establishment.
- On a tea plantation, one day is allotted for every 22 days of labor.
- One day off for every 11 days of work for a newspaper employee

## Sick

Employees, with the exception of newspaper employees, are normally entitled to 14 days of paid sick leave each year. Newspaper employees are entitled to sick leave at half pay for no less than one-eighth of their working time.

## Maternity

Female workers with at least 6 months of service are eligible to 8 weeks of paid maternity leave before the delivery and 8 weeks of paid leave after the birth. Unpaid leave is normally available to women who have worked for fewer than six months or who have two other surviving children.

## Paternity

N/A

## Family

N/A

## National Holidays

There are in total 15 paid public holidays.

## Other Paid Time Off

N/A

# EMPLOYEE BENEFITS



## Statutory

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### Unemployment

N/A

### Workers compensation

Covered by Employer.

### Social Security

See Retirement.

### Retirement

Only available to 1 family member. Government gives priority to most vulnerable families. No monthly contributions.

### Health

Limited medical services are provided in government health centers and public hospitals.

## Private

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### Workers compensation

Private workers compensation available.

### Retirement

Private retirement schemes available.

### Health

Private health insurance available.

### Life

Private life Insurance available.



# TAX



## Personal Income Tax ( PIT )

- **Tax year** : The tax year in Bangladesh is a calendar year from 1st July to 30th June.
- **Tax rate** : Income tax is charged on citizens at progressive tax rates ranging from 10% to 30%, while non-residents (excluding Bangladeshi non-residents) are taxed at a single rate of 30%.
- **Tax method** : Income tax is charged on citizens at progressive tax rates, while non-residents (excluding Bangladeshi non-residents) are taxed at a single rate.
- **Tax residency requirements** : An individual is considered a resident of Bangladesh if he or she spends 182 days or more in any income year, or 90 days or more in any income year if he or she had previously spent more than 365 days in Bangladesh in the four prior years.
- **Double taxation agreements ( DTA's )** : Bangladesh has multiple double tax agreements (DTA) with other countries.

## Investment Income Tax

Capital gains are taxed separately at a rate of 15% in general.

## Taxable Income

Salaries, wages, and allowances received by working persons.

# PAYROLL



## Payroll Elements

- **Income:** Salaries, wages, and allowances received by working persons. Employees with at least one year of service are eligible for two festival bonuses per year.
- **Deductions:** Income tax as well as any insurance scheme contributions agreed upon.
- **Benefits in Kind:** Some companies may provide benefits in kind.
- **Employer contributions:** Any insurance scheme contributions agreed upon. Workers compensation.

## Payroll Taxes

The country has a progressive tax system with rates ranging from 10% to 30%, although there is no social security tax. Employers must pay a corporation tax rate of 35% if they are a non-listed business or a tax rate of 25% if they are a publicly traded entity.

## Payroll Calendar

Bangladesh does not have a set payroll calendar but it is usually done monthly.

# LEGISLATION AND STATUTORY BODIES



## LEGISLATION

- Bangladesh Labor Act 2006

## STATUTORY BODIES

- Ministry of Social Welfare
- Ministry of Labor and Employment
- National Board of Revenue Bangladesh



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