



# COUNTRY GUIDE: CAMEROON

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# TABLE OF CONTENTS

● About us	Page 1
● Work Permits/VISA	Page 2
● Employment contracts	Page 3
● Paid time off	Page 4
● Employee benefits	Page 5
● Tax	Page 6
● Payroll	Page 7
● Legislation and statutory bodies	Page 8

# 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



You must be aware of your obligations and liabilities as an employer if your company employs foreign nationals in Cameroon. Under a Cameroon work visa, foreign employees may enter and perform employment.

## Types of work visas

- The duration of a temporary visa is three months.
- Visas for extended stays are valid for six months.
- A 30-day tourist visa is valid.
- Business travelers can obtain short-stay visas that are good for three months.
- Visas for transiting through Cameroon are valid for one to five days.
- A diplomatic visa has a six-month validity period and is intended for diplomats.

Work visa requirements for Cameroon include an employment contract with a thorough JD as well as other papers like a resume, a residence permit, the most recent copy of your medical certificate.

The employer must apply for a work permit in Cameroon when hiring foreign workers to live and work there. Also, international workers must have work visas and permissions. It is difficult to obtain a work permit for Cameroon without a job offer since the employer commences the process.

# EMPLOYMENT CONTRACTS



## **Probation period**

Employees have a six-month probation term, whereas supervisors have an eight-month probation period.

## **Notice period**

If the employment is under 1 year, the notice period is 15 days. If the employment is between 1-5 years, the notice period is one month; and if the employment is more than five years, the notice period is two months.

## **Minimum wage**

The basic wage in Cameroon is 36,270 CFA francs per month, and it applies to all employees in all industries.

## **Working hours and overtime**

The typical workweek is 40 hours. Female employees and children are not permitted to work at night unless they are executives or work in fields other than physical labor. Overtime compensation:

- During the day: - the first eight hours: 20% of the hourly compensation; - the next eight hours: 30% of the hourly salary; - the third installment of hours, up to 20 hours each week: 40% of the hourly salary; - overtime work conducted on Sundays: 40% of the hourly income.
- Overtime throughout the night: 50% of the hourly wage.
- Overtime undertaken in accordance with the circumstances specified in Art. 10(3): fifty percent of the hourly wage.

## **Termination**

Fixed-term contracts can only be terminated for egregious misbehavior, unforeseen circumstances, or both parties' express approval. Contracts with indefinite terms can be canceled at any moment by either the employer or the employee. Notice of termination must be given, the length of which is determined by the Minister in charge of Labour and is dependent on the employee's seniority and occupational category. Generally, the employee is entitled to one day off each week throughout the notice period to hunt for another work.

## **Severance**

Severance pay is paid to employees with two or more years of employment, as specified by the Ministry of Labor.

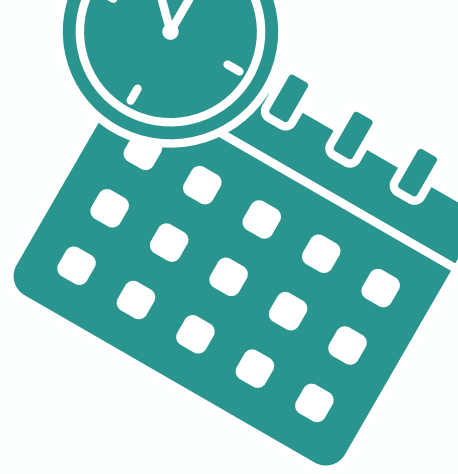
## **Non-compete clause**

Employers can impose restrictions on employees through non-compete agreements or a clear condition in the employment contract.

## **Collective bargaining**

In Cameroon, collective bargaining is governed by the Labor Code.

# PAID TIME OFF



## **Annual Vacation**

The employee gains the entitlement to annual leave at the rate of one and a half days each month of effective service (18 working days of annual leave), which is paid for by the employer. Workers under the age of 18 are given 2.5 days of service every month (30 working days of yearly leave). Mothers' yearly leave is raised by two working days for each child under the age of six, or by one day if the mother's cumulative leave does not reach six days. Furthermore, taking into account seniority in the organization, annual leave is enhanced at the rate of 2 working days per each complete period, whether continuous or not, of 5 years of service.

## **Sick**

In most cases, employees are entitled to a minimum 5 days of paid sick leave every year. If an employee suffers injury or illness on the job, the employer is obligated to pay for medical treatment.

## **Maternity**

Female employees are entitled to 14 weeks of maternity leave, beginning four weeks before the delivery, which is paid for by social security, known as the CNPS. In the event of a medical emergency, this can be extended by six weeks. If the time of confinement occurs after the due date, the maternity leave will begin in its full capacity once the period of confinement begins. Maternity leave is compensated at the expecting mother's regular rate of pay by social security. For up to 15 months following the birth, the mother is entitled to breastfeeding breaks of up to one hour every day.

## **Paternity**

Paternity leave can be taken by fathers using their ten days of paid family leave.

## **Family**

Workers are typically normally entitled to 10 days of paid leave each year for family occasions. Mothers with children under the age of six are normally entitled to two additional days of leave for each kid living in the home, or one day if the mother's total leave does not exceed six days.

## **National Holidays**

Cameroon has a total of 10 paid public holidays.

## **Other Paid Time Off**

N/A

# EMPLOYEE BENEFITS



## Statutory

### Unemployment

Aside from the employer providing severance pay to the employee, there are no other legal provisions that allow an unemployed person to obtain benefits.

### Workers compensation

According to the estimated level of risk, the employer contributes the majority of money for such benefits, equivalent to 1.75%, 2.5%, or 5% of gross payroll.

### Social Security

Employees are required to contribute to the National Social Insurance Fund (NSIF) at a specific rate computed on the basis of their earnings for their collective personal welfare. The rate is 4.2% depending on taxable pay, with a monthly ceiling of XAF 750,000.

### Retirement

Covered by Social Security.

### Health

Private option and is based on an employee voluntary basis to sign up or for the employer to offer it.

## Private

### Workers compensation

Private workers compensation is available in Cameroon.

### Retirement

Private retirement/pension schemes are available in Cameroon.

### Health

Private healthcare is available in Cameroon.

### Life

Private life insurance is available in Cameroon.

# TAX



## Personal Income Tax ( PIT )

- **Tax year** : Tax year runs from January 1st to December 31st.
- **Tax rate** : The basis of this tax is the sum of net income from various categories of revenue earned by the taxpayer within one fiscal year. Rates range between 11-38.5%.
- **Tax method** : The taxation method is a progressive tax system in Cameroon.
- **Tax residency requirements** : Individuals of foreign nationality who reside in Cameroon for more than 183 days (in a calendar year) will be deemed tax domiciled in Cameroon and will be liable to payroll taxes and social contributions unless they can establish that the job they undertake in Cameroon is of an accessory character.
- **Double taxation agreements ( DTA's )** : Cameroon has multiple double taxation agreements.

## Investment Income Tax

Normally, capital gains are taxed at the full CIT rate.

Net overall capital gains arising from the transfer of shares and stocks; income from bonds; income from debts, deposits, surety-bonds, and current accounts; profits realized from the transfer of shares; reimbursement of sums put at the disposal of the company by a manager or a partner as an advance or a loan; and capital gains on the transfer of natural resource rights shall be subject to 16.5 % WHT.

## Taxable Income

All natural people with their fiscal residence in Cameroon or earning income from Cameroonian sources are subject to this tax, including:

Wage earners, pensioners, and annuitants;  
Traders, farmers, and artisans;  
Landlords; and  
Liberal Professionals.

Personal income tax is levied on the following types of income:

Wages, salaries, pensions, and annuities;  
Profits made by merchants, artisans, farmers, and liberal professionals;  
Revenue from land;  
Capital-gains income;  
Revenue from related activities.



# PAYROLL



## Payroll Elements

- **Income:** Salary, earnings, bonuses, overtime pay, taxable benefits, allowances, and certain lump sum perks are examples of remuneration (revenue from employment). Profits or losses made by a company or trade. Income or profits derived from an individual's status as a trust beneficiary.
- **Deductions:** Cameroon's tax structure allows for a deduction of business expenditures up to 30% of taxable salary. Furthermore, the sum designated to pay the employee's social contributions is a deductible charge. Any individual subject to PIT is entitled to an annual abatement of XAF 500,000 for earnings and salary. Interest costs are completely deductible.
- **Benefits in Kind:** On the basis of taxable income, benefits in kind are assessed as follows:
  - \*Housing constitutes 15% of the total:*
    - 4 percent for electricity.**
    - Water is 2% of the total.**
    - 5% for each servant.**
    - 10% of the total cost of the automobile.**
    - 10% is allocated to food.**
- **Employer contributions:** Workers compensation, unemployment and social security.

## Payroll Taxes

Income taxes are calculated on a sliding basis ranging from 11% to 38.5 %.

The payroll tax is 2.5 percent of total earnings and in-kind benefits. All businesses are liable to a professional tax (business licensing tax) at varied rates depending on their annual revenue.

## Payroll Calendar

Employees are not required to be paid on a set schedule.

Payrolls can be done weekly, biweekly, fortnightly, or monthly.

# LEGISLATION AND STATUTORY BODIES



## LEGISLATION

- Constitution of the Republic of Cameroon 1972
- Labor Code 1992

## STATUTORY BODIES

- Constitutional Council
- National Social Insurance Fund (CNPS)
- Tax Revenue Authority



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information or a **FREE**  
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