



COUNTRY GUIDE: KAZAKHSTAN

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

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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.

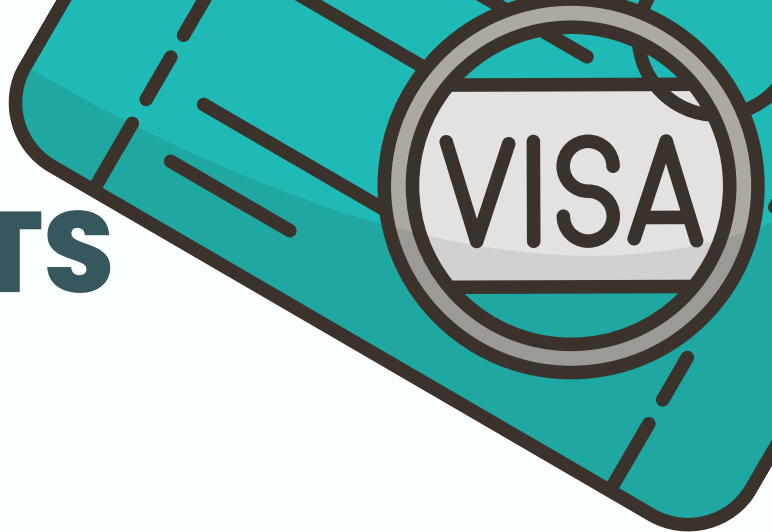
We also assist with onboarding and termination of both local or expatriate employees.

BENEFITS

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



WORK PERMITS AND VISAS



Work Permits -

The following categories are used to group all foreigners:

- Category 1: CEOs and deputy CEOs of companies. Valid for between 1-3 years.
- Category 2: Leaders of divisions/departments. Valid for 12 months.
- Category 3: Professionals. Valid for 12 months.
- Category 4: Qualified workers. Valid for 12 months.

The number of foreign workers that a Kazakhstan employer/local host business may hire is constrained by what is known as the "ratio requirement". Employers are in charge of granting and extending permits.

Intra-corporate transfer (ICT) -

All foreigners are divided into the following categories for the purposes of applying for a work permit under ICT: Specialists /Managers/Executives.

The work permit under ICT is issued by the local authorities for the transfer period, but not for more than 3 years (36 months), with the option of a single 1-year extension (12 months).

However, the local host entity should first look for qualified applicants on the Kazakhstan labor market before employing a foreign specialist under ICT.

Only if acceptable candidates cannot be identified should the local host entity apply for a work visa.

EMPLOYMENT CONTRACTS



Probation period

Kazakhstan states the probation period may not exceed three months.

Notice period

Employers are required to give at least one month's notice before terminating an employee's employment contract. The employment agreement may also be terminated by the employee with written notice.

Minimum wage

Kazakhstan's current minimum wage is KZT 70,000.00 per month.

Working hours and overtime

The standard work week is up to 40 hours. The legal limit for overtime labor in Kazakhstan is two hours each calendar day. It receives compensation equal to 150% of the initial sum.

Work performed on holidays or days off must be compensated at least two times as much as usual. Night shift compensation must be at least 1.5 times the usual wage (between 10:00 pm and 6:00 am).

Termination

- During the probationary period, the employer has the right to dismiss the employee with a written application that includes a valid justification.
- An employment agreement that was made for a set length of time will end after that period of time has passed.
- Unless the employment contract or collective bargaining agreement specifies a longer notice period, the employer must provide the employee at least one month's written notice of the termination of the employment contract.
- The employment contract may be terminated before the end of the notice period with the employee's written approval.
- Employment contracts with unionized workers must be terminated taking into account the trade union's well-reasoned view of the specific organization in the manner specified by the collective bargaining agreement.

EMPLOYMENT CONTRACTS



Severance

The employee will get a one-time payment that is equal to their monthly salary.

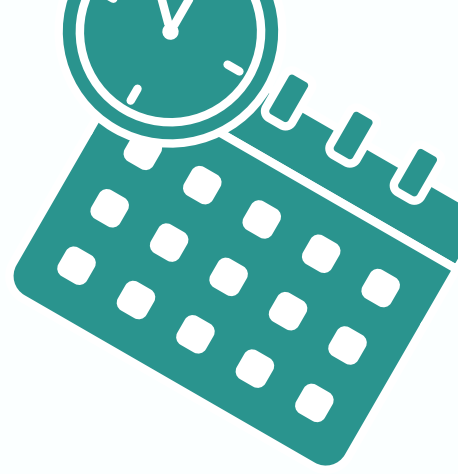
Non-compete clause

Non-compete provisions are permissible under Kazakhstan labor law, but employers must make sure they adhere to the constraints and specifications outlined in the Labor Code to prevent any legal problems.

Collective bargaining

Is recognized in Kazakhstan.

PAID TIME OFF



Annual Vacation

Workers typically have a right to a minimum of 18 paid vacation days, which must be paid at least three days in advance of the start of the leave.

Sick

Each employee is given three days of sick time (six days for chronic illness). The monthly reimbursement rate serves as the foundation for the illness allowance rate.

Maternity

Maternity leave is permitted in Kazakhstan for a total of 126 days (70 days before and 56 days after the delivery of the baby). There is also the option of granting more unpaid time off.

Paternity

Generally unpaid paternity leave.

Family

N/A

National Holidays

There are 16 paid public holidays in Kazakhstan.

Other Paid Time Off

N/A

EMPLOYEE BENEFITS



Statutory

Unemployment

Funded under Social security contributions.

Workers compensation

Employer responsibility to cover the overall cost.

Social Security

Employers must pay 9.5% of social tax based on employees gross income.

Retirement

Employers pay 3.5% on top of employees monthly income to cover pension.
Employees pay 10%/

Health

All employers must contribute 3% of employees monthly remuneration towards healthcare (OMIC).

Private

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** : In Kazakhstan, the calendar year serves as the tax year.
- **Tax rate** : The majority of personal income is subject to a single flat rate of 10% for residents (for non-residents 10-20%); only dividends earned in Kazakhstan are subject to a 5% rate.
- **Tax method** : The majority of personal income is subject to a single flat rate of 10% for residents (for non-residents 10-20%).
- **Tax residency requirements** : If an individual satisfies one of the following conditions, they are regarded as Kazakhstani tax residents:
 - More than 183 days in a year are spent in Kazakhstan,
 - Has a permanent home in Kazakhstan and stays there for more than 120 days yearly,
 - Is a Kazakhstan national who keeps a home in Kazakhstan but has relocated overseas permanently.
- **Double taxation agreements (DTA's)** : Kazakhstan has multiple double tax agreements (DTA) with other countries.

Investment Income Tax

Investment income includes income from dividends, interest, and capital gains and is taxable in Kazakhstan.

Taxable Income

- **Employment income**: salaries, wages, bonuses, and other benefits received from an employer.
- **Business income**: income earned by individuals who are self-employed or run their own businesses.
- **Investment income**: income from investments such as dividends, interest, and capital gains.
- **Rental income**: income earned from renting out property or assets

PAYROLL



Payroll Elements

- **Income:** All income derived from employment, business, rental or investment.
- **Deductions:** Obligatory and voluntary pension contributions are deductible as well as social security and taxes.
- **Benefits in Kind:** Benefits in kind are not required in Kazakhstan, although businesses may include them in an employee's remuneration package.
- **Employer contributions:** Social security, unemployment, health insurance and workers compensation.

Payroll Taxes

Kazakhstan has a social tax of 11% which is paid yearly.

Payroll Calendar

There are no predetermined dates on which employees must be paid. Usually monthly.

LEGISLATION AND STATUTORY BODIES



LEGISLATION

- Labor code - last amended in 2022

STATUTORY BODIES

- Ministry of Health and Social Development
- Unified Accumulative Pension Fund
- Kazakhstan Revenue Authority



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information or a **FREE**
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