



COUNTRY GUIDE: MOZAMBIQUE

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

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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.

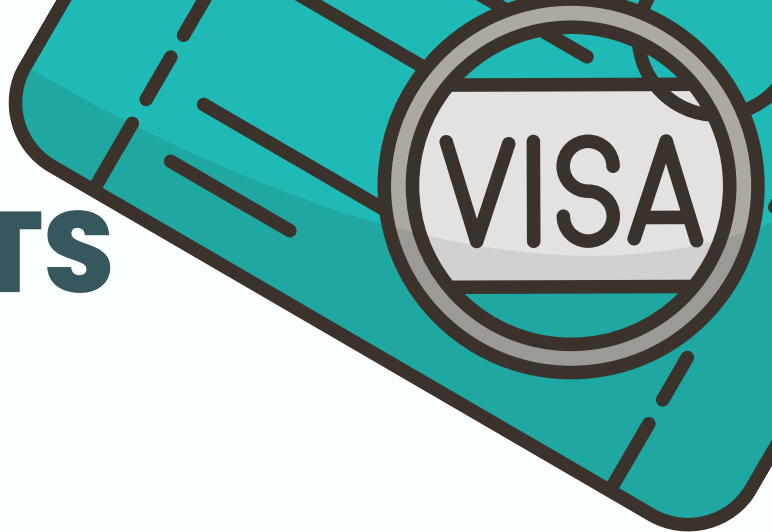
We also assist with onboarding and termination of both local or expatriate employees.

BENEFITS

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



WORK PERMITS AND VISAS



Individuals who intend to go to Mozambique can apply for a variety of visas. The following visas are available:

- **Visas for diplomats** : Individuals who travel to the country for conciliatory reasons. Valid for 1-3 months.
- **Visas for tourists** : Individuals who travel to the country for touristic reasons. Valid for 30 days.
- **Visas for students** : Individuals who travel to the country for academic reasons. Valid for 1 year.
- **Visas for business** : Individuals who travel to the country for business purposes. Valid for 2 months.
- **Visas granted as a courtesy** : For individuals who are welcomed by the Mozambican specialists. Valid for 1-3 months.
- **Visas for transit** : Individuals who travel to the country to visit family. Valid for 180 days.
- **Visas for work** : Individuals who travel to the country for work reasons. Valid for 30-60 days.
- **Official visa** : Individuals who travel to the country for official reasons. Valid for 6 months.
- **Resident visa** : Individuals who travel to the country for permanent residence. Valid for 1 year.

A work permit is required for foreign people who wish to migrate to Mozambique for employment. It is usually valid for 4 years. Citizens from countries such as China will have to follow a different process to obtain a work permit compared to most countries.

EMPLOYMENT CONTRACTS



Probation period

For middle- and higher-level technicians, as well as leadership and management jobs, the maximum trial period for indefinite-term contracts is 180 days. The maximum probation period for other workers is 90 days.

Notice period

If the duration of duty is higher than 6 months but less than 3 years, the period of service is 15 days.

If the time of service is greater than 3 years, the period of service is 30 days.

Minimum wage

In the public sector, the minimum salary is 4,400 MZM per month, whereas in the financial sector, it is 13,4180.18 MZM per month.

Working hours and overtime

Normal working hours are limited to eight hours per day and 48 hours per week. Employees are allowed to work overtime for up to eight hours per day, 96 hours per quarter, and 200 hours per year. If completed during the day, overtime is paid at 150 percent; if performed at night, overtime is paid at 200 percent. The average workweek is 45 hours long, or eight hours each day.

Termination

Contracts with a duration of up to 90 days are allowed. Employees are normally entitled to at least 30 days' notice if they are terminated for reasons outlined in the labor legislation. If an employee is fired for reasonable cause, the company must give the employee and the trade union a written indictment note within 30 days after the wrongdoing. The employee has 15 days to react, and the union has five more days to consult. The employer then has 30 days to make a decision.

Severance

Employees on indefinite-term contracts, in general, are entitled for severance pay. Employees whose remuneration is:

- Earn 30 days compensation each year of service at one to seven times the national minimum wage.
- Get paid eight to ten times the national minimum wage, plus 15 days each year of service.
- 10 days pay per year of service at 11-16 times the national minimum wage
- Receive three days pay every year of service if you earn more than 16 times the national minimum wage.

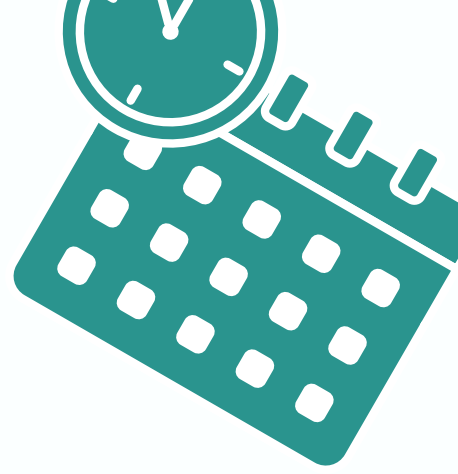
Non-compete clause

In the employment agreement, employers may include a non-competition provision.

Collective bargaining

The provisions of an established collective bargaining agreement take precedence over the terms of any contract.

PAID TIME OFF



Annual Vacation

Employees are entitled to the following benefits in general:

- 1 day of paid leave every month throughout the first year of employment
- During the second year of employment, you will be entitled to two days of paid vacation every month.
- 30 days of paid vacation after the third year

Sick

Employees are usually entitled to up to 15 days of sick leave every quarter, or 5 non-consecutive days. If the employee needs further time, he or she must contact the health board. For a non-occupational sickness or accident, Social Security will pay for 365 days of continuous sick leave.

Maternity

Female employees are typically entitled to 60 days of maternity leave, which can begin as early as 20 days before the due date. They are also entitled to up to 30 days of excused absences each year, which can be utilized for reasons such as a child's hospitalization.

Paternity

Paternity leave is paid for one day for fathers.

Family

Employees are also entitled to unpaid time off to be with hospitalized children under their care, which may be repaid by social security.

National Holidays

Mozambique has a total of 9 public holidays which are paid.

Other Paid Time Off

Employees can take up to five days off for a bereavement.

EMPLOYEE BENEFITS



Statutory

Unemployment

N/A

Workers compensation

Employer covers costs for work related injury or disease.

Social Security

The employer contributes an amount equal to 4% of monthly salary, and the employee contributes 3% of monthly salary.

Retirement

Covered by Social Security.

Health

Mozambique has public health care.

Private

Workers compensation

Private worker's compensation available.

Retirement

Private retirement schemes available.

Health

Private health insurance available.

Life

Private life insurance available.

TAX



Personal Income Tax (PIT)

- **Tax year** : January 1st to December 31st
- **Tax rate** : Rates range between 10-32%.
- **Tax method** : Mozambique uses the PAYE system and has a progressive tax system.
- **Tax residency requirements** : A resident is someone who meets one or more of the following criteria:
 - Has spent more than 180 days in Mozambique, either continuously or in total, in a fiscal year.
 - Has been in Mozambique for less than 180 days but has a house in the country that is inhabited under conditions suggesting willingness to stay indefinitely.
 - Is a member of the crew of a Mozambique-registered vessel or aircraft.
- **Double taxation agreements (DTA's)** : Mozambique has multiple double taxation agreements.

Investment Income Tax

All individual income (employment income, capital gains, investment income, independent work, rental income, commissions, etc.) is subject to tax.

Taxable Income

All individual income (employment income, capital gains, investment income, independent work, rental income, commissions, etc.) is subject to tax.

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:** Taxes, social security contributions and other mandatory contributions.
- **Benefits in Kind:** All cash and in-kind fringe benefits, including housing allowances and the use of company-owned homes and cars, are taxed under the legislation. Fringe benefits must be calculated in accordance with the following regulations, which must be followed in order: based on the official purchase quote and based on market value in competitive conditions
- **Employer contributions:** Workers compensation and social security.

Payroll Taxes

Employees must contribute 3% of their monthly wage to the social security system, while employers must contribute 4% of the employee's monthly salary. If a foreign employee contributes to a comparable system in their home country, they can request for an exemption from the social security system.

Payroll Calendar

Wages are normally paid on the final working day of the month, according to the payroll cycle.

LEGISLATION AND STATUTORY BODIES



LEGISLATION

- Labor Law 2007

STATUTORY BODIES

- Social Security Fund
- Ministry of Labor
- Mozambique Revenue Authority



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information or a **FREE**
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