



COUNTRY GUIDE: OMAN

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

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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.

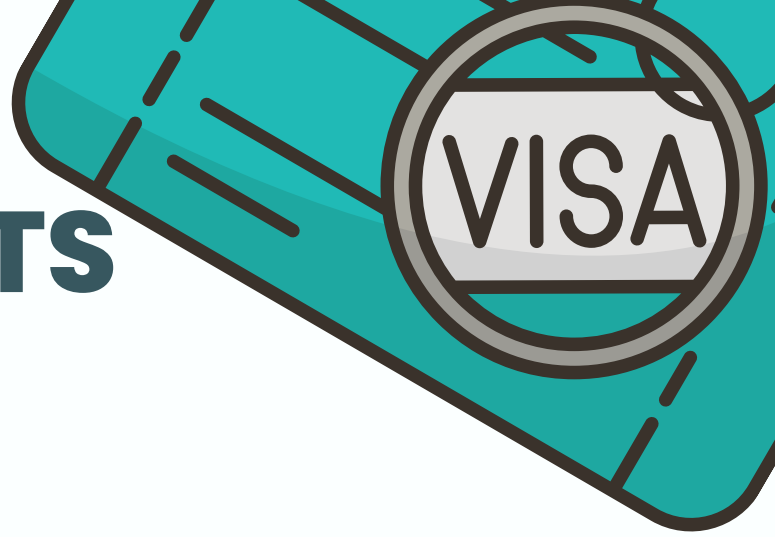
We also assist with onboarding and termination of both local or expatriate employees.

BENEFITS

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



WORK PERMITS AND VISAS



Each foreign national who will be sponsored by the employer needs an employment visa. The Royal Oman Police Immigration Department must receive an application for an employment visa from the employer, which can be done through a one-stop shop.

The employee must fulfill the following conditions in order to submit a legitimate visa application:

- The employee's age must fall between 21 and 60.
- The person must be the same gender as the one listed on the work visa.
- The position and line of work must match those listed on the labor permit.
- Some nationalities require special authorization.
- Foreign nationals from specific nations must have a medical certificate.

Employees must obtain a residence card within 30 days of arrival to legally reside in Oman for the duration of their employment. The Directorate General of Civil Status will issue the residence card for a period of two years.

EMPLOYMENT CONTRACTS



Probation period

The maximum probation period for employees paid monthly wages is three months, and other workers have a one-month probation period. An employee may not be placed on probation with the same employer more than once.

Notice period

30 days' written notice for employees receiving monthly salaries and fifteen days for any other arrangements unless otherwise specified in the contract.

Minimum wage

The minimum wage in Oman is 325 OMR per month.

Working hours and overtime

The standard work week in Oman is 45 hours per week and during Ramadan it is 30 hours. When an employee is asked to work overtime or on holidays, the maximum amount of time is set at 12 hours per day. Overtime hours in excess of 45 per week are compensated at a rate of 125% of the employee's regular wage for daylight hours and 150% for hours worked at night.

Termination

Termination of employment and provision of a notice period are explicitly covered in the Omani Labor Law for unlimited period contracts, which is thirty days' written notice for employees receiving monthly salaries and fifteen days for any other arrangements unless otherwise specified in the contract. If a notice period is not provided, the compensating party must pay the gross salary for the notice period.

Except in cases of grave violation of conduct outlined in Articles 40 and 41 of the Labor Law for employers and employees, respectively, termination of a fixed contract prior to the expiry date is generally not permitted until the project has been completed. A notice period is not required in these cases.

EMPLOYMENT CONTRACTS



Severance

Employers in Oman are mandated to pay severance pay based on their employees years of service: For the first three years, the basic pay is 15 calendar days for each year of service. For each year of service beyond three years, the basic pay is increased by 30 calendar days.

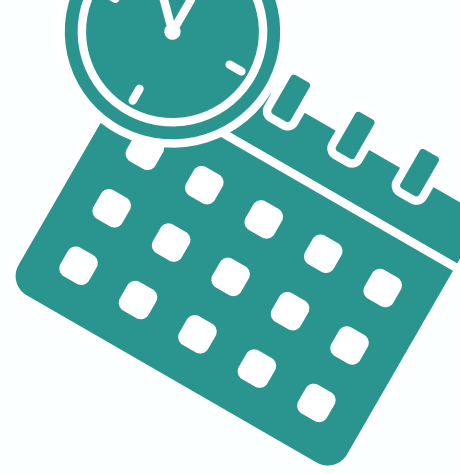
Non-compete clause

Non-compete clauses are governed by Article 661 of Oman's Civil Code (RD 29/2013), which specifies two key limitations. To begin, the former employee can only be restricted for a limited time. Then the former employee may only be barred from competing within a specific geographical area.

Collective bargaining

Under Oman Labor law, the right to collective bargaining is recognized and protected.

PAID TIME OFF



Annual Vacation

According to Article 61 of the Oman Labor Law, after six months of service with the employer, an employee is entitled to thirty days of paid annual leave each calendar year.

Sick

According to Article 66, an employee whose sickness is proven has the right to ten weeks of sick leave in a year, whether such weeks are continuous or separate, and the sick leave is granted as follows: The first and second weeks are paid in full.

Maternity

Article 83 states that a female employee has the right to a special fifty-day maternity leave covering the periods before and after delivery with full pay no more than three times during her employment with the employer.

Paternity

N/A

Family

N/A

National Holidays

There are in total 13 paid public holidays.

Other Paid Time Off

- Marriage leave - 3 days paid.
- Hajj - 15 days paid
- Compassionate leave - 3 days when a first-degree relative dies, and 2 days when a second-degree relative dies.
- Omani national employees who are studying in the country's schools, colleges, or universities are allowed fifteen days per year to take exams.
- If a married Muslim female employee is widowed, she is entitled to 130 days of paid leave to mourn her husband's death.

EMPLOYEE BENEFITS



Statutory

Unemployment

PASI will manage the unemployment insurance scheme. Contributions: both employees and employers - 1% each.

Workers compensation

Employer: 1% of covered gross monthly payroll.

The minimum monthly earnings for calculating contributions are 325 rials if you work in Oman and 200 rials if you work abroad.

Social Security

Employee: 7% of monthly gross covered earnings. 10.5% of gross monthly covered payroll for the employer.

Retirement

Covered by Social Security.

Health

Omani nationals have free access to public health care in the country, but expatriates typically seek medical care in private clinics and hospitals.

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** : 1st January to 31st December.
- **Tax rate** : Oman currently does not have a personal income tax (PIT) law in place.
- **Tax method** : Oman currently does not have a personal income tax (PIT) law in place.
- **Tax residency requirements** : N/A
- **Double taxation agreements (DTA's)** : Oman has signed double taxation agreements with a number of nations.

Investment Income Tax

N/A

Taxable Income

N/A

PAYROLL



Payroll Elements

- **Income:** Salaries, wages, and allowances received by working persons.
- **Deductions:** Social security contributions, retirement fund contributions as well as healthcare contributions in the case of foreigners. Loan repayments, salary advances and other deductions agreed upon in employment contracts are allowed.
- **Benefits in Kind:** The Labor Law does not specify the exact types of benefits in kind that an employer must provide to their employees.
- **Employer contributions:** Unemployment, Workers compensation and Social security.

Payroll Taxes

N/A

Payroll Calendar

Payroll is usually done once a month in Oman.

LEGISLATION AND STATUTORY BODIES



LEGISLATION

- Oman Labor Law (Royal Decree No. 35/2003)
- Social Insurance Law (Royal Decree No. 32/2014)
- Health and Safety Law (Royal Decree No. 42/2020)
- Foreign Workers Law (Royal Decree No. 67/2013)

STATUTORY BODIES

- Ministry of Manpower
- Public Authority for Social Insurance



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