

The background of the page is a photograph of a savanna landscape. In the foreground, there are several acacia trees. In the background, there are rolling hills under a hazy, orange-tinted sky, suggesting a sunrise or sunset. A large teal geometric shape, similar to the one in the top left, is overlaid on the bottom right of the image.

COUNTRY GUIDE: RWANDA

global@zapeo.net

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

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



To enter and stay in Rwanda, almost all foreign nationals must apply for a visa. They will also require a work permit, as a visa only allows them to enter the country but not work. Work permits, like visas, are divided into categories, but the two main options are temporary or permanent. There are five types of permits that describe the various types of employment, such as:

- H1: Skilled labor in a high-demand occupation
- H2: Skilled workers sponsored by a company
- H3: Journalist or media professional
- H4: Semi-skilled or artisan employees
- H5: Employees of international organizations

There are additional Rwanda work permit categories for people who want to study or invest in the country. To complete their work permit application, applicants will need to provide relevant documents in either French or English.

EMPLOYMENT CONTRACTS



Probation period

The probation period is limited to six months.

Notice period

The lowest notice period is 15 days for service up to a year and 30 days for service beyond a year, with the employee allowed an extra day off per week to search for different employment.

Minimum wage

No national minimum wage; Rwanda's minimum wage rates range from 500 to 5000 Rwandan francs per day depending on industry.

Working hours and overtime

The Rwandan work week is generally 45 hours long. A collective labor convention governs the mechanisms for additional hours and the rate of overtime compensation.

Termination

During the probationary period, no notice of termination is necessary. Indefinite-term contracts can be terminated for reasonable cause, and the employee should be given written notice unless the dismissal is due to substantial misbehavior. The following are the notice requirements:

Severance

After one year of employment, employees are normally entitled to severance money. Severance compensation is calculated as follows:

One month's pay for less than five years of service

Five to ten years of service: two months' pay

Three months' pay for 10-15 years of service

Four months' pay for every 15-20 years of service

Twenty to twenty-five years of service equals five months' pay.

Twenty - five years or more 6 months salary.

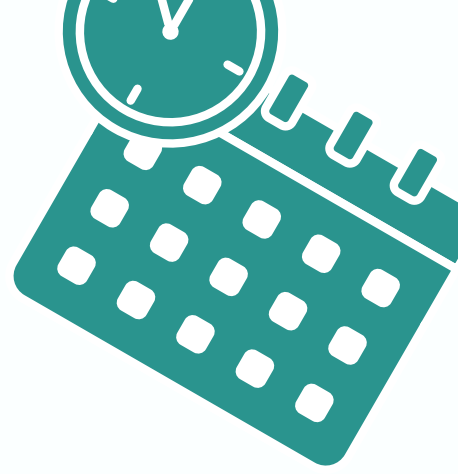
Non-compete clause

Employers can impose restrictions on employees through non-compete agreements or a clear condition in the employment contract. Such limitations must be reasonable and for a specific period of time.

Collective bargaining

The right to collective bargaining is legally recognized.

PAID TIME OFF



Annual Vacation

Employees are generally entitled to 18 days of paid yearly leave every year. For every three years of continuous service, an additional day of leave is granted, up to a maximum of 21 days.

Sick

Employees are normally entitled to up to six months of sick leave with medical confirmation. The first three months are compensated, whereas the latter three months are not.

Maternity

In most cases, female employees are entitled to 12 weeks of paid maternity leave. Leave can be taken up to two weeks in advance of the due date.

Paternity

Fathers are entitled to four days of paternity leave in a row and can be paid or unpaid as it is dependent on the employer.

Family

N/A

National Holidays

Rwanda has a total of 14 public holidays which are paid.

Other Paid Time Off

N/A

EMPLOYEE BENEFITS



Statutory

Unemployment

N/A

Workers compensation

Employer: 2% of gross monthly payroll
Contributions are calculated using earnings.

Social Security

The company must contribute 5% and the employee must contribute 3%, based on the employee's gross wage.

Retirement

The rates of contribution are 3% paid by the employer and 3% paid by the employee.

Health

All people of the nation have free access to medical care in public hospitals and health insurance.

Private

Workers compensation

No Private worker's compensation available.

Retirement

Private retirement schemes available.

Health

Private health insurance mandatory.

Life

Private life Insurance mandatory.

TAX



Personal Income Tax (PIT)

- **Tax year** : January 1st to December 31st
- **Tax rate** : The highest tax rate is 30% whilst the lowest is 0%.
- **Tax method** : The legislation defines three types of employees with different tax rates: permanent employees, casual laborers, and employees with a second employer. Nonetheless, the first RWF 30,000 in employment income paid to permanent workers and temporary laborers is taxed at 0%. Rwanda uses a progressive tax system.
- **Tax residency requirements** : If an individual has a permanent residence, a habitual abode, is a citizen representing the country abroad, stays in Rwanda for more than 183 days in any 12-month period (either continuously or intermittently), and is resident for the tax period in which the 12-month period ends, the individual is considered to be a resident of Rwanda.
- **Double taxation agreements (DTA's)** : Rwanda has multiple double taxation agreements.

Investment Income Tax

Tax is payable on capital gains, dividends, rental income and royalties.

Taxable Income

Rwandan residents are taxed on their international earnings. Non-residents are taxed on income earned in Rwanda. Residents and non-residents are subject to the same tax rates. A person's taxable income for any year is the sum of that person's income for the year less the entire amount of deductions that person is permitted. Employment income, company earnings, and investment income are all examples of taxable income.

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:** Statutory contributions, tax and any other deduction employee gave consent to.
- **Benefits in Kind:** Benefits in kind are included in taxable remuneration.
- **Employer contributions:** Workers compensation and social security.

Payroll Taxes

In Rwanda, Health Insurance is mandatory and both the employer and employees have to make monthly contributions. RSSB contributions are equal to 15% of the employee's base wage. It is paid at a rate of 7.5% by both the employer and the employee. The employer must also contribute 5% towards the Rwanda Social Security Fund (CSR) every month.

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

- The Labor Code

STATUTORY BODIES

- Rwanda Revenue Authority
- Social Security



Contact us today for further
information or a **FREE**
simulation.



LinkedIn



Simulation request



global@zapeo.net
