

COUNTRY GUIDE: SIERRA LEONE

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<https://zapeo.net/sierra-leone/>

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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.

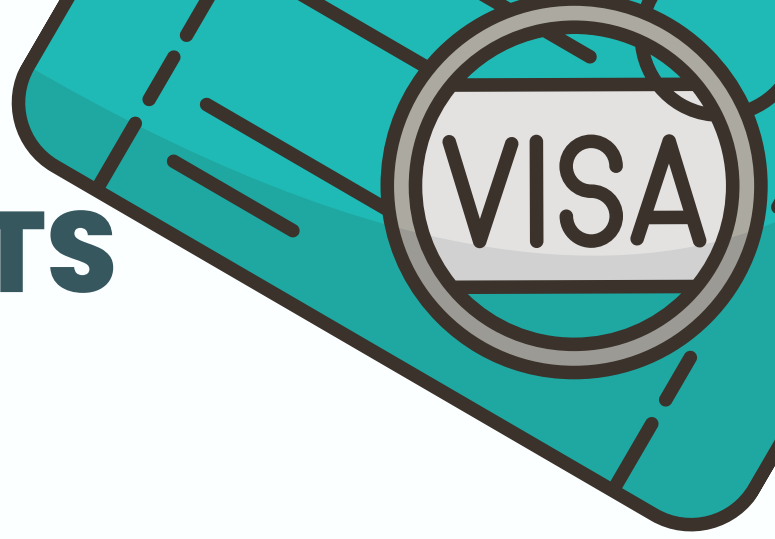
We also assist with onboarding and termination of both local or expatriate employees.

BENEFITS

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



WORK PERMITS AND VISAS



While Sierra Leone offers a variety of visas, the following are the most relevant:

- **Work permit/Visa:** The most common option for foreign employees. The intended employer must sponsor each employee for the duration of their stay. Work permits are renewed yearly. Together with a work permit an employee must also obtain a resident visa. If the employee switches to another employer they will need to apply again for a work permit. In order to obtain a work permit, a job offer must first be secured.

EMPLOYMENT CONTRACTS



Probation period

Standard probationary period is up to 6 months.

Notice period

The notice period ranges between one week and one month. Individual and collective bargaining agreements generally govern severance.

Minimum wage

The monthly minimum wage in Sierra Leone is 500,000 SLL for all employees.

Working hours and overtime

A standard work week consists of 40 hours. An employee may work more than 10 hours per week beyond his or her regular working hours. He/she can work a maximum of 50 hours per week. The employer is required to pay the employee for working overtime as well as a bonus of 25% above the average wage rate. Furthermore, if an employee is forced to work on a rest day, the employer is required to pay the employee the full amount of overtime pay.

Termination

Employment contract for an indefinite period: The party must give the other party a 30-day notice period prior to the end of the employment, or pay the other party the equivalent of 30 days' worth of wages or salary. Limited-term employment contract: The employee's employment may be terminated immediately upon the expiration of the contract's stated time frame. If an employee is let go during their probationary period, their employer is required to provide them five days' notice. Immediate termination: At any time for good cause. A court may force the employer to pay a fine or compensation in the case of unreasonable causes.

Severance

In Sierra Leone, severance payments are not required by law. However, if an employee is fired due to redundancy, they are entitled to prior notice and compensation based on their length of service with the employer.

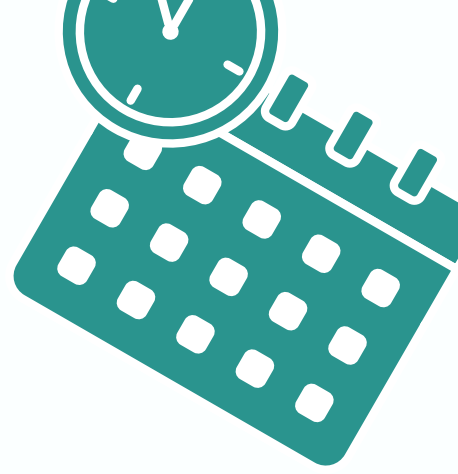
Non-compete clause

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

Collective bargaining

The right to collective bargaining is legally recognized.

PAID TIME OFF



Annual Vacation

Employees are generally entitled to the following paid annual leave: 19 days of leave after one to five years of employment. 22 days of leave after five to ten years of employment. After ten years of service, you are entitled to 28 days of paid leave.

Sick

Employees are generally entitled to a minimum of five paid sick days per year.

Maternity

Employees who are female are legally allowed 12 weeks of paid maternity leave.

Paternity

N/A

Family

N/A

National Holidays

Sierra Leone has a total of 11 public holidays which are paid.

Other Paid Time Off

N/A

EMPLOYEE BENEFITS



Statutory

Unemployment

N/A

Workers compensation

Certain occupations are covered by law for occupational diseases, according to a schedule. There is no employee cost.

Social Security

Employee: 5% of monthly earnings; 15% for the voluntarily insured.

Employer: 10% of monthly payroll.

Contributions are calculated using no minimum or maximum earnings.

Retirement

Covered by Social Security.

Health

Private option.

Private

Workers compensation

No private worker's compensation available.

Retirement

No 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** : Resident and non-resident individuals are taxed at a rate of 15% on taxable income.
- **Tax method** : Taxes are levied on income earned during the calendar year. Sierra Leone uses a proportional tax system for their income tax.
- **Tax residency requirements** : A resident is someone who lives in Sierra Leone for more than 182 days in a 12-month period that begins or ends in the year of assessment.
- **Double taxation agreements (DTA's)** : Sierra Leone has a few double taxation agreements.

Investment Income Tax

Sierra Leonean labor law does not specifically address the treatment of investment income earned by employees. However, the country's tax laws may have provisions that apply to individuals, including employees. Investment income, including interest earned on savings accounts or bonds, may be subject to taxation.

Taxable Income

Resident and non-resident individuals are taxed at a rate of 15% on 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:** In Sierra Leone payroll deductions such as taxes, social security contributions, pension, health insurance and loan repayments are allowed.
- **Benefits in Kind:** Sierra Leone's labor laws do not set minimum standards with respect to benefits in kind. This means that employers are not required by law to provide certain benefits to their employees.
- **Employer contributions:** Workers compensation and social security.

Payroll Taxes

Mandatory social security contributions and income tax.

Payroll Calendar

Employees are typically paid on a monthly basis.

LEGISLATION AND STATUTORY BODIES



LEGISLATION

- Labor Act of 2004
- Social Security Act of 2005
- Pension Reform Act of 2009

STATUTORY BODIES

- Ministry of Labor and Social Security
- National Social Security and Insurance Trust (NASSIT)
- Occupational Safety and Health Authority (OSHA)



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