



COUNTRY GUIDE EGYPT

global@zapeo.net

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

**DEPLOY
WITH ZAPEO
IN
3 EASY STEPS**

ENGAGE

You and your employee reach an agreement to work in a country.

EMPLOY

Your employee signs a co-employment agreement with ZAPEO.

ENROLL

Your employee is enrolled on the payroll with a country specific legal entity.



WORK PERMITS AND VISAS

Egypt offers different types of visas:

1. Work Visa:

- Converts from a temporary or tourist visa upon obtaining a work permit.
- Requires an application to the Ministry of Manpower and Immigration.

2. Temporary/Tourist Visa:

- A single-entry visa is valid for 30 days and can be renewed.
- The initial step for those planning to work in Egypt is to convert to a work visa.

3. Ordinary Visa:

- Valid for 3 to 5 years.
- Allows an employee's spouse to obtain a residence permit for the duration of the work permit.

4. Special Visa:

- For expats born in Egypt before May 26, 1952, or who have lived in Egypt for over 20 years since that date.
- Valid for 10 years and renewable.



EMPLOYMENT CONTRACTS

Probation Period

The length of the probation term is specified in the contract and cannot exceed three months by law.

Notice period

- Definite contract: Notice period not specified; however, for service longer than 5 years, the employee is entitled to a 3-month notice period.
- Indefinite contract: Service of less than 10 years = 2 months, and service longer than 10 years = 3 months.

Minimum wage

The monthly minimum salary in Egypt is EGP 6000.

Working hours and overtime

The maximum working hours per day are 8 hours or 48 hours per week.

Employees who work more than 40 hours per week shall be paid 135.00% of their normal salary rate during the day and 170.00% of their regular salary rate during the night.

For work performed on non-regular working days, the rate is twice the daily wage plus another day off during the following week.

Termination

The termination procedure differs depending on how the Employment Agreement and Collective Agreement are structured, as well as the type of contract and cause for termination.

Severance

There is no statutory severance pay for definite or indefinite contact types unless the employee's termination was unreasonable or the employer supplied it voluntarily.

PAID TIME OFF



Annual Vacation

Employees in Egypt are entitled to 21 days of paid annual leave every year provided they have been engaged for at least six months.

Employees who have worked for the company for 10 years in a row or who are above the age of 50 are entitled to 30 days of paid yearly leave.

Sick

Employees are entitled to up to six months of paid sick leave and must present a certified medical certificate proving their illness.

The employee is entitled to 75% of the usual wage rate for the first 90 days of sick leave. Following that, this is increased to 85% of the regular rate of pay for 90 days.

Maternity

Female workers who have worked for ten months in a row are entitled to 90 days of paid maternity leave.

Maternity leave is compensated by both the employer (25%) and Social Insurance (75%).

Paternity

There are no legal provisions for paternity leave.

Family

Female employees who work for a firm with at least 50 employees are eligible for up to two years of unpaid leave to care for their child.

National Holidays

Egypt has a total of 16 public holidays which are paid.

Other Paid Time Off

Depending on the conditions of the Collective Agreement/Employment Contract, an employee may be granted extra leave, with the permission of both the employer and the employee.



EMPLOYEE BENEFITS

Statutory

	Employee	Employer	Notes
Unemployment	-	1%	Covered through Social Security Contributions.
Workers Compensation	-	1.5%	Covered through Social Security Contributions.
Social Security	11%	18.75%	Calculations are based on a minimum social insurance salary of EGP 2000 and a maximum social insurance salary of EGP 12600.
Retirement/Pension	10%	13%	Covered through Social Security Contributions.
Health	1%	3.25%	Covered through Social Security Contributions.

Private

	Notes
Workers compensation	Private workers compensation is available.
Retirement/Pension	There are a few private pension schemes available.
Health	Private health insurance is available.
Life	Life insurance policies are also available.



TAX

Personal Income Tax (PIT)

- **Tax year** : Tax year runs from January 1st to December 31st.
- **Tax rate** : Rates range between 0 - 27.5%.
- **Tax method** : The taxation approach is a progressive income tax.
- **Tax residency requirements** : A natural person is considered an Egyptian resident if they have a permanent address in Egypt, spend more than 183 days in the country within a 12-month period (considering any applicable double taxation treaties), or if they are an Egyptian citizen working abroad but receiving income from the Egyptian treasury.
- **Double taxation agreements (DTA's)** : Egypt has multiple double taxation agreements.

Investment Income Tax

- Capital gains realized by resident shareholders through the sale of listed shares on the EGX should be subject to tax at a rate of 10%.
- Capital gains on the sale of unlisted shares/securities, on the other hand, should be taxed according to the individual income tax levels.
- Capital gains from shares held in a foreign country would be taxed according to the individual income tax levels.

Taxable Income

Individual income tax is levied on resident persons' total net income for money generated in Egypt, as well as income obtained outside Egypt for residents whose commercial, industrial, or professional activities are centered in Egypt. In addition, non-resident people's income generated in Egypt is subject to taxation.

PAYROLL



Payroll Elements

- **Income:** Wages, salaries, fees, bonuses, and any other supplementary compensation, such as benefits in kind.
- **Deductions:** In Egypt, social insurance contributions are deductible according to the provisions of the Egyptian Social Insurance Law or any alternative private systems established by Law No. 64 of 1980. Effective February 21, 2024, every resident individual (employee) is allowed a personal allowance of EGP 20,000 of the taxable amount earned per annum, an increase from the previous EGP 15,000. Additionally, certain business expenses are also deductible.
- **Benefits in Kind:** Meals for employees, communal transportation for employees or its cost, medical care, equipment and uniforms for work purposes, and accommodation given by the company for employees are all examples of collective benefits-in-kind, according to the new tax legislation.
- **Employer contributions:** Social security and ER Fund.

Payroll Taxes

In addition to the monthly social security contributions, employers contribute 1% towards the ER Fund (capped at EGP 2370) and employees contribute 0.0005% of their monthly gross salary towards the Martyrs and Victims Fund.

Payroll Calendar

Payroll is done monthly in Egypt, and payments must be made by the 5th of the following month.



LEGISLATION AND STATUTORY BODIES

LEGISLATION

- The Labor Law

STATUTORY BODIES

- Ministry of Social Solidarity
- Ministry of Health and Population
- Local employment offices of the Ministry of Manpower

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further information or a
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Simulation request



global@zapeo.net

