



# COUNTRY GUIDE ZIMBABWE

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# 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

To visit Zimbabwe, most foreign nationals will require a visa. In terms of admission criteria, the country categorizes foreign nationals into three groups:

- **Category A:** covers nationals of countries that do not require a visa to enter Zimbabwe.
- **Category B:** This category applies to foreign citizens from a variety of countries, including the United States, the United Kingdom, and numerous European Union member states (EU). Category B nationalities can get a visa on arrival in Zimbabwe at the airport.
- **Category C:** Nationals of India, Pakistan, and numerous EU member states, as well as a number of other nations. Unlike those in Category B, these individuals will need to get a visa before coming to Zimbabwe.



# EMPLOYMENT CONTRACTS

## **Probation Period**

The normal probation term is three months.

## **Notice period**

- Three months in the case of a contract with no time limit or a contract for two years or more.
- Two months if the contract is for one year or more but less than two years.
- One month in the case of a contract lasting six months or more but less than a year.
- Two weeks if the contract is for three months or more but less than six months.
- One day if the contract is for a duration of less than three months or if the employment is casual/seasonal.

## **Minimum wage**

There is no statutory minimum wage in Zimbabwe.

## **Working hours and overtime**

Working hours are typically 8 hours per day and 40 hours per week.

Overtime is limited to a maximum of 10 hours per day. Beyond their regular hours, they must be paid at least one and a half times their usual rate. Working between midnight Saturday and midnight Sunday, or on a day off, requires payment at double the regular rate for each hour worked.

## **Termination**

Both the employer and the employee have the right to cancel an employment contract by giving notice. Depending on the employee's length of service, the notice period ranges from one day to three months. There are special rules in place for collective or redundancy dismissal.

## **Severance**

Severance compensation is only provided for collective dismissals for economic reasons, i.e., retrenchment, according to the Labour Act. Employers may be compelled by a collective agreement to pay severance to employees who are laid off due to redundancy. Severance pay is typically one month's compensation for every two years of employment with the company.

# PAID TIME OFF



## Annual Vacation

Employees are entitled for vacation after one year of service and accumulate one month of paid annual leave (30 calendar days, including 22 working days).

## Sick

Employees are permitted to take up to 180 days of sick leave each year. Following the submission of a medical certificate, the employee will be awarded up to 90 days of sick leave at full pay. After 90 days, the sick leave may be extended for another 90 days at half-pay.

## Maternity

Female employees who have been with their business for at least a year are eligible for 98 days of paid maternity leave. Maternity leave of up to 45 days can be taken before the delivery. Any maternity leave taken in excess of these restrictions is unpaid.

## Paternity

The father of a newborn infant may be eligible to take up to 12 days of unpaid leave.

## Family

N/A

## National Holidays

Zimbabwe has a total of 12 public holidays which are paid.

## Other Paid Time Off

Employees are entitled to up to 12 days of paid absence to attend court as a witness in Zimbabwe. Employees are entitled to up to 12 days of paid leave if a spouse, parent, child, or legal dependent dies, or for any other justified humanitarian reason.



# EMPLOYEE BENEFITS

## Statutory

	Employee	Employer	Notes
<b>Unemployment</b>	-	-	No statutory unemployment benefits.
<b>Workers Compensation</b>	-	-	Sponsored entirely by the employer. Contribution rates vary according to the inherent occupational risk.
<b>Social Security</b>	4.5%	4.5%	Capped at ZWL 5,000. These contributions cover pension & other benefits.
<b>Retirement/Pension</b>	-	-	Covered by social security.
<b>Health</b>	-	-	Zimbabwe does not have public health-care insurance available.

## Private

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



# TAX

## Personal Income Tax ( PIT )

- **Tax year** : Tax year runs from January 1st to December 31st.
- **Tax rate** : Tax rates range between 0 - 40% with an additional 3% of tax liability for the AIDS Levy.
- **Tax method** : The taxation approach is a progressive income tax.
- **Tax residency requirements** : The Zimbabwean tax system is now based on source rather than residence. Income received, or considered to be earned, from Zimbabwean sources is taxed.
- **Double taxation agreements ( DTA's )** : Zimbabwe has multiple double taxation agreements.

## Investment Income Tax

Capital gains tax applies to selling property or shares in private or public companies. The rate is 20% of the net gain and 5% of the proceeds for specific assets bought before February 22, 2019, and sold after that date. Other income, like business profits and rents, is taxed at the corporate rate, currently 24%.

## Taxable Income

- The Zimbabwean tax system is now based on source rather than residence. Income received, or considered to be earned, from Zimbabwean sources is taxed.
- The place where revenue originates or is earned, not the place where it is paid, is referred to as the source. If products are sold under a contract made in Zimbabwe, the source of revenue is presumed to be in Zimbabwe, regardless of the site of delivery or transfer of title.



# PAYROLL



## Payroll Elements

- **Income:** Wages, salaries, fees, bonuses, and any other supplementary compensation, such as benefits in kind.
- **Deductions:** Employees in Zimbabwe can deduct up to ZWL 390,000 annually for contributions to local pension, retirement annuity, and NSSF funds. Deductions for travel, entertainment, and motor vehicle costs are allowed if they are proven to be related to generating taxable income.
- **Benefits in Kind:** The benefits in kind are appraised at their true worth, which is the employer's actual expense. Transportation benefits are free from WHT for enterprises formed in regional development zones. Any amount of money received or receivable to any person, whether in cash or otherwise, in exchange for services done is referred to as a fringe benefit.
- **Employer contributions:** Social security, Manpower training levy, SDL levy.

## Payroll Taxes

In addition to the NSSF contributions, employers must contribute to the following funds on a monthly basis :

- Manpower training levy

Employers are required to pay 1% of the monthly gross wage bill towards the Zimbabwe Manpower Development Authority.

- Standards Development Fund

Except for a few exceptions, employers are required to pay 0.5% of their quarterly gross wage bill to the Standards Development Fund.

## Payroll Calendar

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



# LEGISLATION AND STATUTORY BODIES

## LEGISLATION

- Constitution of Zimbabwe (Amendment) Act, 2013
- Labor Act 1985, last amended in 2015
- Factories and Works (General) Regulations, 1976 Statutory Instrument 263 of 1976
- Accident Prevention and Workers' Compensation Scheme, 1990
- Tripartite Negotiating Forum Act, 2019 (No. 3 of 2019)

## STATUTORY BODIES

- Zimbabwe Revenue Authority
- National Social Security Authority (NSSA)

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