

Globalization Partners provides employer of record services for customers that want to hire employees and run payroll without first establishing a branch office or subsidiary in Egypt. Your candidate is hired via Globalization Partners' Egypt PEO in accordance with local labor laws and can be onboarded in days instead of the months it typically takes. The individual is assigned to work on your team, working on your company's behalf exactly as if he or she were your employee to fulfill your in-country requirements.

Table of Contents

- [Egypt Holidays](#)
- [Bonus in Egypt](#)
- [Egypt Working Hours](#)
- [Vacation in Egypt](#)
- [Sick Leave in Egypt](#)
- [Maternity/Paternity Leave in Egypt](#)
- [Termination/Severance in Egypt](#)
- [Egypt Tax](#)
- [Health Insurance in Egypt](#)
- [Employment Contracts in Egypt](#)
- [Why Globalization Partners](#)

Our solution enables customers to run payroll in Egypt while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. As a Global PEO expert, we manage employment contract best practices, statutory and market norm benefits, and employee expenses, as well as severance and termination if required. We also keep you apprised of changes to local employment laws in Egypt.

Your new employee is productive sooner, has a better hiring experience and is 100% dedicated to your team. You'll have peace of mind knowing you have a team of dedicated employment experts assisting with every hire. Globalization Partners allows you to harness the talent of the brightest people in more than 185 countries around the world, quickly and painlessly.

Egypt is in northeast Africa with a small portion of the country on the Asian continent. The

country borders the Mediterranean Sea and the Red Sea and controls the Suez Canal. The famed Nile river cuts vertically across Egypt, flowing towards the Mediterranean. Because the vast majority of Egypt's territory is desert, 96% of the population of 100 million lives either along the Nile or in the Nile Delta. Egypt's GDP is USD 303 billion and growing at 5.5% annually. The unemployment rate is 12.7%. Egypt's major exports are oil, chemicals, agricultural products, livestock, and textiles.

When negotiating terms of an employment contract and offer letter with an employee in Egypt, it may be useful to keep the following in mind:

Egypt Holidays

Egypt celebrates 12 national holidays:

- Coptic Christmas Day
- Revolution Day
- Sinai Liberation Day
- Coptic Easter
- Labour Day
- Sham el Messim
- Eid Al Fitr
- National Day
- Eid Al Adha
- Al Hijra
- Armed Forces Day
- Milad Un Nabi

Bonus in Egypt

Annual bonuses are common in Egypt.

Egypt Working Hours

In general the work week is 40 hours from Sunday through Thursday.

Vacation in Egypt

Employees are generally entitled to 21 days of annual paid leave, once they have worked for 6 months. After 10 years of service, or on reaching the age of 50, they are entitled to a month of paid leave.

Employees who have worked for a consecutive 5 years are generally eligible for a one-time, one month's paid leave for a religious pilgrimage.

Sick Leave in Egypt

Employees are generally entitled to up to 6 months of sick leave to be paid at between 75% and 100% of the employee's regular wage.

Maternity/Paternity Leave in Egypt

Female employees are generally entitled to 90 days of paid maternity leave. Under most contracts, women are only eligible for maternity leave twice within 5 years.

Termination/Severance in Egypt

Probation periods may not exceed three months and may not be renewed.

An employer who wishes to terminate an employee must go before a committee with judicial powers at the Ministry of Manpower and Migration. The committee has 15 days to decide whether to grant the request. The employer may then dismiss the employee, who retains the right to challenge the dismissal in court.

Employees with less than 10 years of service are entitled to 60 days' notice of termination.

After 10 years, the employee is entitled to 90 days' notice.

Egypt Tax

Employees and employers must contribute to social security, up to a limit of salary, as follows:

- For salaries up to LE 1,670
 - Employer: 26%
 - Employee: 14%
- For salaries over LE 1,670 and up to LE 4,040
 - Employer: 24%
 - Employee: 11%

Social security provides the following benefits:

- Pensions
- Disability payments
- Sickness payments
- Maternity leave
- Death allowances
- Unemployment insurance

Health Insurance in Egypt

Private companies must provide free health care for Egyptian employees through the Medical Insurance Plan of the Ministry of Social Insurance or privately.

Employment Contracts in Egypt

Fixed-term contracts are allowed for up to 5 years. Employees who continue to work after 5 years will be considered to have indefinite term contracts.

It is legally required to put a written employment contract in place in Egypt, in triplicate and

in Arabic. The contract should spell out the terms of the employee's compensation, benefits, and termination requirements. An offer letter and employment contract in Egypt should always state the salary and any compensation amounts in Egyptian pounds rather than a foreign currency.

This information is provided as generally accepted information and is not intended as advisory services.

Why Globalization Partners

Establishing a branch office or subsidiary in Egypt to engage a small team is time-consuming, expensive and complex. Egyptian labor law has strong worker protections, requiring great attention to detail and an understanding of local best practices. Globalization Partners makes it painless and easy to expand into Egypt. We can help you hire your candidate of choice, handle HR matters and payroll, and ensure that you're in compliance with local laws, without the burden of setting up a foreign branch office or subsidiary. Our Egypt PEO and [Global Employer of Record](#) solution provides you peace of mind so that you can focus on running your company.

If you would like to discuss how Globalization Partners can provide a seamless employee leasing or PEO solution for hiring employees in Egypt, please [contact us](#).