

Many companies seek to expand their reach into Iraq but find the hiring process to be a daunting obstacle. Beyond recruiting and hiring, companies are responsible for managing complicated compensation and benefits packages that meet legal regulations. Striking the perfect balance of competitive wages with generous benefits will increase your odds of attracting qualified candidates. However, this requires extensive time and research.

Globalization Partners is here to simplify the process and ensure you remain legally compliant. Our global Employer of Record services allow you to strategically support your team with scalable benefits packages and attractive compensation — without worrying about the details.

## **Iraq Compensation Laws**

The minimum wage in the country is currently 350,000 Iraqi dinar (IQD) a month. Workers are entitled to receive overtime pay for any work that exceeds eight working hours per day or 48 hours per week. Overtime pay for work performed during the day is 50%, while overtime work at night receives double pay.

## **Guaranteed Benefits in Iraq**

National labor laws stipulate that you must provide a range of benefits to your employees, including public holidays, sick leave, maternity leave, and social security contributions. All employees are entitled to:

- Medical leave. Employees can claim up to 180 days of sick leave each year. You pay the first 30 days, then social insurance pays for any sick leave taken after as long as a medical provider documents it.
- Maternity leave. New mothers are entitled to 14 weeks of paid maternity leave. They can also request up to a year of unpaid leave, with your consent.
- Vacation leave. Employees are entitled to 21 days of annual paid vacation per year worked. Employees working in arduous or hazardous conditions are entitled to 30 days per year worked. After five years with your company, workers get an extra two days per every five years of seniority.

- Paid holidays. Your employees are entitled to full pay during feast days and official holidays that don't occur on a Saturday.

You are also required to contribute 12% of an employee's salary toward social security — 25% for workers in the oil and gas industry. Social security must be paid within 30 days of each month's end or risk accruing late payment penalties of 2% for each month it is delayed.

## **Iraq Benefits Management**

Providing additional employee benefits can improve job satisfaction, boost company morale, and attract top talent. These incentives can also enhance your company's reputation and encourage your employees to optimize productivity.

Direct financial benefits in the form of quarterly or annual bonuses are a popular form of additional compensation. You can base these bonuses on performance or the amount of time an employee has spent at the company. You may also consider additional benefits, such as housing stipends, child care allowances, transportation provisions, or subsidized meals.

Globalization Partners streamlines the benefits process through our comprehensive compensation and benefits outsourcing services. When you partner with us, we create custom benefits packages that align with your company goals and budget. Beyond providing legally compliant benefits, we'll build out your plan to help you stand apart from the competition.

## **Restrictions for Benefits and Compensation**

Both Iraq and Kurdistan do not currently provide a government pension scheme. You and your employees are responsible for contributing a certain percentage of each monthly paycheck to a social security system. If you plan to operate your own subsidiary in-country, it is vital to stay up to date with any changes in labor laws to ensure you remain fully compliant with employee regulations.

## Choose Globalization Partners Today

Hiring top-tier talent is important for your company's success. When you outsource benefits, Globalization Partners make sure your team is satisfied with their compensation.

[Get in touch](#) today to learn more about our global PEO benefits management services in Iraq.