

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 Kuwait. Your candidate is hired via Globalization Partners' Kuwait 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.

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Our solution enables customers to run payroll in Kuwait 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 Kuwait.

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.

Kuwait is a small country in Western Asia, located at the tip of the Persian Gulf, bordering Saudi Arabia and Iraq. 4.2 million people live in Kuwait, but 2.9 million of them are expats. Relationships are extremely important in Kuwaiti business where nepotism is quite common. When greeting one another, it is considerate to spend time catching up on acquaintances, and family members, and other areas of mutual interest. Kuwaitis are known for being tough negotiators, and problems should be dealt with one-on-one outside the meeting, rather than in a group setting. Rarely will you receive “no” for an answer, rather disagreement will be couched in terms like “perhaps” or “possibly,” so you should be sure to check assumptions.

Facts of Note for Kuwait:

- Kuwait is a nation with a long history of traditional Islamic values, and while the people of Kuwait are very welcoming to visitors, all foreigners are expected to respect cultural norms regardless of their faith and nationality.
- Consuming, importing, brewing, and trafficking in liquor is strictly against the law in Kuwait. Prison sentences are common for those caught in violation of the law. Drunken behavior in public or drunk driving is also a punishable offense.
- A valid driving license may be obtained from the Ministry of Interior’s Traffic Department. For additional details, see the [Kuwait Traffic Directorate](#). Aggressive driving and using a mobile phone while driving are against the law. Speed cameras are in use with heavy fines imposed for those caught in violation of the law. Occupants must wear seat belts.
- Kuwait ranks 134 out of an index of 282 countries in terms of the most expensive country for expats to live in the world.
- Employing non-Kuwait nationals requires a local sponsor who becomes the official employer of record and organizes all aspects of employment in country.

Basic Facts About Hiring in Kuwait

The process for non-Kuwaiti nationals to obtain a first time residence permit takes approximately 2 months. Residence permits can be issued for durations of 1, 2 or 3 years and

require the following steps:

1. Determine eligibility to work in Kuwait via the Immigration Department: This generally involves presenting the following for evaluation:
 1. Any existing residency permit and a copy of the individual’s passport, which must be valid for at least six months.
 2. Proof of education at the bachelor’s degree level. The diploma must be an official copy of the diploma from the granting educational institution, which is then certified first by the Ministry of Foreign Affairs in the country of origin and then again by the Embassy of Kuwait.
 3. Police Clearance Certificate from either the origin country or the country where the person is currently residing. This document must also be certified by the Ministry of Foreign Affairs in the country of origin and then again by the Embassy of Kuwait and should be valid for at least three months or longer to ensure validity upon arrival in Kuwait.
2. Complete Work Permit application and submit to Ministry of Social Affairs and Labour, a process that normally takes up to 3 weeks to receive acceptance and approve the work permit. The work permit together with a guarantee letter from the sponsor must then be submitted to the Immigration Department, where it will take up to 7 business days to obtain a clearance and receive a work visa that is valid for only 3 months. Note that this is the visa on which the individual will enter Kuwait.
3. Obtain a pre-entry medical visa endorsement. Prior to entering Kuwait, the applicant must arrange for medical tests via the Embassy of Kuwait in their country of residence.
4. Kuwait Ministry of Foreign Affairs Work Permit Certification upon arrival in country. The applicant must arrive in Kuwait with all documents (see step 1) and have the sponsor arrange for the certification.
5. Complete a Security Clearance from the homeland country, certified by the Embassy of Kuwait in that country.
6. Complete in-country medical tests including blood tests and x rays as well as obtaining fingerprints.
7. Apply for the residence permit: After medical tests have been deemed passed, all documents are submitted to the Immigration Department to obtain the final residency stamp in the individual’s passport.

Work visas and residency permits are employer-specific. As such, for individuals who wish to transfer employment to a new sponsor, the sponsor of the existing visa must first cancel the

visa immediately after which the new visa can be issued. The individual is required to leave Kuwait and re-enter on the new visa.

Prior to exiting Kuwait for good, the residence permit must be officially cancelled. Failure to do so could delay the departure or cause problems in the future.

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

Kuwait Holidays

There are 9 official holidays in Kuwait.

- New Year's Day
- National Day
- Liberation Day
- Isra and Miraj
- Eid Al Fitr
- Edi Al Adha
- Waqfat Arafat Day
- Islamic New Year
- The Prophet's Birthday

Bonus in Kuwait

Although companies are legally required to pay bonuses, many companies do not.

Kuwait Working Hours

In Kuwait, the working week is generally 40 to 48 hours, although in Ramadan the work day is reduced to six hours. Some companies only reduce the hours for Muslims, but legally it applies to all employees.

Fridays are the rest day. International companies generally have Saturdays off as well, but local companies are more likely to have Thursdays off.

Vacation in Kuwait

Employees are entitled to a 30-day paid annual leave after having served an initial 9 months for the employer. Once accrued, annual leave should be taken within one year as negotiated with the employee's manager.

- Annual leave is to be paid in advance of the employee commencing his leave period.
- Annual leave does not include official holidays and sick leave.
- Employees are entitled to cash out their untaken accrued annual leave at the time of contract termination.

If employees have not previously performed Al-Hajj, they are entitled to 21 days leave after two continuous years of service for the same employer.

Sick Leave in Kuwait

Employees are entitled to the following sick leave provided that a doctor's medical report is presented:

- 15 days with full salary
- 10 days with 3/4 salary
- 10 days with 1/2 salary
- 10 days with 1/4 salary
- 30 days without salary

Maternity/Paternity Leave in Kuwait

Female employees are entitled to 30 days of maternity leave before the expected due date and 40 days after the birth of the child.

Pregnant women are also entitled to take 100 days of leave, consecutive or not, after the

maternity leave, but they are not eligible for pay and must present a medical certificate as proof that they are unable to work.

There is no statutory paternity leave.

Termination/Severance in Kuwait

Any probationary period must be specified in the work contract and may not exceed 100 working days.

- Either party may terminate the contract during the probation period without notice.
- In the event where the termination is made by the employer, then the employer must pay the employee's end-of-service benefit (see below) for the period of work in accordance with the provisions of the labour law.
- It is very common to use a probationary period in Kuwait to avoid the otherwise long advance notice period to terminate as described below.

Under indefinite period employment contracts under which the employee is paid on a monthly basis, both the employer and employee have the right to terminate the contract with three months of advance notice.

- If the employer or employee wishes to terminate in advance of the required three month notice period, then the party wishing to terminate must pay the other party a compensation for the notification period equal to the remuneration of the employee for the same period.
- When the employer gives notice, the employee has the right to take 8 hours paid leave per week during the notice period to search for other work.
- The employer may exempt the employee from working during the notice period, but the employee is still entitled to count the notice period within the period of service for purposes of calculating any amounts due.

For employees paid on a monthly basis, the employer must pay an end of service benefit equal to 15 days of remuneration for each of the first five years of service and one month remuneration for every year thereafter. The total of the end of service benefit should not

exceed one and a half year's remuneration.

The entire end of service benefits are due where the employer terminates the contract.

If the employee terminates the contract, end of service benefits are paid as follows:

- One-half for periods of service of at least 3 years and less than 5 years.
- Two-thirds for periods of service of at least 5 years but less than 10 years
- Full benefits for periods of service exceeding 10 years.

The worker who terminates his work contract shall be entitled to an end of service certificate from the employer stating the duration of his services, his position and the last remuneration he received. The employer shall not have the right to include, explicitly or implicitly, any expressions that may harm the employee or limit his employment prospects. The employer shall return to the worker all the documents, certificates or tools delivered to him by the employee.

Kuwait Tax

There is no personal income tax in Kuwait.

Social Security contributions of 18.5% of the employee's salary must be paid, with 11% paid by the employer and 7.5% by the employee, up to a salary ceiling of KD 2,250 per month.

Health Insurance in Kuwait

Residence permits are not granted or renewed without proof of the individual's health insurance policy. The employer is liable to pay for the health insurance premiums, which must provide for the following basic health and medical services:

1. Medical examination and necessary treatment at clinics by physicians and specialist doctors
2. Laboratory and x-ray tests

3. Surgery operations, except plastic surgery
4. Treatment, medication and hospitalization in the event of emergencies
5. Normal dental treatment and medication
6. Drugs and medicine

Additional Benefits in Kuwait

Some common benefits in Kuwait are:

- Housing allowance (Apartment rentals range from \$1,100 to \$3,000 per month depending on the location and number of bedrooms.)
- Education allowance
- Car allowance
- Transportation allowance
- Phone allowance

Employment Contracts in Kuwait

Fixed term contracts are allowed with a maximum length of a single fixed-term contract being set at 60 months, but there is no limit on multiple contracts.

A copy of all employment contracts must be lodged with the competent Ministry. As such there is a set format that the contracts must follow. Generally, only the fixed portion of a compensation package is included in the contract lodged with the Ministry. A separate contract may be needed to document variable compensation. An offer letter and employment contract in Kuwait should always state the salary and any compensation amounts in Kuwaiti dinar 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 Kuwait to engage a small team is time-

consuming, expensive and complex. Kuwaiti 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 Kuwait. 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 Kuwait 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 Kuwait, please [contact us](#).