The Real Cost of Employing 100 People Across Turkey & MENA

A CFO's fleet-cost handbook for multi-country payroll budgeting in Turkey, Saudi Arabia, UAE, Qatar, and Egypt

In This Guide

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What You'll Learn

- Calculate Turkey's actual employer on-costs after Law 7566, including the incentive discount mechanics most foreign companies miss
- Map GOSI, UAE EOSB, Qatar GRSIA, and Egypt NOSI contributions into one on-cost model
- Build a fleet-scale annual payroll budget for a 100-person team across four markets
- Quantify what vendor fragmentation actually costs beyond the headline payroll fees
- Understand what single-accountability multi-country payroll looks like, and how it is governed

01

Why Your Payroll Budget Is Always Wrong

Your board approved 100 hires. The budget model has a built-in error, and the range is 10 to 32 percent.

The Flat-Rate Assumption Problem

Most multi-country payroll budgets start with a single on-cost assumption applied uniformly across markets. Finance picks a number, often 20 to 25 percent above gross salary, and multiplies it by headcount. The model looks clean. It is wrong in every country it touches, because Turkey's employer on-cost and UAE's employer on-cost are not within five percentage points of each other. They are separated by more than 20 percentage points on a like-for-like team.

Turkey's employer SGK (Social Security Institution) contribution rate is 23.75 percent after Law 7566. With the standard non-manufacturing incentive discount, it drops to 21.75 percent. Add severance pay accrual at the standard 8.3 percent of annual salary, and total employer on-cost for a Turkish team runs between 27 and 32 percent above gross, depending on incentive eligibility and the role mix.

UAE is a different calculation entirely. There is no social insurance obligation for expatriate employees, who represent the majority of the private sector workforce. EOSB (End-of-Service Benefit, the UAE equivalent of statutory severance pay) accrues at 21 days of basic salary per year for the first five years, which translates to roughly seven percent of annual basic salary. Add mandatory health insurance in Abu Dhabi and Dubai at two to five percent, and total employer on-cost for an expat-heavy UAE team sits at 10 to 15 percent.

Apply a 22 percent flat assumption to both: you overbudget UAE by seven points and you may underbudget Turkey by 10 points. On a 100-person fleet with 40 people in Turkey and 20 in UAE, that mismatch compounds into a material gap between forecast and actual.

Laid out market by market, the size of the error is hard to ignore. The table below applies a single 22 percent on-cost assumption to each country and sets it against the actual 2026 employer on-cost range:

MARKET	FLAT 22% ASSUMPTION	ACTUAL 2026 ON-COST	BUDGET ERROR
Turkey (non-manufacturing)	22%	27–32%	Under-budgets 5–10 pts
Saudi Arabia (mixed national/expat)	22%	16–24%	Off by 2–6 pts either way
UAE (expat-heavy)	22%	10–15%	Over-budgets 7–12 pts
Qatar (expat-heavy)	22%	10–16%	Over-budgets 6–12 pts
Egypt (local)	22%	20–24%	Roughly aligned, drifts under

The same 22 percent that over-budgets a UAE team by up to 12 points under-budgets a Turkish team by up to 10. No single number is safe, because the assumption is wrong in different directions in different markets. The larger your Turkey headcount, the more it under-budgets; the larger your Gulf headcount, the more it over-budgets. A blended rate hides both errors until the year-end reconciliation exposes them, by which point the budget line has already been defended to the board.

The Vendor Fragmentation Reality

The cost modeling problem is compounded by execution. A 2025 Deloitte global payroll survey found that the average company runs approximately four payroll vendors, with the count rising to six or more for operations in EMEA and APAC. Each vendor runs on its own cycle, its own data format, and its own definition of what counts as a reportable cost item.

The practical result: payroll cycle close takes longer than it should, cost visibility arrives late, and the reconciliation between what was paid and what was budgeted requires manual intervention every month. Deloitte's survey found that fragmented vendor landscapes directly correlate with longer payroll cycles across the EMEA region.

The hidden cost of that fragmentation is examined in detail in Section 6. But it starts here: the flat-rate budget assumption is not just financially imprecise. It is operationally invisible. You cannot optimize what you cannot see, and a four-vendor landscape rarely gives you a consolidated, country-level cost view on the same timeline.

What This Guide Solves

This guide builds a country-by-country on-cost model for Turkey, Saudi Arabia, UAE, Qatar, and Egypt, grounded in 2026 rates and the regulation changes that took effect this year. Section 5 assembles those components into a fleet-scale annual budget for a 100-person team distributed across all four focus markets. The checklist in Section 7 gives you the 20 line items most commonly missing from initial budget models.

> **KEY FINDING**
>
> Deloitte 2025 reports that companies running payroll across EMEA with multiple vendors see payroll cycle delays as a primary operational consequence of vendor fragmentation. For a 100-person team spanning four countries, the difference between accurate and approximate on-cost modeling can represent 15 to 20 percent of total annual payroll spend.

SECTION TAKEAWAYS

1. A flat on-cost assumption applied across Turkey and MENA will be wrong by 10 to 20 percentage points on a per-country basis
2. Turkey's employer on-cost (27–32% above gross) and UAE's (10–15%) cannot share a budget line
3. Vendor fragmentation compounds the modeling error with execution delays and reconciliation overhead

02

What Changed in 2026: Law 7566, GOSI, WPS, and Egypt SI

Three countries changed their payroll rules on the same January calendar. One more updated in June.

Turkey: Law No. 7566, Incentive Discount Cut, and Ceiling Expansion

The 2026 payroll regulatory landscape in Turkey and MENA has more live changes than any year since 2021. Companies that modeled costs based on 2025 data are carrying errors in their Turkey, Saudi Arabia, UAE, and Egypt calculations simultaneously. This section documents the four changes that matter most for a 100-person multi-country team.

Law No. 7566, published in the Official Gazette on December 19, 2025 (Official Gazette No. 33112, resmigazete.gov.tr), took effect January 1, 2026, and changed three things at once.

First, the employer long-term insurance share under SGK Law No. 5510 increased from 11 percent to 12 percent. Total employer SGK rate (excluding unemployment insurance) moved from 20.75 percent to 21.75 percent. With the two-percent unemployment insurance contribution, total employer mandatory contribution rate is now 23.75 percent.

Second, the Treasury-supported employer premium discount available to non-manufacturing workplaces was cut from four percentage points to two percentage points. Manufacturing workplaces retain a five-point discount through December 31, 2026. In practical terms: a non-manufacturing company that was paying an effective 18.75 percent (20.75 minus 4, plus 2) now pays 21.75 percent (21.75 minus 2, plus 2). The effective rate did not simply increase by one percentage point. It increased by three percentage points for non-manufacturing employers who relied on the full four-point discount.

Third, the monthly SGK earnings ceiling was raised from 7.5 times to 9 times the monthly minimum wage. The 2026 minimum wage is 33,030 TRY gross, making the new ceiling 297,270 TRY per month. Employees who earned between the old ceiling (approximately 195,000 TRY per month on 2025 wages) and the new ceiling now have a larger portion of their salary subject to SGK contributions. For companies with senior staff earning 200,000 to 297,000 TRY per month, this is a direct cost increase with no offsetting discount.

Saudi Arabia: GOSI New System and the July 2026 Rate Step-Up

Saudi Arabia's General Organization for Social Insurance (GOSI) is mid-transition between two contribution systems. Employees who registered with GOSI before July 3, 2024 remain on the legacy system (employer contribution 11.75 percent for Saudi nationals). Employees registered after that date are on the new phased system, with contributions stepping up by 0.5 percentage points of total contribution annually.

From July 2026, the new system's total contribution rate for Saudi nationals reaches 23.5 percent (employer 12.75 percent, employee 10.75 percent). The contribution cap remains SAR 45,000 per month. For expatriate employees, only the occupational hazards coverage applies at two percent employer contribution. A team composed predominantly of expatriates has a radically different GOSI cost profile than a team with significant Saudi national headcount.

UAE: Ministerial Resolution No. 340 of 2026 and the Emirati Wage Floor

UAE Ministerial Resolution No. 340 of 2026, effective June 1, 2026 (mohre.gov.ae), introduced an enhanced Wages Protection System (WPS) with stricter enforcement timelines. The key operational change: if salary payments are not transferred via Central Bank-approved channels within the required window, the escalation to work permit freeze begins on day five. Maximum fines reach AED 50,000. Companies running UAE payroll without a disciplined payment process carry a compliance risk that did not exist at this severity before June 2026.

Separately, the Emirati minimum wage of AED 6,000 per month, effective January 1, 2026, required all employers to update existing Emirati employee contracts to reflect the new floor by June 30, 2026. Non-compliance prevents counting Emirati employees toward Emiratisation targets.

Egypt: NOSI Insurable Wage Limits Updated January 2026

Egypt's National Organization for Social Insurance (NOSI), operating under Social Insurance and Pensions Law No. 148 of 2019, updated insurable wage limits effective January 1, 2026. The minimum insurable wage moved from EGP 2,300 to EGP 2,700 per month. The maximum insurable wage (the ceiling above which no additional social insurance contributions accrue) moved from EGP 14,500 to EGP 16,700 per month.

For most employers with mid-market to senior staff, the NOSI ceiling remains low in absolute terms. The practical effect is a modest increase in the maximum monthly NOSI liability per employee, from roughly EGP 2,719 to EGP 3,131 at the employer 18.75 percent rate.

CHANGE	COUNTRY	EFFECTIVE	CORE IMPACT
Law No. 7566: rate +1pt, incentive discount cut 4pt→2pt, ceiling 7.5×→9×	Turkey	January 1, 2026	Non-manufacturing employers: effective rate from 18.75% to 21.75%. Senior-salary cost increase
GOSI new system July step-up: employer 12.25%→12.75%	Saudi Arabia	July 1, 2026	Saudi national new-system employees: +0.5pt total. Expats unchanged at 2%
WPS Resolution No. 340: stricter enforcement timeline	UAE	June 1, 2026	Work permit freeze from day 5. Max fine AED 50,000
NOSI insurable wage ceiling EGP 14,500→16,700	Egypt	January 1, 2026	Maximum employer NOSI per employee +EGP 412/month

RISK

Companies that modeled 2026 Turkey costs using 2025 data are carrying a three-percentage-point error in their non-manufacturing SGK rate, on top of a ceiling expansion that hits every senior hire above 197,000 TRY per month. The combined effect is not small.

SECTION TAKEAWAYS

1. Law 7566 raised Turkey employer costs by effectively three points for non-manufacturing companies. Many advisors focused only on the base rate change. The full picture is three points when the incentive discount cut is included
2. Saudi GOSI has two systems running in parallel. Payroll models based on legacy rates are increasingly inaccurate for headcount added after July 2024
3. UAE WPS enforcement tightened in June 2026. Companies without bank-direct payroll integration carry an escalating compliance risk

03

Turkey: The Full Employer Cost Stack

Turkey's employer SGK rate is 23.75 percent. Almost no one actually pays that.

The SGK Layer: Base Rate and Incentive Mechanics

Understanding Turkey's employer on-cost means understanding three stacked layers: the mandatory SGK contribution, the incentive discount that may or may not apply, and the severance pay accrual obligation under Turkish Labor Law No. 4857. Each layer affects the annual budget independently, and each has a 2026-specific update to account for.

Total employer SGK contribution (inclusive of unemployment insurance) stands at 23.75 percent of gross salary from January 1, 2026. This consists of the short-term insurance branch (2.25 percent), long-term insurance covering Invalidity, Old Age, and Death (12.0 percent, up from 11.0 percent under Law No. 7566), General Health Insurance (7.5 percent), and unemployment insurance (2.0 percent).

Two incentive programs can reduce the effective rate. Non-manufacturing employers can claim a Treasury-supported two-point discount on the long-term insurance branch, bringing effective employer SGK to 21.75 percent. Manufacturing employers can claim a five-point discount, bringing effective employer SGK to 18.75 percent. This manufacturing discount remains in place through December 31, 2026, with Presidential authority to extend through December 31, 2027.

The mechanics matter for budget accuracy. The incentive discount applies to the long-term insurance sub-rate only, not to health insurance or unemployment insurance. A company claiming the two-point non-manufacturing discount moves from 21.75 percent to 19.75 percent on the SGK-proper component, then adds the 2.0 percent unemployment insurance back for a total of 21.75 percent. Running these numbers in a spreadsheet without understanding the component structure produces errors.

The Ceiling Mechanics: Who Gets Hit by the 9× Expansion

Before Law No. 7566, the SGK earnings ceiling was 7.5 times the monthly minimum wage. On 2025 wages, that ceiling sat at approximately 195,000 TRY per month. For senior hires earning above that threshold, SGK contributions were effectively capped.

The new ceiling of 9 times the 2026 minimum wage is 297,270 TRY per month. Any employee earning between approximately 195,000 and 297,270 TRY per month now has that additional slice of salary subject to SGK, where before it was exempt.

WORKED EXAMPLE

- **Worked Example: Law 7566 Ceiling Impact** A senior finance director earns 250,000 TRY per month gross.
- 2025 effective base: SGK applied to 195,000 TRY (capped) at 22.75% = 44,363 TRY/month
- 2026 effective base: SGK applied to 250,000 TRY (below new 297,270 ceiling) at 23.75% = 59,375 TRY/month
- Monthly employer cost increase for this one hire: 15,012 TRY
- **Annual increase: 180,144 TRY (~$5,543) per senior employee**

For companies with 10 to 15 senior employees in this salary band, Law No. 7566 represents a material, permanent annual cost increase that was not in any 2025 budget model.

The Severance Pay Accrual Layer

Turkish Labor Law No. 4857 requires employers to pay statutory severance pay on qualifying terminations: employer-initiated dismissal, retirement eligibility, mandatory military service, death, and certain other defined events. The standard accrual rate is 30 days of gross salary per completed year of service, with a statutory ceiling applied every six months.

The H2 2026 severance pay ceiling, effective July 1, 2026, is 73,729.87 TRY per year of service. For planning purposes, a monthly severance accrual provision of 8.3 percent of gross salary (one month's salary per year, or 1/12 of annual salary) is standard across Turkish-market financial models.

Severance pay is not a cash outflow each month. It is an obligation that crystallizes on a qualifying termination event. However, for any company carrying a growing Turkey headcount, the accrual builds as a liability. Finance teams should include it in total employer cost modeling and in workforce transition budgets.

SCENARIO	EFFECTIVE SGK RATE	SEVERANCE PROVISION	TOTAL ON-COST ABOVE GROSS
No incentive (standard)	23.75%	8.3%	~32%
Non-manufacturing (2pt discount)	21.75%	8.3%	~30%
Manufacturing (5pt discount)	18.75%	8.3%	~27%

WORKED EXAMPLE

- **Worked Example: Turkey Team of 40**
- Headcount: 40 employees, average gross salary 80,000 TRY/month
- Monthly gross payroll: 3,200,000 TRY
- SGK employer (non-manufacturing, 21.75%): 696,000 TRY/month
- Severance pay provision (8.3%): 265,600 TRY/month
- **Total monthly employer on-cost: 961,600 TRY**
- **Total monthly employer outlay: 4,161,600 TRY**
- Annual total: 49,939,200 TRY
- Optimizing to manufacturing incentive (18.75%) saves: 960,000 TRY/year (~$29,538)

EXPERT TAKE

Across 500+ Turkey client engagements, Datassist's payroll specialists have found that one of the most consistent budget errors foreign companies make is treating SGK incentive eligibility as binary. It is not. Eligibility depends on the employee's registered NACE code, the workplace, and in some cases the employee's prior employment status. A thorough eligibility review before year-end can reclassify employees and recover three to five percentage points of employer cost retroactively.

SECTION TAKEAWAYS

1. Turkey's effective employer on-cost ranges from 27% (manufacturing incentive + severance provision) to 32% (no incentive + severance). The base 23.75% rate tells only part of the story
2. Law No. 7566 creates a three-point cost increase for non-manufacturing employers plus a ceiling expansion that adds direct cost for senior staff above 195,000 TRY/month
3. Severance pay accrual at 8.3% of gross is not a payroll fee. It is a real financial obligation that belongs in every annual employment cost model

04

MENA Cost Architecture: Saudi Arabia, UAE, Qatar, and Egypt

UAE's employer on-cost for an expat team is 10 to 15 percent. Egypt's is 20 to 24 percent.

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Saudi Arabia: GOSI and the National vs. Expat Split

The four MENA markets covered in this guide have fundamentally different employer obligation structures. The common characteristic is that the "on-cost" for each market is not simply a payroll tax rate. It is a stacked calculation of mandatory contributions, EOSB (End-of-Service Benefit) accrual, health insurance obligations, and in some markets, the operational cost of compliance systems like Mudad and WPS. This section maps each market separately, then assembles them for comparison.

Saudi Arabia's employer cost structure divides sharply on one variable: whether the employee is a Saudi national or an expatriate. For expatriate employees, the only mandatory employer contribution is the occupational hazards branch of GOSI, at two percent of contribution salary (capped at SAR 45,000 per month). There is no pension or unemployment contribution for expats.

For Saudi nationals on the new GOSI system (employees registered after July 3, 2024), the employer contribution steps up annually. At H2 2026 rates, the employer rate is 12.75 percent on basic salary plus housing allowance, capped at SAR 45,000 per month. This covers pension, annuity, occupational hazards, and the SANED unemployment fund.

In addition to GOSI, both Saudi nationals and expat employees are entitled to EOSB under Saudi Labor Law Articles 84 and 85. For employer-initiated terminations, EOSB accrues at 15 days of actual wage per year of service for the first five years, and one full month's actual wage per year beyond five years. The standard financial provision for modeling is 8.3 percent of annual salary per year, covering a workforce with mixed tenure.

Mandatory health insurance under Saudi Arabia's cooperative health insurance system adds three to eight percent of salary depending on plan, age, and nationality mix. The combined on-cost for a Saudi national under the new GOSI system reaches 24 to 29 percent above gross. For an expatriate employee, the range is 11 to 18 percent.

Mudad, Saudi Arabia's mandatory wage protection and payroll monitoring platform, is now required for all private sector establishments with no minimum employee threshold. Employers must register all employees, upload payroll files at least one business day before payday, and ensure wage amounts in Mudad match GOSI records and employment contracts. Non-compliance triggers a block on new and renewal visas, restrictions on commercial registration renewal, and a downgrade to Nitaqat (Saudization) compliance ratings.

UAE: EOSB Math and the 2026 WPS Changes

UAE employer on-costs for expatriate teams are the lowest in the region. There is no social insurance obligation for non-Emirati employees, who make up the majority of the private sector. The primary mandatory cost is EOSB under Federal Decree-Law No. 33 of 2021. EOSB accrues at 21 days of basic salary per year of service for the first five years, and 30 days of basic salary per year beyond five years. The total benefit is capped at 24 months of basic salary.

For financial modeling, EOSB is typically provisioned at seven percent of annual basic salary, a blended rate accounting for workforce tenure. Since EOSB is calculated on basic salary only (excluding housing, transport, bonuses, and overtime), the effective on-cost as a percentage of total gross compensation is lower for employees where basic makes up a minority of the total package.

Mandatory health insurance adds two to five percent of gross salary in Abu Dhabi and Dubai, where it is fully enforced. Visa and residence permit costs for expatriate employees, amortized over the typical two-year permit cycle, represent an additional one to two percent.

For Emirati employees, the Government Pension and Social Security Authority (GPSSA) imposes a 12.5 percent effective employer contribution under the Nafis programme (after the 2.5 percent government subsidy for private sector Emiratis earning below AED 20,000 per month). The Emirati minimum wage of AED 6,000 per month, effective January 1, 2026, applies to all Emirati private sector employees. Contracts not updated to reflect this floor by June 30, 2026 disqualify the employee from Emiratisation target counting.

UAE Ministerial Resolution No. 340 of 2026 tightened the WPS enforcement timeline. Any employer without direct bank-transfer payroll infrastructure and a matching MoHRE contract registry now carries escalating work permit and fine exposure from day five of a payment delay.

Qatar and Egypt: Smaller Markets, Different Mechanics

Qatar's employer obligations divide the same way as Saudi Arabia: expatriates carry no social insurance contribution. The General Retirement and Social Insurance Authority (GRSIA) contribution applies only to Qatari nationals, at 14 percent employer, 7 percent employee (21 percent total), on a contribution base capped at QAR 100,000 per month. Following the 2022 Social Insurance Law amendment (effective January 3, 2023), rates increased from 15 percent total to 21 percent, a significant jump for companies with material Qatari national headcount.

Expatriate employees in Qatar are entitled to EOSB under Qatar Labour Law No. 14 of 2004. Benefit accrues at three weeks (21 days) of basic salary per year for the first five years, and four weeks (28 days) per year beyond five years. Mandatory health insurance for employees and their dependents under Qatar Decree No. 1 of 2014 adds three to eight percent depending on the plan.

Qatar also requires all employment contracts to be registered through the Ministry of Labour's E-Contract system. Unregistered contracts are void and unenforceable. The E-Contract system cross-references with Qatar WPS, which mandates salary payment within seven calendar days of the due date. Companies that cannot demonstrate timely payment through the system face permit restrictions and MOL flags.

Egypt's employer on-cost structure is anchored by NOSI contributions at 18.75 percent of insurable salary, capped at EGP 16,700 per month (updated January 2026). Additional contributions include health insurance at 3.25 percent of gross salary (uncapped) and the labor emergency fund at one percent of insurable salary. Total mandatory employer contribution lands at approximately 23 percent, but because the NOSI ceiling is low in absolute terms, the effective on-cost as a percentage of total gross salary falls below 20 percent for mid-market and senior earners.

COUNTRY	MANDATORY CONTRIBUTIONS	EOSB ACCRUAL	HEALTH INSURANCE	TOTAL ON-COST RANGE
Turkey (non-mfg, 2pt incentive)	21.75% SGK + 2% UI	~8.3%	Included in SGK GHI	**~30%**
Saudi Arabia (Saudi nationals, new GOSI, H2 2026)	12.75% GOSI	~8.3%	3–8% (employer-paid)	**~24–29%**
Saudi Arabia (expats)	2% GOSI	~5.77–8.3%	3–8%	**~11–18%**
UAE (expats, majority workforce)	0%	~7% of basic	2–5%	**~10–15%**
Qatar (expats, majority workforce)	0%	~5.77–7.67% of basic	3–8%	**~10–16%**
Egypt	~23% (NOSI + health + EF, capped base)	~8.3%	Included in above	**~20–24%**

RISK

Saudi Arabia's GOSI "new system" and "legacy system" distinction is invisible in most third-party payroll calculators. A company that hired 15 Saudi nationals in 2025 and another 10 in 2026 has two different GOSI rate schedules running on the same payroll. Reconciling them requires identifying each employee's GOSI registration date and applying the correct rate set . This identification must be done manually before uploading to Mudad.

SECTION TAKEAWAYS

1. UAE is the cheapest MENA market for employer on-costs (10–15%) due to zero social insurance on expats. Saudi expat rates are similar. Qatar and Egypt both exceed 20% when EOSB and health are included
2. Saudi Arabia's GOSI new system stepped up to 12.75% employer rate for Saudi nationals from July 2026. Legacy and new systems run in parallel on the same payroll
3. Qatar's mandatory E-Contract registration and WPS 7-day rule create operational compliance requirements that are separate from contribution rates but equally consequential

05

The Fleet-Scale Model: 100 Employees Across TR & MENA

What does 100 people across Turkey, Saudi Arabia, UAE, and Egypt actually cost per year?

The Model Inputs

The fleet-scale model in this section uses a concrete headcount scenario to show how country-level on-cost rates translate into annual budget figures, including where the gap between a flat-rate assumption and actual costs is largest.

The scenario uses a 100-person team distributed across four markets, reflecting a profile common to Turkish-headquartered multinationals or global companies that use Turkey as an EMEA hub alongside Gulf and Egypt operations.

- Turkey: 40 employees, average gross salary 80,000 TRY per month (~$2,460 at 32.5 TRY/USD)
- Saudi Arabia: 30 employees. 20 expats at average SAR 10,000 basic per month and 10 Saudi nationals at average SAR 12,000 basic per month
- UAE: 20 employees, all expats, average gross AED 14,000/month, basic salary AED 8,400 (60% of gross)
- Egypt: 10 employees, average gross EGP 25,000/month (~$521 at 48 EGP/USD)

The scenario assumes non-manufacturing incentive eligibility in Turkey (21.75% effective SGK rate), the GOSI new system for Saudi nationals (12.75% employer from July 2026), and typical health insurance rates for each market.

Country-Level Cost Build

Turkey (40 employees, avg 80,000 TRY/month):

- Monthly gross payroll: 3,200,000 TRY
- SGK employer (21.75%): 696,000 TRY
- Severance provision (8.3%): 265,600 TRY
- Monthly on-cost: 961,600 TRY (~$29,588)
- Monthly total employer cost: 4,161,600 TRY (~$128,050)

Saudi Arabia (30 employees, mixed national/expat):

- Expats (20): GOSI 2% + EOSB accrual 8.3% + health insurance 4% = 14.3% on-cost. Monthly on-cost: SAR 28,600 (~$7,627)
- Saudi nationals (10): GOSI 12.75% + EOSB 8.3% + health 4% = 25.05% on-cost. Monthly on-cost: SAR 30,060 (~$8,016)
- Combined monthly on-cost: SAR 58,660 (~$15,643)
- Monthly gross payroll: SAR 320,000 (~$85,333)

UAE (20 employees, expats, avg AED 14,000 gross):

- EOSB provision (7% of AED 8,400 basic): AED 588/employee
- Health insurance (3.5% of gross): AED 490/employee
- Monthly on-cost per employee: AED 1,078
- Total monthly on-cost: AED 21,560 (~$5,872)
- Monthly gross payroll: AED 280,000 (~$76,281)

Egypt (10 employees, avg EGP 25,000 gross):

- NOSI (18.75% on EGP 16,700 cap): EGP 3,131/employee
- Health insurance (3.25% of gross): EGP 813/employee
- Emergency fund (1% on EGP 16,700): EGP 167/employee
- EOSB provision (8.3% of gross): EGP 2,075/employee
- Monthly on-cost per employee: EGP 6,186
- Total monthly on-cost: EGP 61,860 (~$1,289)
- Monthly gross payroll: EGP 250,000 (~$5,208)

The Blended Rate and Where the Surprises Are

WORKED EXAMPLE

Fleet-Scale Model: 100 Employees Across TR & MENA

Market	Headcount	Monthly Gross (USD)	On-Cost %	Monthly On-Cost (USD)	Annual On-Cost (USD)
Turkey (21.75% SGK + 8.3% severance)	40	$98,462	30.1%	$29,588	$355,056
Saudi Arabia (mixed national/expat)	30	$85,333	18.3%	$15,643	$187,716
UAE (expats)	20	$76,281	7.7%	$5,872	$70,464
Egypt	10	$5,208	24.7%	$1,289	$15,465
Total / Blended	**100**	**$265,284**	**19.7%**	**$52,392**	**$628,701**

Flat 22% assumption would produce: $265,284 × 22% = $58,362/month, or $700,346/year **Actual blended (this scenario):** $628,701/year **Variance (22% assumption overestimates):** $71,645/year. This is misleading in the opposite direction

The flat-rate assumption in this particular scenario overestimates total on-cost by over $71,000 annually. UAE's low on-cost drags the blended rate below 22 percent. Now reverse the headcount distribution. Put 80 in Turkey and 10 each in Saudi Arabia and UAE, holding the same gross salaries:

WORKED EXAMPLE

Reversed Distribution: 80 Turkey / 10 Saudi Arabia / 10 UAE

Market	Headcount	Annual On-Cost (USD)	Driver
Turkey (30% on-cost)	80	~$710,112	SGK + severance dominate
Saudi Arabia (expats)	10	~$62,572	GOSI expat + EOSB
UAE (expats)	10	~$35,232	EOSB + health only
Actual blended total	**100**	**~$807,916**	
Flat 22% assumption	100	~$628,000	
Variance (assumption under-budgets)		**~$180,000**	Turkey mix dominates

The same 22 percent assumption that overbudgeted the first scenario by $71,000 now underbudgets this one by $180,000, because Turkey's 30 percent on-cost dominates the mix. The insight is not that companies systematically underestimate or overestimate. It is that a flat assumption fails both ways, depending on the country mix. The correct model is country-specific, role-specific (manufacturing vs. non-manufacturing in Turkey), and workforce-composition-specific (national/expat split in Saudi Arabia).

How to pressure-test your own number: take your actual headcount by country, apply the per-country on-cost ranges from Sections 3 and 4 rather than a single blended figure, and recompute whenever your Turkey or Gulf mix shifts by more than five heads. The blended rate you carry in the budget model is only valid for the exact country distribution it was built on. The moment hiring plans change the mix, the number needs to be rebuilt, not scaled.

The direction of the error is predictable once you know where your headcount concentrates. Use the thresholds below as a first read on whether your flat assumption is quietly over- or under-funding the payroll line before you rebuild the model in full:

IF TURKEY IS...	THE FLAT 22% ASSUMPTION...	WHAT A CFO SHOULD DO
Above ~50% of the fleet	Under-budgets you, the gap widens with every Turkey hire	Model Turkey on its own line, add a 3–5 point buffer, treat the blend as unsafe
Balanced with the Gulf (~30–50%)	Nets out on the surface but hides double-digit per-country variance	Build country-by-country, never defend the blended figure to the board
Below ~30% (Gulf-heavy)	Over-budgets you, ties up cash that has been provisioned but is not owed	Release the over-provision, redeploy it, but re-check the moment Turkey hiring accelerates

The table is a starting read, not a substitute for the country-by-country build. Two companies with identical total headcount and identical gross salaries can sit $180,000 apart in annual on-cost purely on where those heads are placed. That is the number the blended rate is hiding.

KEY FINDING

In this 100-person scenario, Turkey's 40 employees generate 56 percent of total annual on-costs despite representing 40 percent of headcount. Turkey's 30 percent on-cost is nearly four times UAE's 7.7 percent. Headcount distribution, not just total headcount, is the primary driver of fleet-scale payroll costs in this region.

SECTION TAKEAWAYS

1. A 22% flat on-cost assumption can produce a $70,000+ over-estimate or a $180,000+ under-estimate depending on headcount distribution. Both outcomes are budget failures
2. Turkey drives a disproportionate share of on-costs relative to headcount. Every 10 additional Turkey employees added to this model adds ~$88,700 in annual on-costs
3. The blended rate is only meaningful if the country mix is fixed. Model each country separately, then consolidate

06

The Hidden Cost of Running Five Payroll Vendors

Four payroll vendors means four reconciliation loops, four compliance gaps, and one cycle close that takes seven days.

The Deloitte Measurement Problem

Multi-country payroll fragmentation is not just a cost problem. It is a visibility problem. The budget model built in the previous section assumes you have clean, accurate, timely data from each country. In a four-vendor environment, that assumption is rarely true.

The 2025 Deloitte Global Payroll Operations Survey found that companies with fragmented vendor landscapes (defined as four or more payroll providers across their operating footprint) report longer payroll cycle close times, higher error rates, and lower CFO satisfaction with cost transparency. In EMEA specifically, vendor fragmentation correlates directly with cycle delays. The average company using four vendors closes its global payroll cycle two to three days later than companies running a consolidated model.

Two days sounds negligible. In treasury terms, delayed cycle close means delayed cash flow forecasting, delayed bank transfer initiation, and delayed GOSI or SGK declaration filing. For Saudi Arabia, a WPS upload that misses the Mudad processing window by two days can trigger a compliance flag that blocks new visa applications for the following 30 days. For UAE, the enhanced WPS enforcement timeline under Resolution No. 340 of 2026 makes any late payment a formal compliance event from day five.

What Errors Cost at Scale

Payroll errors in a multi-country environment are not rare. They are common. And in the context of Turkey and MENA, they carry specific legal costs.

A Turkey SGK declaration error that overstates or understates contributions for a 40-person team can result in penalty assessments from the Social Security Institution. An error in the GOSI contribution base for Saudi nationals on the new system, miscategorizing contribution-eligible pay components, can trigger a retrospective audit affecting multiple payroll periods. A UAE contract amount that does not match the Ministerial Employment Contract record at MoHRE creates a WPS validation failure on every subsequent payroll cycle until corrected.

The correction cost is not just the fine. It is the specialist time to identify the error, file the amended declaration, coordinate with the relevant authority, and verify the resolution. In a 25-year Turkey practice, Datassist's specialists estimate that multi-vendor coordination errors take an average of three to five business days of specialist time to resolve once surfaced. At senior-specialist billing rates, that represents a real cost, on top of any statutory penalty.

ERROR CATEGORY	EXAMPLE	CONSEQUENCE	TYPICAL RESOLUTION TIME
SGK declaration mismatch (Turkey)	Incentive applied to ineligible employee	Penalty + back contribution	3–5 business days specialist time
GOSI rate error (Saudi Arabia)	Legacy vs. new system miscategorisation	Retrospective audit + adjustment	1–3 weeks with GOSI
WPS mismatch (UAE/Saudi)	Salary in system ≠ contract amount	Payment freeze, permit delay	Varies (may span payroll cycles)
EOSB provision gap	Accrual not modeled. Termination triggers full payment	Unexpected cash outflow	Immediate on termination
Severance pay accrual absence (Turkey)	Not provisioned. Senior employee exits	Full statutory obligation, unbudgeted	Immediate on qualifying termination

The Consolidation ROI Case

The financial case for consolidating from four or five vendors to one regional anchor is not just about management fees. It is about the total cost of the fragmented model: vendor fees, internal FTE time spent on coordination and reconciliation, error resolution costs, the cash-flow impact of delayed cycle close, and the compliance risk premium on operations in markets with WPS and Mudad enforcement.

EXPERT TAKE

In over 25 years of managing multi-country payroll across Turkey and MENA, Datassist has consistently found that companies coming from fragmented vendor models spend 15 to 25 percent of their internal payroll team's time on vendor coordination rather than payroll execution. That overhead does not appear in any vendor fee comparison, but it is as real as the GOSI contribution line.

The consolidation value proposition is not lower fees per se. It is the elimination of the coordination layer: one invoice, one data format, one cycle-close timeline, one compliance reporting structure across Turkey, Saudi Arabia, UAE, Qatar, and Egypt. The EOSB accruals for a UAE team and the severance pay provision for a Turkey team are modeled, tracked, and reported by the same team that files the SGK declaration and uploads to Mudad. The information is current, integrated, and auditable.

This is the structural argument for a dedicated TR & MENA regional anchor in your multi-vendor payroll stack. It is not about eliminating your global payroll platform. It is about ensuring that Turkey and Saudi Arabia, the two markets in this corridor where on-cost complexity and compliance risk are highest, are owned by a specialist with 25 years of in-market experience, not served by a sub-vendor of a sub-vendor.

SECTION TAKEAWAYS

1. Vendor fragmentation in TR & MENA creates compliance timing risk. Saudi Mudad and UAE WPS both treat late or mismatched payments as escalating compliance events, not administrative issues
2. Error resolution in Turkey SGK and Saudi GOSI typically requires three to five days of specialist time beyond the statutory penalty. This cost does not appear in vendor fee comparisons
3. The consolidation ROI includes reduced internal coordination overhead, single-cycle-close timing, integrated EOSB and severance tracking, and one auditable reporting structure

07

20-Point Payroll Cost Checklist: TR & MENA

Use this checklist before finalizing your multi-country payroll budget and vendor model.

Turkey: 8 Cost Inputs

#	COST ITEM	WHAT TO CHECK
1	SGK base rate	23.75% from January 2026 (Law No. 7566). Verify your vendor has updated their calculation model
2	Incentive eligibility	Confirm NACE code per establishment. Manufacturing vs. non-manufacturing determines 5pt vs. 2pt discount
3	SGK ceiling	New ceiling is 297,270 TRY/month (9× minimum wage 2026). Identify employees above 195,000 TRY who are now above old cap
4	Minimum wage compliance	33,030 TRY gross minimum wage effective January 2026. Check all roles at or near the new floor
5	Severance provision	Modeled at 8.3% of annual gross? H2 2026 ceiling is 73,729.87 TRY per year of service
6	Unemployment insurance	2% employer contribution, included in the 23.75% total. Confirm not double-counted
7	Annual leave liability	Statutory minimum 14 working days. Accrued but untaken leave is a balance sheet liability
8	Union collective agreement	Any CBA in force? Additional contributions or notice periods can add 2–5%

Saudi Arabia: 5 Cost Inputs

#	COST ITEM	WHAT TO CHECK
9	GOSI system classification	Is each Saudi national on legacy (pre-July 2024) or new system (post-July 2024)? Rates differ by up to 1.5% employer
10	GOSI contribution base	Basic + housing allowance. Confirm housing allowance is included in the contribution base
11	EOSB accrual	Modeled for both nationals and expats? Years 1–5 vs. 6+ use different rates under Saudi Labor Law Art. 84–85
12	Mandatory health insurance	Three to eight percent of salary depending on plan, age, and nationality. Confirm employer bears full cost
13	Mudad registration	All employees registered? Payroll file submitted at least one day before payday?

UAE, Qatar, and Egypt: 4 Cost Inputs

#	COST ITEM	WHAT TO CHECK
14	UAE EOSB	Basic salary used (not gross)? Tenure tracked correctly for 21-day vs. 30-day threshold? Cap at 24 months?
15	UAE WPS compliance	Bank-direct transfer for all salary payments? MoHRE contract values match actual payments?
16	Qatar E-Contract	All employment contracts registered with Ministry of Labour E-Contract system?
17	Egypt NOSI ceiling	EGP 16,700 insurable wage cap (updated January 2026). Confirmed in payroll system?

Multi-Country Consolidation: 3 Operating Checks

#	CHECK	WHAT TO VERIFY
18	Cycle-close timeline	Single aligned payroll close date across all four markets? Or four staggered timelines?
19	EOSB and severance provisioning	Consolidated balance sheet view of accrued benefit obligations across all markets?
20	Audit-ready reporting	Country-level cost breakdown per employee available for internal audit on demand? ISAE 3402 or equivalent?

SECTION TAKEAWAYS

1. Turkey has eight distinct cost inputs beyond basic SGK. Missing any one produces a budget gap
2. GOSI system classification (legacy vs. new) is the single most common Saudi Arabia modeling error in 2026
3. Multi-country payroll audit readiness requires country-level per-employee cost visibility, not just consolidated invoices

08

Multi-Country Payroll: How Datassist Delivers

Multi-country payroll for Turkey and MENA is not a platform problem. It is a knowledge and accountability problem.

How It Works

Consolidating payroll across Turkey, Saudi Arabia, UAE, Qatar, and Egypt requires someone who understands the Law No. 7566 SGK mechanics from the inside, who knows the Mudad upload requirements the way a local specialist does, and who can file a GRSIA declaration for Qatar Qatari nationals without routing the query through a regional help desk. That is not a capability you buy from a platform with 185 countries listed on its homepage. It is a capability built over 25 years of in-market delivery.

Datassist has managed Turkish payroll since 1999. The Istanbul-based SGK specialists who handle the incentive eligibility reviews, the severance pay ceiling updates, and the Law No. 7566 transition are the same team that answers the phone when your Turkey CFO has a question. There is no sub-vendor in Turkey. There is no ticket queue. There is a named relationship manager and a named payroll specialist, on your account.

For TR & MENA focus markets (Turkey, Saudi Arabia, UAE, Egypt, and Qatar), Datassist delivers through a GMFA (Global Master Framework Agreement) with country-specific Letters of Engagement and SLAs that define a payroll calendar built with your team, aligned to your local holidays and cycle requirements, and with priority-classified response and resolution times. Country-level dashboards run alongside the consolidated monthly reporting pack. One invoice. One data model. One accountable point of contact.

Datassist has been awarded the Global Payroll Association's Best In-Country Payroll Provider of the Year distinction twice. ISO 27001 information security certification and ISAE 3402 service organization controls assurance mean your internal audit and your CFO are looking at independently verified operational evidence, not self-reported service metrics.

1. **Discovery and cost modeling.** Datassist's specialists build a country-by-country on-cost model for your current and projected headcount, the kind of fleet-scale analysis this guide has walked you through, before any service agreement is signed.
2. **GMFA and country LOEs.** One master framework agreement plus country-specific Letters of Engagement and SLAs, covering each of your active TR & MENA markets. Wider MENA coverage (Bahrain, Kuwait, Oman, and others) added as needed.
3. **Payroll calendar alignment.** Your named Datassist advisor works with your local team leads and treasury to set the monthly payroll calendar: SGK declaration dates, Mudad upload windows, Qatar WPS payment timing, UAE WPS compliance checkpoints.
4. **Monthly cycle execution.** Gross-to-net calculation, statutory declarations, employee payslips, and country-level compliance filings across all markets. EOSB and severance provisions tracked and updated each cycle.
5. **Consolidated reporting and audit pack.** Monthly country-level cost breakdown per employee, consolidated across all markets in your chosen reporting currency. Available for internal audit on demand. ISAE 3402 assurance covers the Turkey delivery.

Why Datassist

- **25 years in Turkey.** Datassist has managed Turkish payroll continuously since 1999, through every SGK rate change, every incentive program update, and every law amendment, including Law No. 7566.
- **Direct delivery.** Turkey payroll is managed by Datassist's Istanbul team. MENA markets are delivered through vetted in-country partners under the GMFA, with one accountable contact retaining responsibility for the outcome.
- **Named human, not a ticket queue.** Every client has a named relationship manager and a named payroll specialist. No tier-based service escalation. No chat-first support model for compliance-sensitive queries.
- **GPA recognition.** Best In-Country Payroll Provider of the Year, twice awarded by the Global Payroll Association, the independent industry body for payroll professionals.
- **Audit-grade reporting.** ISO 27001 and ISAE 3402 certified. Multi-country payroll reporting defensible to your internal audit team and your board-level finance function.
- **Transparent cost model.** No FX markup on Turkey costs. No hidden add-on service charges. The cost structure behind your payroll is the same one you modeled before you signed.

EXPERT TAKE

Global SaaS EOR platforms carry a recurring set of service gaps in Turkey and MENA, and they are structural, not incidental. Platforms that list 150-plus countries almost always deliver Turkey and the Gulf through in-country sub-partners, which means the service layer you depend on is not theirs to control. Public country pages frequently lag the current law, still quoting prior-year SGK and GOSI figures after the rates have changed. Cost questions get deflected to a self-service calculator instead of a named specialist who owns the answer. Your Turkey and MENA payroll deserves the same attention to detail you apply to your headquarters payroll. That requires a team embedded in these markets, not one that covers the world from a dashboard.

datassist

1.5M 1.5M payroll calculations per year	**20+** 20+ years in Turkey since 2006	**500+** 500+ active client engagements

ISO 27001 ISO 27001 + ISAE 3402 certified	**2×** GPA Best In-Country Payroll Provider, twice

Get the TR & MENA cost-to-employ model. Book a multi-country payroll review.

Book a Payroll Review

Talk to a regional specialist

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