

Egypt Payroll & Employment Compliance Guide 2026

Social insurance bands, income tax, Labour Law 14/2025 termination rules, and the monthly filing calendar



In This Guide

Social insurance bands, income tax, Labour Law 14/2025 termination rules, and the monthly filing calendar

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What You'll Learn

- How the 2026 social insurance band of EGP 2,700 to EGP 16,700 shapes employer cost
- How income tax is withheld, with a worked gross-to-net calculation
- What Labour Law No. 14 of 2025 changed for contracts, leave, and termination
- Which filings fall due each month and each year
- What a foreign employer needs before the first Egyptian hire starts



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1.5M payroll calculations per year

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Social insurance wage bands, income tax brackets, termination mechanics and the 2026 filing calendar

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01

Where Egypt Payroll Goes Wrong: Thin Overviews and Hidden Cost Mechanics

Most HR leaders meet Egypt through a country overview that runs two pages.

Where Egypt Payroll Goes Wrong: Thin Overviews and Hidden Cost Mechanics

NOTE

A hire in Cairo starts on the first of the month. By the 15th, the employer discovers that the contract needed an Arabic version, the employee was never registered with the social insurance organization, and the global vendor's country page said nothing about either.

That gap shows up in two ways. The first is a compliance gap. Generic overviews give every country the same thin summary, so the Egyptian edge cases fall to your HR team. These include the insurable wage band, the notice rules, and the filing calendar.

The second is a cost gap. When the mechanics are unclear, the employer cannot budget with confidence, and finance finds the difference later.

This guide closes both gaps. It is written for HR directors, people operations leads, and founders who need to employ people in Egypt correctly. It gives you the 2026 numbers, the order in which obligations arise, and a worked example you can adapt.

What you will learn

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- How income tax is withheld, with a worked gross-to-net calculation
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- Which filings fall due each month and each year
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KEY FINDING

Egypt cost is driven by a capped, annually rising social insurance band, not by gross salary alone. Once salary passes the cap, employer social insurance stops growing.

02

What Changed for 2026: Wage Bands, Tax Table, and Labour Law 14/2025

Three items matter most for 2026 payroll.

What Changed for 2026: Wage Bands, Tax Table, and Labour Law 14/2025

The social insurance band moved again

Under Social Insurance Law No. 148 of 2019, the minimum and maximum insurable wages rise by 15% each January. The National Organization for Social Insurance (NOSI) set the limits effective January 1, 2026:

LIMIT	2025	2026
Minimum insurable wage (EGP per month)	2,300	2,700
Maximum insurable wage (EGP per month)	14,500	16,700

The 15% annual increase is generally described as running for seven years from January 1, 2021. On that reading, the January 2027 step is the last scheduled one. Some published summaries say the increases continue after 2027, so confirm the schedule with NOSI before you set a multi-year budget.

The income tax table

Egypt withholds income tax on salaries monthly using a progressive table. The table in force for 2026 is shown in Section 4, with an annual personal exemption of EGP 20,000. We did not find a separate new bracket change for 2026 beyond this table. Check the Egyptian Tax Authority (ETA) bulletin before each year-end payroll.

Labour Law No. 14 of 2025

The new Labour Law replaced Law No. 12 of 2003 and took effect on September 1, 2025. For payroll teams, the changes that matter most are:

- A mandatory annual raise of at least 3% of the insurable wage for private-sector employees
- Revised leave rules, including 15 days in the first partial year
- A tiered sick pay model
- A 120-day maternity leave
- Court involvement in disciplinary dismissals

Section 5 covers each one.

NOTE

Law 14/2025 is recent, and secondary summaries do not agree on every detail. Where published sources differ, this guide says so rather than choosing one silently.

03

Social Insurance in Practice: Bands, Rates, and the 15% Annual Step

Employer health insurance and a small number of fund levies apply in addition, depending on headcount and sector.

Social Insurance in Practice: Bands, Rates, and the 15% Annual Step

Contributions are calculated on the insurable wage, not on gross pay. The insurable wage is the employee's wage after it is placed inside the NOSI band:

Rates

CONTRIBUTION	EMPLOYER	EMPLOYEE	TOTAL
Social insurance (NOSI)	18.75%	11%	29.75%

How the band works

- If gross is below EGP 2,700, contributions are calculated on EGP 2,700.
- If gross is above EGP 16,700, contributions are calculated on EGP 16,700.
- Between those limits, contributions follow the insurable wage.

For an employee at the cap, the monthly NOSI figures in 2026 are:

ITEM	CALCULATION	EGP PER MONTH
Employer NOSI	18.75% x 16,700	3,131
Employee NOSI	11% x 16,700	1,837

Projecting the next step

If the 15% January step applies in 2027, the arithmetic gives a minimum near EGP 3,105 and a maximum near EGP 19,205. These are our projections, not published NOSI figures. Budget with them, then replace them when NOSI publishes the official limits.

Why it matters for budgeting

Two employees with salaries of EGP 30,000 and EGP 60,000 generate the same employer NOSI. The cap makes employer social insurance regressive above the band. The annual step raises it every January for employees whose wage sits at or near the cap.

KEY FINDING

Foreign nationals working in Egypt are also covered by the national social security scheme, so expatriate payroll needs the same registration discipline as local payroll.

04

Income Tax Withholding and a Worked Gross- to-Net Example

Employers withhold income tax at source each month and remit it to the ETA. Residents are taxed on worldwide income and non-residents on Egypt-source income.

Income Tax Withholding and a Worked Gross-to-Net Example

An annual personal exemption of EGP 20,000 applies before the table. A stepped exclusion rule applies to high earners. Consult ETA guidance for the exact calculation above the top thresholds.

Tax table for 2026

ANNUAL TAXABLE INCOME (EGP)	RATE
0 to 40,000	0%
40,001 to 55,000	10%
55,001 to 70,000	15%
70,001 to 200,000	20%
200,001 to 400,000	22.5%
400,001 to 1,200,000	25%
Above 1,200,000	27.5%

Worked example: EGP 20,000 gross per month

This example is illustrative. It carries the Martyrs and Victims Fund levy, ignores the employer-side Emergency and Training fund levies, and uses the 2026 band.

Step 1. Annual gross. $20,000 \times 12 = \text{EGP } 240,000$.

Step 2. Employee NOSI. $11\% \times 16,700 = \text{EGP } 1,837$ per month, or EGP 22,044 per year.

Step 3. Taxable income. $240,000 - 22,044 - 20,000 \text{ exemption} = \text{EGP } 197,956$.

Step 4. Tax by bracket.

SLICE (EGP)	RATE	TAX (EGP)
0 to 40,000	0%	0
40,001 to 55,000 (15,000)	10%	1,500
55,001 to 70,000 (15,000)	15%	2,250
70,001 to 197,956 (127,956)	20%	25,591
Annual tax		29,341

Step 5. Monthly tax. $29,341 / 12 =$ about EGP 2,445.

RESULT	EGP PER MONTH
Gross salary	20,000
Employee NOSI	-1,837
Martyrs and Victims Fund (Law 4/2021), 0.05% of gross	-10
Income tax	-2,445
Net take-home (approx.)	15,708
Employer NOSI	+3,131
Employer cost before other levies (approx.)	23,131

KEY FINDING

On EGP 20,000 gross, the employer pays about 15.7% on top of gross in NOSI before other levies, and the employee takes home roughly 79% of gross.

Use the ETA's official tools for binding calculations. This table is a budgeting aid.

05

Labour Law 14/2025: Contracts, Leave, Pay, and Termination

- Contracts must be written. Arabic is the operative language before Egyptian authorities, and bilingual contracts are common.

Labour Law 14/2025: Contracts, Leave, Pay, and Termination

Contracts and probation

- Contracts must be written. Arabic is the operative language before Egyptian authorities, and bilingual contracts are common.
- Probation may not exceed three months and may be applied once with the same employer.
- During probation, either party may end the contract without notice or compensation.

Pay rules

- **Annual raise.** Private-sector employees are entitled to an annual raise of not less than 3% of the insurable wage.
- **Minimum wage.** The private-sector minimum wage was set at EGP 7,000 per month in March 2025. The National Wages Council reviews it, so check for new resolutions each year.
- **Overtime.** Under Law No. 14/2025, daytime overtime is paid at 135% of the basic wage rate, and night-shift overtime (21:00 to 06:00) at 170%. Rest-day work is paid at 200%. The earlier rates under Law No. 12/2003 were 125%, 150%, and 200%, so check that your payroll system carries the current figures.

Leave

TENURE	ANNUAL LEAVE
First partial year (after six months)	15 days
From the second year	21 days
10 years of service (with one or more employers) or age 50	30 days

Law No. 14/2025 provides sick leave paid by NOSI at 75% of wage for the first 90 days per year; NOSI continues the benefit for days 91 to 180. Sick pay is not employer-funded. An employer may not terminate for illness until the employee has used sick leave and remaining annual leave.

Termination

SITUATION	ENTITLEMENT
Lawful termination of an indefinite contract	Written notice: two months below 10 years of service, three months at 10 years or more (Law No. 14/2025)
Termination without valid reason (indefinite)	Compensation of not less than two months' wage per year of service
Early employer termination of a fixed-term contract longer than five years	One month's wage per year of service
Disciplinary dismissal	Requires a court ruling

Three practical points follow.

- 1. Disciplinary dismissal is a court process.** Plan for the evidence file before you act.
- 2. Pre-signed resignation forms are invalid.** Resignations must be ratified by the competent labour office.
- 3. Notice is tiered by tenure.** Law No. 14/2025 sets two months' notice below 10 years of service and three months at 10 years or more. Apply the tier that matches tenure instead of defaulting to the longer period.

KEY FINDING

Termination cost in Egypt depends on how the contract ends. An unjustified dismissal costs at least two months' wage per year of service.

06

The Monthly and Annual Filing Calendar

Some summaries also list a quarterly tax summary and an annual payroll reconciliation. Published sources vary on those items, so confirm them with your tax adviser.

The Monthly and Annual Filing Calendar

OBLIGATION	WHEN
Income tax withholding payment to the ETA	By the 15th of the month after pay
Monthly salary tax return (employer)	Monthly, with the withholding payment
NOSI contribution report and payment	By the 15th of the following month, confirm with your NOSI office
Annual personal income tax return (individuals)	March 31 of the following year
Insurable wage update	Every January, when NOSI publishes new limits
Annual raise (3%)	Review each year under Law 14/2025

Record retention

Payroll records are reported to require retention for at least five years after termination under Law 14/2025. We could not confirm the period against the official text, so keep records for at least that long and confirm with counsel.

07

Foreign Employers: Entity, EOR, Permits, and Quotas

- The Ministry of Manpower issues work permits, and the employer sponsors.

Foreign Employers: Entity, EOR, Permits, and Quotas

Three ways to employ in Egypt

ROUTE	WHEN IT FITS
Local entity (LLC, joint stock company, or branch)	Long-term presence with several employees
Representative office	Liaison and promotion only, no commercial activity
EOR / PEO	You need employees on payroll before an entity exists, or you want a lower-risk start

Work permits and quotas

- The Ministry of Manpower issues work permits, and the employer sponsors.
- Foreign nationals are capped at 10% of total headcount for the general workforce, and at 25% of total headcount for management and specialist roles.
- A residence permit is needed before work begins.

08

Egypt Payroll Compliance Checklist 2026

Use this checklist at onboarding and again each January.

Egypt Payroll Compliance Checklist 2026

1. Confirm the 2026 NOSI band of EGP 2,700 to EGP 16,700 is loaded in your payroll system.

1. Register each employee with NOSI before the start date.
2. Issue a written contract with an Arabic version, and keep a signed copy on file.
3. Record the probation end date, and do not renew probation.
4. Load the 2026 tax table and the EGP 20,000 personal exemption.
5. Withhold income tax monthly and pay by the 15th.
6. File the monthly employer salary return with the payment.
7. Confirm the NOSI payment date with your NOSI office and calendar it.
8. Review the 3% annual raise for each employee at the same point every year.
9. Set leave balances to 15, 21, or 30 days by tenure and age.
10. Confirm sick leave is paid by NOSI at 75% for the first 90 days per year, and that NOSI continues the benefit for days 91 to 180.
11. Load the Law No. 14/2025 overtime premiums of 135% daytime, 170% night shift, and 200% rest-day.
12. Set notice in templates to two months below 10 years of service and three months at 10 years or more.
13. Route any disciplinary dismissal through counsel, because it needs a court ruling.
14. Keep payroll records for at least five years after termination.
15. Check foreign workforce share against the 10% general cap and the 25% management cap.
16. Each December, check NOSI and ETA announcements for the next year's limits.

09

Payroll Outsourcing and EOR / PEO: How Datassist Delivers in Egypt

Egypt payroll rewards depth over breadth. The rules above change by band, by year, and by authority, and the edge cases land on whoever runs payroll.

Payroll Outsourcing and EOR / PEO: How Datassist Delivers in Egypt

1. **Onboarding review.** Datassist reviews your Egyptian contracts, NOSI registrations, and tax set-up against the rules in this guide, and fixes gaps before the first Datassist-managed payroll.

How it works

1. **Monthly payroll.** Datassist calculates gross-to-net, applies the NOSI band, withholds tax, and prepares the filings in line with each authority's calendar.
2. **Exception handling.** A named relationship manager handles rejected filings and unclear cases, and you receive the resolution rather than a ticket number.
3. **Reporting.** You receive a monthly reporting pack with a country-level dashboard for Egypt.
4. **EOR / PEO option.** If you have no Egyptian entity, Datassist structures employment through an EOR model. If you have one, a PEO model keeps the employment relationship with you.

Why Datassist

- **Over 25 years of delivery.** Datassist has run payroll since 1999 and delivers in Turkey and across MENA, including Egypt.
- **A named person, not a ticket queue.** Every client has a named relationship manager.
- **Recognized and certified.** Datassist has won the Global Payroll Association's "Best In-Country Payroll Provider of the Year" award twice and holds ISO 27001 and ISAE 3402 certifications.
- **Contractual framework.** Service is defined under a Global Master Framework Agreement with country-specific Letters of Engagement and SLAs, with a contractual commitment to comply with each country's data processing and privacy requirements.