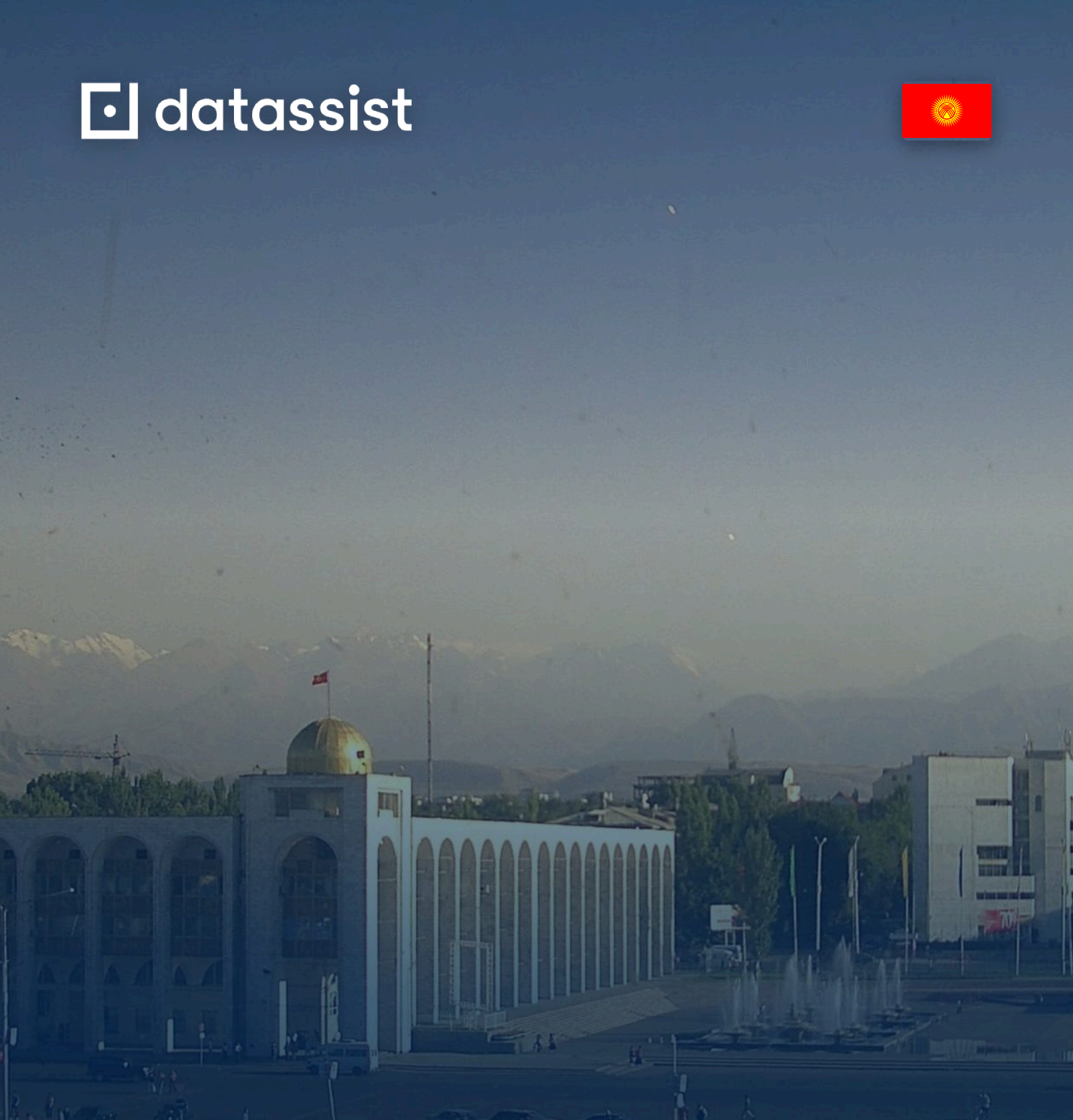
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Kyrgyzstan

Payroll & Employment Law Guide

2026 Edition · Last updated October 30, 2026

The new Labor Code, 2026 contribution rates and the unified work permit

For general information purposes only

Overview

A reference for employing in Kyrgyzstan

Foreign investors may use a limited liability company, joint-stock company, branch or representative office. State registration follows a single-window model that combines justice, tax, statistics and Social Fund registration in one process.

KGS 3,280	40h	10%	2.25%
2026 MONTHLY MINIMUM WAGE	STANDARD WORKING WEEK	EMPLOYEE SOCIAL CONTRIBUTION	GENERAL EMPLOYER SOCIAL CONTRIBUTION

WHAT THIS GUIDE COVERS

I	**Setting Up and Doing Business**	Foreign investors may use a limited liability company, joint-stock company, branch or representative office.
II	**Working Conditions and Leave Entitlements**	Normal working time may not exceed 40 hours a week.
III	**Tax and Social Security**	Employment income is generally subject to 10% income tax.
IV	**Payroll Operations**	Legal-entity employers pay salary in KGS and by cashless method.
V	**Hiring and Termination**	The employment contract is in writing.
VI	**Compensation and Benefits**	There is no general statutory 13th salary obligation in the private sector.
VII	**Visas and Work Permits**	A unified permit system has applied to foreign workers since January 1, 2025.
VIII	**Practical Notes and Compliance Risks**	A key Kyrgyzstan payroll risk is confusing the KGS 3,280 minimum wage with the regional average-wage base used for tax and contributions.
IX	**Incentives and Employer Support Schemes**	In Section 9, the 2026 Social Contract programme allows an eligible entrepreneur hiring one officially unemployed person to receive a non-repayable KGS 150,000 job-creation grant.

I

Setting Up and Doing Business

Foreign investors may use a limited liability company, joint-stock company, branch or representative office. State registration follows a single-window model that combines justice, tax, statistics and Social Fund registration in one process.

This guide uses the Labor Code dated January 23, 2025 and in force as of October 30, 2026.

STEP	GENERAL RULE	PRE-PAYROLL CONTROL
Incorporation	Single-window registration	Founder decision and charter
Standard period	3-5 working days	Expedited option may apply
Company numbers	Tax and OKPO registration	Legal-name match
Social Fund	Linked to registration	Employer account
Banking	Local account	Cashless salary payment
Licensed activity	Licence check	Before operations start

The file should include foreign-founder evidence, local address, manager identity and appropriate translations. Incorporation does not itself complete the employee register, tax-agent access or occupational-safety duties.

> Verify before payroll
> EOR note: The local legal employer carries the employment contract, pay, tax and contribution responsibility. The role split with the business directing the worker should be written but must not narrow worker rights.

II · WORKING CONDITIONS AND LEAVE ENTITLEMENTS

Normal working time may not exceed 40 hours a week. Overtime is paid at no less than 1.5 times for the first 2 hours and no less than 2 times for later hours. At the worker's request, equal or longer rest may replace the premium.

II

Working Conditions and Leave Entitlements

TOPIC	2026 RULE	PAYROLL EFFECT
Standard work	40 hours/week	Match time to contract
Initial overtime	First 2 hours at least 1.5 times	Separate hour band
Later overtime	At least 2 times	Daily record required
Annual leave	28 calendar days	Preserve average pay
Irregular-work extra leave	At least 3 days	Internal rule required
Salary payment	At least 1 per month	Contractual date

Standard maternity leave is 126 calendar days, divided into 70 days before and 56 days after birth. The post-birth period rises to 70 days for complications or multiple births. Separate longer periods apply in high-mountain and remote areas.

Unpaid childcare leave may be requested until the child reaches age 3. The role is preserved, and the leave may be used in full or in parts by the mother, father or eligible relative actually providing care.

III · TAX AND SOCIAL SECURITY

Employment income is generally subject to 10% income tax. Eligible personal and standard deductions must be assessed together with the statutory average-wage base rule.

ITEM	EMPLOYEE	EMPLOYER
Income tax	10%	Tax agent
Social insurance	10%	2.25%
Employee pension allocation	8% + 2%	
Employer fund allocation		1% + 1% + 0.25%
Combined general social rate		12.25% combined

III

Tax and Social Security

The 2.25% employer rate applies to general business entities. Budget organisations, mining, energy, specified communications, banks, fuel, alcohol and tobacco activities may remain under a higher legacy tariff or special rule.

The 2026 statutory monthly minimum wage is KGS 3,280. However, the average monthly wage set for the relevant district or city may be used as the tax and contribution base. For general businesses, the employer contribution may not fall below the amount calculated on 100% of that base. A secondary source describes the 2026 contribution ceiling as 20 times the prior-year national average wage. This ceiling should be revalidated against the Social Fund's applicable official table before it is loaded into payroll.

IV · PAYROLL OPERATIONS

Legal-entity employers pay salary in KGS and by cashless method. Salary is paid at least 1 time a month. The employer keeps the employee register current, calculates income tax and social contributions and reports through the authorised systems.

PROCESS	GENERAL APPROACH	CONTROL POINT
Salary payment	At least 1 per month	Contract and bank day
Employee register	Current for tax control	Identity and role data
Income tax	Employer withholding	Actual and base distinction
Social contribution	Fund-level payment	Separate 10% and 2.25%
Payslip	Each pay period	Gross, deductions and net
Payment evidence	Bank record	Employee and period match

Where actual pay is below the average-wage base, part of income tax may arise from employer funds. The payroll system should show the employee deduction and employer cost on separate lines.

IV

Payroll Operations

> Verify before payroll
> Record principle: Keep the employment contract, employee register, time record, payroll calculation, tax and fund payments and bank evidence under the same employee and period key.

V · HIRING AND TERMINATION

The employment contract is in writing. Based on the signed contract, the employer issues a hiring order within 3 days and informs the worker against signature. Probation is generally 3 months and may be up to 6 months for roles such as managers and chief accountants.

TOPIC	GENERAL RULE	APPLICATION NOTE
Employee resignation	1 month notice	Written application
Redundancy or liquidation	At least 1 month notice	Written service
Health or incapacity	At least 2 weeks	Appropriate evidence
Severance	At least 2 average monthly pays	Redundancy or liquidation
Job-search protection	Up to 3 months	Register within 10 working days
Unused leave	Calculate at exit	Average pay

Employer termination must rely on a ground listed in law and protected-worker status must be reviewed. A pregnant employee may generally be dismissed by the employer only in limited cases such as liquidation or expiry of a fixed term.

Final pay covers salary, unused leave, eligible severance and other vested rights. The payroll calculation should reconcile to the termination ground and notice file.

VI · COMPENSATION AND BENEFITS

There is no general statutory 13th salary obligation in the private sector. Bonuses, meals, transport, housing and health support may arise under the employment contract, collective agreement or employer policy.

VI

Compensation and Benefits

ELEMENT	GENERAL APPROACH	PAYROLL CONTROL
Base pay	Monthly	Not below KGS 3,280
Overtime	1.5 or 2 times	Hour band and approval
Holiday work	Premium pay	Day-type record
Bonus	Plan condition	Vesting and pay period
Meal and transport	Policy or expense	Evidence and tax character
Housing or insurance	In-kind or cash	Taxable-benefit test

Cash and in-kind payments require separate income-tax and social-contribution review. Do not treat a payment as a business expense without the required evidence and limits.

VII · VISAS AND WORK PERMITS

A unified permit system has applied to foreign workers since January 1, 2025. The work visa and work permit are handled through one eVisa portal process. Foreign-labour hiring remains subject to annual quotas.

ROUTE	CORE RULE	EMPLOYER CONTROL
EAEU citizen	No unified permit	Contract and residence
Other foreigner	Unified permit	Quota and role
Application portal	eVisa	File and payment
Employer change	New assessment	Permission scope
Residence	Match work status	Renewal calendar

Citizens of Eurasian Economic Union member states may work under a local employment contract without the unified permit. Other foreign workers should wait for the appropriate quota and permission before actual work begins.

VIII

Practical Notes and Compliance Risks

A key Kyrgyzstan payroll risk is confusing the KGS 3,280 minimum wage with the regional average-wage base used for tax and contributions. They serve different purposes and are not one payroll parameter.

CONTROL	WHY IT MATTERS	SUGGESTED EVIDENCE
Sector	2.25% exception may apply	Activity and licence record
Regional base	Changes tax and contribution	Official annual table
Employee register	Base and penalty control	Tax-account output
Cashless payment	Legal-entity requirement	Bank statement
Working time	1.5 and 2 times differ	Approved schedule
Occupational safety	Special structure above 50	Specialist or service contract

An employer with more than 50 workers establishes an occupational-safety service or appoints a specialist. A smaller employer may use an internal specialist or external service according to risk.

IX · INCENTIVES AND EMPLOYER SUPPORT SCHEMES

In Section 9, the 2026 Social Contract programme allows an eligible entrepreneur hiring one officially unemployed person to receive a non-repayable KGS 150,000 job-creation grant. One entrepreneur may apply for up to 5 people.

CONDITION	2026 APPROACH	EMPLOYER EVIDENCE
Support per person	KGS 150,000	Approved job-creation plan
Employer limit	Up to 5 people	Eligible candidate list
Employer history	At least 1 year stable income	Prior-year tax return
Candidate	Officially unemployed	Employment record
Spending	Equipment and productive assets	Evidence and use tracking

This is not an ordinary payroll reduction but a grant tied to a specific candidate and job-creation plan. Confirm approval, hiring order, spending class and retention duty in the programme agreement.

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EOR & PAYROLL, HANDLED

Manage Kyrgyzstan payroll & employment from one center with Datassist.

The minimum wage, regional average-wage base, social-insurance structure and unified permit must operate within one payroll control plan. Datassist helps international employers manage Kyrgyzstan payroll and employment processes from one center.

Schedule a Meeting →

KGS 3,280	12.25%	2026
2026 MINIMUM WAGE	GENERAL SOCIAL RATE	CURRENT LEGISLATION BASE

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