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Turkmenistan

Payroll & Employment Law Guide

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Labour Code No. 29-IV, 10 percent income tax and 20 percent employer pension contribution

For general information purposes only

Overview

A reference for employing in Turkmenistan

Entity choice, registration approvals and the identity of the payroll employer must be planned together in Turkmenistan. A foreign investor may establish a wholly foreign-owned enterprise, invest in a local enterprise or open a branch. A holding of at least 10 percent of the capital is required for the definition of foreign direct investment.

TMT 1,410	40h	30 days	20%
2026 MONTHLY MINIMUM WAGE	MAXIMUM NORMAL WORKING WEEK	BASIC ANNUAL LEAVE	STANDARD EMPLOYER PENSION CONTRIBUTION

WHAT THIS GUIDE COVERS

I	**Setting Up and Doing Business**	Entity choice, registration approvals and the identity of the payroll employer must be planned together in Turkmenistan.
II	**Working Conditions and Leave Entitlements**	The Labor Code dated 18 April 2009, No.
III	**Tax and Social Security**	The general personal income tax rate on employment income is 10 percent.
IV	**Payroll Operations**	Payroll should establish an auditable chain across the employer order, work record, time record, salary calculation, PIT and Pension Fund declaration.
V	**Hiring and Termination**	Hiring is formalized by an employer order based on the employee's application.
VI	**Compensation and Benefits**	An employee who fulfills the full working norm cannot be paid less than the monthly floor of TMT 1,410.
VII	**Visas and Work Permits**	The Migration Law dated 31 March 2012, No.
VIII	**Practical Notes and Compliance Risks**	The main payroll risk in Turkmenistan is treating a statutory entitlement and agency practice as the same thing.
IX	**Incentives and Employer Support Schemes**	The standard employer pension contribution is 20 percent.

I

Setting Up and Doing Business

Entity choice, registration approvals and the identity of the payroll employer must be planned together in Turkmenistan. A foreign investor may establish a wholly foreign-owned enterprise, invest in a local enterprise or open a branch. A holding of at least 10 percent of the capital is required for the definition of foreign direct investment.

STRUCTURE OR STEP	MAIN RULE	OPERATIONAL NOTE
Local enterprise	An economic society, joint venture or joint-stock company may be used	Select the form according to liability and licensing needs
Branch	It is not a separate legal person	It operates for the parent and is subject to state registration
Representative office	It is not a separate legal person	Review its authority together with the commercial model
State registration	Handled by the Ministry of Finance and Economy	The statutory decision period for a complete file is 2 weeks
Foreign investment	A holding of at least 10 percent is direct investment	Separate project and investment registration may apply
Employer setup	Tax, bank, accounting and Pension Fund steps	Licensed activity requires an additional permit

The statutory 2-week decision period may be extended in practice by foreign-investment commission and agency approvals. Current investment-climate sources report that some foreign-company files can take months and that a fully functional online incorporation flow is unavailable. The operational timetable should not rely only on the statutory period.

> Verify before payroll
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> EOR note: The Labor Code does not establish a separate Employer of Record, or EOR, status. Engagement through a local provider requires written confirmation that the actual employer assumes the contract, tax, 20 percent pension contribution and foreign-worker permit obligations.

II

Working Conditions and Leave Entitlements

The Labor Code dated 18 April 2009, No. 29-IV, limits normal working time to 40 hours a week. A five-day or six-day week may apply. Shorter limits protect hazardous roles and younger workers.

TOPIC	DURATION OR RATE	MAIN RULE
Normal working time	Up to 40 hours/week	Record actual time
Young and hazardous work	36 hours at age 16-18, 24 under age 16, 36 for hazardous work	Apply the shorter limit
Overtime	4 hours/2 consecutive days, 120 hours/year	Written consent, 200 percent pay or equivalent time off
Night and holiday	At least 150 percent for 22:00-06:00, 200 percent on holidays	A higher contractual rate may apply
Annual leave	30 calendar days, after 11 months in the first year	Give at least 15 days' notice
Protected groups	45 calendar days	Teaching, education managers and workers with disabilities
Family leave	Maternity 112 days, childcare to age 3, marriage and funeral 10 days	Childcare leave is unpaid with job protection

In a six-day week, the daily limit is 7 hours for a 40-hour week and 6 hours for a 36-hour week. It is 4 hours for a 24-hour week. The meal break is 1-2 hours, and inter-shift rest is at least 12 hours. General unpaid leave for a valid reason is up to 10 calendar days a year.

Temporary incapacity depends on a medical certificate and social-protection rules. No single fixed sickness duration or employer payment rate was verified for every case. Payroll should follow the local medical certificate and benefit determination.

III · TAX AND SOCIAL SECURITY

The general personal income tax rate on employment income is 10 percent. The employer also pays a compulsory 20 percent contribution to the Turkmenistan Pension Fund on standard payroll. The compulsory employee pension contribution for a standard employee is 0 percent.

III

Tax and Social Security

ITEM	2026 RATE OR AMOUNT	EXPLANATION
Personal income tax	10 percent	Tax base after statutory exemptions and deductions
Employer pension contribution	20 percent	Applies to salary and other statutory payments
Compulsory employee contribution	0 percent	The voluntary arrangement is separate
Additional professional contribution	3.5 percent	Statutory hazardous or special occupational groups
Voluntary employee contribution	At least 2 percent	Subject to a voluntary pension agreement
Minimum wage	TMT 1,410/month	In force since 1 January 2025 and unchanged in 2026
Standard contribution ceiling	Not verified	Obtain local confirmation before applying a cap

OBLIGATION	DEADLINE	CONTROL
Pension contribution declaration	20th of the following month	Reconcile to employee-level records
Pension contribution payment	Day cash is withdrawn or salary is transferred to the bank	It cannot be left until a later date
Tax-agent salary report	20 January of the following tax year	Reconcile to annual employee income
PIT withholding and payment	Before or when income is transferred	Check net pay

For a standard employee with gross monthly pay of TMT 10,000, the indicative employer pension contribution is TMT 2,000. If the additional 3.5 percent applies to a hazardous classification, the additional contribution is TMT 350. If the personal tax base is TMT 10,000, PIT is TMT 1,000. Statutory exemptions, deductions and employee status may change this example.

IV

Payroll Operations

Payroll should establish an auditable chain across the employer order, work record, time record, salary calculation, PIT and Pension Fund declaration. Salary is paid at least every half month, meaning at least 2 times a month.

OPERATION	RULE	IMPLEMENTATION CONTROL
Payroll currency	Local records in TMT	If foreign currency is promised, document payment and conversion method
Pay frequency	At least 2 times a month	Set the dates in the employment terms and workplace calendar
Holiday pay	At least 1 day before leave starts	Retain payment evidence with the leave order
Pay information	Explain accruals and deductions to the employee	Provide a payroll statement through a written or verifiable channel
Work record	Maintained for main employment lasting more than 5 days	Hiring, role and termination details must match
Pension declaration	Monthly	By the 20th of the following month
WPS or e-payroll	No general mandate verified	Check separately for sector or agency requirements

No single current retention period covering all payroll and personnel documents was verified. Tax, accounting, work-record and archive documents should be classified under their own rules. A foreign employee of a foreign-invested enterprise may transfer lawfully earned salary abroad, although bank and foreign-exchange documentation may create additional processing time in practice.

> Verify before payroll
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> Control point: The absence of a verified general WPS or e-payroll platform does not mean that electronic reporting never applies. Confirm the form and channel with the Pension Fund and tax authority for each reporting period.

V · HIRING AND TERMINATION

Hiring is formalized by an employer order based on the employee's application. The order is presented for signature within 3 days. A fixed-term contract may last no more than 5 years and must be justified by the nature or conditions of the work.

V

Hiring and Termination

TOPIC	DURATION OR RULE	IMPLEMENTATION
Probation	3 months generally, 6 months for specified managers	Record it expressly at hiring
Failed probation	At least 3 calendar days' notice	Written reasons are required
Resignation	2 weeks	Written notice
Liquidation or redundancy	At least 2 months' notice	Assess suitable vacancies
Qualification or fixed-term expiry	At least 2 weeks' notice	Objective grounds are required
Certain serious breaches	At least 3 calendar days' notice	Substantiate the grounds
Liquidation or redundancy payment	1 average monthly salary, total 2 months during job search	Month 3 possible after agency registration within 2 weeks
Retirement	Age 62 for men, 57 for women, at least 5 years insured	Pension entitlement is calculated separately

Certain statutory health or external grounds carry 2 weeks of average salary. On the termination date, provide the work record and a copy of the termination order. An employee who continues working receives final pay on that day.

VI · COMPENSATION AND BENEFITS

An employee who fulfills the full working norm cannot be paid less than the monthly floor of TMT 1,410. No automatic annual wage increase or compulsory 13th salary applying to every private-sector employer was verified.

VI

Compensation and Benefits

PAYMENT OR BENEFIT	2026 APPROACH	PAYROLL EFFECT
Basic salary	At least TMT 1,410/month	For the full working norm
Annual increase	No general automatic private-sector rule	Contract, collective agreement or employer decision
13th salary	No general obligation	A written policy may create an entitlement
Bonus and incentive	Subject to the employer's pay rules	Review the tax and 20 percent contribution base
Meal, housing, transport	No general fixed exemption threshold verified	Assess each payment under the Tax Code
Health insurance	No separate standard payroll rate verified	A voluntary plan is contractual
Night work and overtime	150 percent and 200 percent	Track separately from normal base pay

Presidential decrees may increase pay for public and specified institutions. Such an increase is not an automatic index for the private sector. Whether a benefit is paid in cash or in kind may change the tax and pension contribution base. No exemption should be applied without written authority.

VII · VISAS AND WORK PERMITS

The Migration Law dated 31 March 2012, No. 290-IV, including the amendments of 11 April 2026, requires a foreign employee to obtain a work permit before starting work. The competent authority is the State Migration Service of Turkmenistan.

VII

Visas and Work Permits

STAGE	RULE	PERIOD OR RATIO
Employer application	Filed by the inviting or employing local organization	Before work starts
Work-permit review	Commission review	Up to 30 days, plus 15 days for additional information
Foreign-worker ratio	10 percent in current professional guidance	90 percent local principle, confirm for the specific file
Work visa	Based on the work permit	Must match the permit and contract
Stay registration	Within 3 working days, excluding the entry day	Host or inviting organization bears responsibility
Permit validity	Depends on the file and contract	Use the term printed on the document

The law leaves the foreign-labor ratio to the Cabinet of Ministers. The 10 percent ratio is therefore presented conditionally because it was verified through 2025 local professional guidance. Free economic zone participants may benefit from exemptions from the work-permit requirement and the local-to-foreign ratio. Such an exemption is not an exemption from tax or the 20 percent pension contribution.

VIII · PRACTICAL NOTES AND COMPLIANCE RISKS

The main payroll risk in Turkmenistan is treating a statutory entitlement and agency practice as the same thing. Registration, foreign exchange, migration and document flows may require additional approval in practice.

VIII

Practical Notes and Compliance Risks

CONTROL	CORRECT APPROACH	MAIN RISK
Hiring	Application, order, contract and Pension Fund record match	Work starts before formal registration
Fixed term	No more than 5 years and an objective work reason	Unsupported use for permanent work
Overtime	Track 4 hours/2 days and 120 hours/year	Missing the limit or 200 percent pay
Foreign worker	Complete permit, visa and 3-working-day registration	Working in the wrong role or for the wrong employer
Foreign-exchange transfer	Prepare bank file with tax and salary evidence	Confusing legal entitlement with practical access
Disability employment	Obtain the local quota decision in writing	Applying an unverified single percentage
Record retention	Build a period matrix by document type	Assuming one general period

An enforceable local-language employment contract and a matching translation for a foreign worker should be retained. No single disability-employment percentage applying to all private employers was verified in the Labor Code. The Employment Law permits a quota mechanism, but its scope and number should be confirmed through the local authority.

IX

Incentives and Employer Support Schemes

The standard employer pension contribution is 20 percent. As of 26 October 2026, no broad payroll-relief catalogue comparable to Türkiye's SGK incentive codes was verified as open to all private employers.

SUPPORT OR FACILITY	EMPLOYER EFFECT	SCOPE LIMIT
Authority for a reduced pension rate	Possible for specified categories by presidential act	It is not general or automatic
Free economic zone	Work-permit and ratio exemption may apply	Does not automatically reduce the 20 percent contribution
Foreign-investment facility	Customs, registration and specified zone benefits	It is not payroll-cost support
SME support	Personnel training and job-creation support may be available	Depends on a program, budget and application decision
General wage subsidy	No current measurable program verified	It cannot be offset in payroll automatically

The Law on State Pension Insurance permits a reduced rate to be established for specified insurer categories. An employer should apply a reduction only if a current decision identifies the employer category, validity period, funding source and application evidence. The standard 20 percent rate should not be changed without an agency document.



EOR & PAYROLL, HANDLED

Manage Turkmenistan payroll & employment from one center with Datassist.

Turkmenistan's payroll rules combine local-currency records, employer pension contributions, employment documentation and document-specific foreign-worker conditions. Datassist helps international employers manage those payroll and employment controls from one center.

Schedule a Meeting →

TMT 1,410	40h	2026
2026 MINIMUM WAGE	NORMAL WORKING WEEK	CURRENT LEGISLATION BASE

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