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Cuba

Payroll and Employment Guide

2026 Edition · Last updated November 23, 2026

Law 189/2026, payroll taxes, direct hiring and foreign-worker controls

For general information purposes only

Overview

A reference for employing in Cuba

Cuba's foreign-investment regime is approval-led. A project normally moves through MINCEX review, formal authorisation, notarial documents, Mercantile Registry entry and ONAT registration. The employer model must then be selected between authorised direct hiring and an MTSS-authorised employing entity.

CUP 3,210	40-44h	14%	5%
NATIONAL MONTHLY MINIMUM WAGE	STANDARD WEEKLY RANGE	EMPLOYER SOCIAL SECURITY	WORKFORCE-UTILISATION TAX

WHAT THIS GUIDE COVERS

I	**Setting Up and Doing Business**	Cuba's foreign-investment regime is approval-led.
II	**Working Conditions and Leave**	Law 189/2026 sets the current working-time, overtime and annual-leave framework.
III	**Tax and Social Security**	Employment income is subject to monthly progressive withholding.
IV	**Payroll Operations**	Salary is paid in CUP in arrears at least monthly.
V	**Hiring and Termination**	Employment contracts are generally written on paper or digitally, with a copy for each party.
VI	**Compensation and Benefits**	Full-time subordinate pay cannot fall below CUP 3,210 per month.
VII	**Visas and Work Permits**	The current sequence is normally work permit first, then the relevant DIMEC residence process.
VIII	**Practical Notes and Watchpoints**	Cuba's payroll file must reconcile the employer model, labour records, data transfers, payment route and sanctions screening.
IX	**Incentives and Employer Support**	Cuba's support framework is primarily investment- and inclusion-based rather than a broad payroll contribution rebate.

I

Setting Up and Doing Business

Cuba's foreign-investment regime is approval-led. A project normally moves through MINCEX review, formal authorisation, notarial documents, Mercantile Registry entry and ONAT registration. The employer model must then be selected between authorised direct hiring and an MTSS-authorised employing entity.

STRUCTURE AND REGISTRATION CHAIN

STEP OR STRUCTURE	CURRENT RULE	MAIN CONTROL
Joint venture	Cuban nominative-share corporation	Law 118 authorisation
Economic association	Contract without separate legal personality	Approved association terms
Wholly foreign-owned company	Foreign-capital enterprise	Sector and investment approval
Evaluation commission	7 business days	Complete MINCEX file
Approval decision	45 or 60 calendar days	Depends on approving authority
ONAT registration	Within 15 calendar days	NIT and taxpayer file

> Verify before payroll
> Verify: Decree-Law 128/2026 permits direct hiring or an authorised employing entity. An ordinary offshore EOR is not automatically a lawful Cuban employer. Confirm the provider's MTSS authorisation and the employer shown in the contract.

> Verify before payroll
> Legislation lock: Verified on day 23 of November 2026. Law 189/2026 replaced Law 116/2013 from 2026-09-25, so older templates must not be reused without revision.

II

Working Conditions and Leave

Law 189/2026 sets the current working-time, overtime and annual-leave framework. Sick and maternity benefits remain coordinated with social-security legislation. Collective agreements remain important for schedules, probation length and pay arrangements.

WORKING TIME AND OVERTIME

RULE	APPLICATION
Standard time	8 hours/day, 40-44 hours/week
Extended day	Up to 9 hours if the weekly cap is respected
Weekly rest	At least 24 consecutive hours after no more than 6 workdays
Overtime premium	25% or proportional paid rest where permitted
Overtime limits	4 hours across 2 days, 2 double shifts/week, 160 hours/year

LEAVE AND SOCIAL BENEFITS

RIGHT	DURATION OR PAYMENT
Annual leave	30 calendar days per 11 months, accrued at 9.09%
Common sickness	50% hospitalised, 60% outpatient, generally from day 4
Occupational sickness	70% hospitalised, 80% outpatient, from day 1
Maternity	6 prenatal + 12 postnatal weeks
Multiple pregnancy	8 prenatal + 12 postnatal weeks
Shared care benefit	May continue to the child's age of 15 months

> Verify before payroll
> Conditional: No general standalone birth paternity leave was verified. The father or one grandparent may receive the shared social benefit after the 12-week postnatal period, subject to the statutory conditions.

III

Tax and Social Security

Employment income is subject to monthly progressive withholding. Employer social security and the workforce-utilisation tax are separate charges. The 2026 minimum wage is slightly below the monthly PIT exemption, so the two figures must not be treated as the same threshold.

EMPLOYMENT INCOME TAX

MONTHLY BAND	MARGINAL RATE
Up to CUP 3,260	Exempt
Excess to CUP 9,510	3%
Excess to CUP 15,000	5%
Excess to CUP 20,000	7.5%
Excess to CUP 25,000	10%
Excess to CUP 30,000	15%
Excess over CUP 30,000	20%

PAYROLL CONTRIBUTIONS

ITEM	EMPLOYER / EMPLOYEE	BASE OR TREATMENT
Social security	14% / 5%-10%	Employee 10% applies to excess over CUP 15,000
State allocation	12.5%	Employer remittance from the 14%
Short-term reserve	1.5%	Retained from the 14%
Workforce tax	5% employer	Cash and in-kind remuneration
Minimum wage	CUP 3,210/month	CUP 16.84/hour from 2026-07-01

> Verify before payroll
>
> Verify before payroll: Special regimes apply to self-employed persons, MIPYME owners or members and cooperative members. Do not apply ordinary employment rates without confirming the worker's legal category.

IV

Payroll Operations

Salary is paid in CUP in arrears at least monthly. The employer must explain the amount and deductions and preserve the supporting audit trail. Tax and contribution payments generally follow the first 10 business days of the following month.

PAYMENT, FILING AND RECORDS

PROCESS	RULE	CONTROL
Pay interval	At least monthly	Date and method in the collective agreement
Currency	CUP	Payment in kind prohibited
Employee information	Amount and deductions disclosed	Supporting documents open to inspection
Monthly remittance	First 10 business days	Prior-month payroll liabilities
Tax records	5 years	Keep electronic data and software operable
E-invoicing	Permitted, not universally mandatory	Resolution 55/2021

> Verify before payroll
> Conditional: ONAT provides digital forms and payment channels, but no primary rule was verified that makes electronic payroll filing mandatory for every employer. Confirm the submission channel with the competent municipal ONAT office.

V

Hiring and Termination

Employment contracts are generally written on paper or digitally, with a copy for each party. Fixed-term work is limited to statutory temporary cases. Probation and notice periods depend on the contract and role rather than one universal termination formula.

CONTRACT AND NOTICE CONTROLS

TOPIC	CURRENT RULE
Written contract	Paper or digital; copy for each party
Verbal exception	Narrow cases, maximum 90 days
Probation	30-180 days
Indefinite resignation notice	Up to 30 working days
Fixed or project notice	Up to 15 working days
Higher-education technical role	Up to 60 working days
Early employer termination	15 working days' justified written notice

EXIT PAYMENTS

SITUATION	PAYROLL TREATMENT
Ordinary exit	Earned pay, accrued leave and payable social benefits
Structural reorganisation	6 basic salaries if no alternative job is obtained
Unjustified refusal of reemployment	Protection payment may fall to 1 basic salary
General tenure severance	No universal tenure-based formula verified

> Verify before payroll
> Conditional: The 6-salary payment is an income-protection rule for specified economic, technological or structural termination. It should not be presented as severance due in every exit.

VI

Compensation and Benefits

Full-time subordinate pay cannot fall below CUP 3,210 per month. Cuba has no verified universal 13th salary. Results pay, incentive funds and profit distributions depend on the entity, approved scheme and collective agreement.

PAY AND BENEFITS

ITEM	RULE
Monthly minimum	CUP 3,210
Hourly minimum	CUP 16.84
Payment currency	CUP
13th salary	No universal statutory requirement verified
Profit distribution	Conditional and not salary
Temporary workplace change	Food, transport and lodging provided or reimbursed
Category I retirement	Women 60, men 65, normally 30 years of service
Category II retirement	Women 55, men 60, subject to arduous-work service

> Verify before payroll
>
> Verify before payroll: Profit distributions, foreign-investment incentive funds and performance pay have separate approval and tax rules. They must not be converted into a routine guaranteed allowance without written legal support.

VII

Visas and Work Permits

The current sequence is normally work permit first, then the relevant DIMEC residence process. The sponsor must justify the role and monitor entry, residence, renewal and change-notification dates under the post-2026-11-01 migration regime.

PERMIT AND RESIDENCE CHAIN

MATTER	RULE
Work permit	Up to 5 years or the shorter authorised stay
Renewal filing	At least 45 days before permit expiry
Approved worker outside Cuba	File returned if no entry within 60 days
Emergency work	Up to 30 non-renewable days
Work over 90 days	Residence request within 7 calendar days after entry
Residence renewal	File 30 calendar days before expiry
Job, entity or address change	Notify within 7 business days

> Verify before payroll
> Conditional: Work lasting no more than 90 days may remain under the applicable visitor or visa route, but assignment facts control. Confirm both MTSS and DIMEC treatment before work begins.

VIII

Practical Notes and Watchpoints

Cuba's payroll file must reconcile the employer model, labour records, data transfers, payment route and sanctions screening. The 2026 rules permit more direct operation, but they do not remove local authorisations or cross-border banking constraints.

OPERATIONAL CONTROLS

AREA	CONTROL
Labour file	Create or update within 15 days for relationships over 6 months
Contract language	Spanish or bilingual is the safest operating standard
Employee data	Obtain authority-path advice before overseas transfer
Foreign bank account	Notify BCC within 7 calendar days where the regime applies
Digital invoice	Optional framework, no universal mandate verified
Cross-border payment	Screen OFAC, ownership, bank and transaction purpose
Foreign representation	At least 1 Cuban worker per foreign worker

> Verify before payroll
> Verify: The 1:1 workforce rule belongs to foreign representations and should not be generalised to every joint venture or wholly foreign-owned enterprise. Banking acceptance and sanctions licences are time-sensitive.

IX

Incentives and Employer Support

Cuba's support framework is primarily investment- and inclusion-based rather than a broad payroll contribution rebate. Employer social security at 14% and workforce tax at 5% remain separate baseline liabilities unless a specific written regime applies.

SUPPORT AND INCENTIVE MAP

ITEM	SCOPE	PAYROLL EFFECT
Disability employment	Tax benefits and reasonable adjustments	Apply only under the qualifying rule
Foreign investment	15% profits-tax framework and possible exemptions	Not an automatic payroll credit
Incentive fund	May be funded from qualifying profits	Employee pay mechanism
Direct hiring	Available to qualifying foreign-investment entities	Removes mandatory agency route
Employer social security	14%	Baseline liability
Workforce tax	5%	Separate baseline liability

APPLICATION CONTROLS

STEP	EMPLOYER ACTION
Incentive eligibility	Confirm the authorisation and beneficiary category
Payroll classification	Separate salary, profit distribution and incentive fund
Tax treatment	Obtain written ONAT position where the rule is project-specific
Disability support	Preserve eligibility and reasonable-adjustment evidence

> Verify before payroll
> Conditional field: Foreign-investment concessions and disability-employment benefits are not a universal reduction of the 14% social-security or 5% workforce-tax charge. Do not deduct relief without an express legal basis.

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EOR & PAYROLL, HANDLED

Manage Cuba payroll & employment from one center with Datassist.

Labour, tax, contribution, migration and payment controls must operate on one calendar. Datassist helps international employers coordinate Cuba payroll and employment operations from one center.

Schedule a Meeting →

CUP 3,210	40-44h	2026
NATIONAL MONTHLY MINIMUM WAGE	STANDARD WEEKLY RANGE	CURRENT LEGISLATION BASE

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