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Brazil

Payroll and Employment Guide

2026 Edition · Last updated November 23, 2026

CLT, eSocial, INSS, FGTS and foreign-worker controls

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For general information purposes only

Overview

A reference for employing in Brazil

A Brazilian limited company can be owned by foreign persons and is commonly used as the local employer. Operating through a foreign branch requires prior Federal Executive authorisation. Employer setup connects REDESIM and CNPJ registration to eSocial establishment and employee events.

BRL 1,621	44h	20%	8%
NATIONAL MONTHLY MINIMUM WAGE	GENERAL WEEK THROUGH DECEMBER 15	GENERAL EMPLOYER CPP	STANDARD EMPLOYER FGTS

WHAT THIS GUIDE COVERS

I	**Setting Up and Doing Business**	A Brazilian limited company can be owned by foreign persons and is commonly used as the local employer.
II	**Working Conditions and Leave**	Constitutional Amendment 141/2026 keeps the general ceiling at 8 hours daily and 44 hours weekly through 2026-12-15.
III	**Tax and Social Security**	Monthly payroll applies the ordinary IRRF table and then the 2026 reduction.
IV	**Payroll Operations**	Monthly salary is generally due by the fifth business day of the following month.
V	**Hiring and Termination**	Indefinite employment is the default.
VI	**Compensation and Benefits**	The national floor is BRL 1,621 per month, subject to higher state or collective floors.
VII	**Visas and Work Permits**	The standard employment-contract route uses RN 02/2017.
VIII	**Practical Notes and Watchpoints**	Brazilian payroll depends on aligned source data across contract, eSocial, FGTS Digital, DCTFWeb and employee payment records.
IX	**Incentives and Employer Support**	Brazil has targeted payroll and employee-benefit mechanisms rather than one universal employer subsidy.

I

Setting Up and Doing Business

A Brazilian limited company can be owned by foreign persons and is commonly used as the local employer. Operating through a foreign branch requires prior Federal Executive authorisation. Employer setup connects REDESIM and CNPJ registration to eSocial establishment and employee events.

STRUCTURE AND REGISTRATION CHAIN

STEP OR STRUCTURE	CURRENT RULE	MAIN CONTROL
Brazilian Ltda.	1 or more quota holders	Foreign ownership permitted, sector limits checked
Foreign branch	Prior federal authorisation	Permanent representative in Brazil
REDESIM	Viability, FCPJ/QSA and DBE	Board of Trade and CNPJ
Employer record	eSocial S-1000 and S-1005	Establishment classification
Employee admission	S-2200 or preliminary S-2190	Normally before work begins
Foreign capital	SCE-IED registration	Before first capital movement

> Verify before payroll
> Verify: EOR is not a separate statutory employer licence. A local provider must genuinely hire, pay and direct its workers. Client control may create direct-employment risk, while the client remains subsidiarily liable for covered outsourced obligations.

> Verify before payroll
> Legislation lock: Verified on day 23 of November 2026. Sector approvals, foreign-ownership limits and collective rules must still be checked before registration or hiring.

II

Working Conditions and Leave

Constitutional Amendment 141/2026 keeps the general ceiling at 8 hours daily and 44 hours weekly through 2026-12-15. From 2026-12-16, the general week becomes 42 hours with 2 paid weekly rest days. A further reduction to 40 hours begins on 2027-12-16 without salary reduction.

WORKING TIME AND PREMIUMS

RULE	APPLICATION
Current general limit	8 hours/day, 44 hours/week through 2026-12-15
First transition	42 hours/week from 2026-12-16
Second transition	40 hours/week from 2027-12-16
Overtime	Normally 2 hours/day, at least 50% premium
Urban night work	22:00-05:00, at least 20% premium
Between shifts	11 consecutive hours

LEAVE AND FAMILY RIGHTS

RIGHT	DURATION OR PAYMENT
Annual vacation	Up to 30 days after 12 months, plus one third
Sickness	Employer first 15 days; INSS generally from day 16
Maternity and adoption	120 days, potentially +60 under Empresa Cidadã
Paternity in 2026	5 days, potentially +15 under Empresa Cidadã
Nursing	2 paid breaks of 30 minutes to age 6 months
Holiday work	Double pay unless another compensatory day is granted

> Verify before payroll
>
> Effective-date warning: Law 15371/2026 does not increase the general paternity entitlement during 2026. Its new 10-day phase starts in 2027.

III

Tax and Social Security

Monthly payroll applies the ordinary IRRF table and then the 2026 reduction. Employee INSS is progressive, while employer CPP, RAT/FAP and third-party levies are calculated separately. FGTS is an employer deposit rather than an employee deduction.

MONTHLY IRRF TABLE

MONTHLY BASE	RATE	DEDUCTION
Up to BRL 2,428.80	0%	BRL 0
BRL 2,428.81-2,826.65	7.5%	BRL 182.16
BRL 2,826.66-3,751.05	15%	BRL 394.16
BRL 3,751.06-4,664.68	22.5%	BRL 675.49
Over BRL 4,664.68	27.5%	BRL 908.73

The additional reduction makes monthly IRRF zero up to BRL 5,000 and tapers between BRL 5,000.01 and BRL 7,350. It does not apply above BRL 7,350.

PAYROLL CONTRIBUTIONS

ITEM	EMPLOYER / EMPLOYEE	2026 TREATMENT
INSS	General CPP 20% / progressive 7.5%-14%	Employee ceiling BRL 8,475.55
RAT and FAP	Effective 0.5%-6% employer	Establishment-specific
Third parties	Activity-dependent	Common 5.8% is not universal
FGTS	8% employer / none	2% for apprentices
Minimum wage	BRL 1,621/month	Higher state or collective floor may apply

> Verify before payroll
> Conditional: Simples Nacional, finance, rural, nonprofit and other special regimes need separate rate logic. Do not combine CPP, RAT/FAP, third-party levies and FGTS into one universal percentage.

IV

Payroll Operations

Monthly salary is generally due by the fifth business day of the following month. eSocial is the source for remuneration, payment, closing and FGTS data. DCTFWeb filing can occur after the normal payment day, so payroll closing must still support payment by the 20th.

DIGITAL REPORTING CALENDAR

PROCESS	GENERAL DEADLINE	CONTROL
Monthly salary	Fifth business day	BRL payment and receipt evidence
eSocial S-1200/S-1210/S-1299	15th of following month	Next business day if applicable
IRRF and social contributions	20th of following month	Anticipate if non-business day
FGTS Digital	20th of following month	eSocial is exclusive base
DCTFWeb	Last business day of following month	Filing does not defer payment
13th-salary closing	20 December	Separate annual close

RECORDS AND CORRECTIONS

AREA	OPERATING RULE
FGTS correction	Correct and retransmit eSocial events
Termination FGTS	Generally within 10 calendar days
FGTS documents	Employment period + 5 years after termination
Occupational evidence	May require longer retention
Employee entry	Report before work and complete CTPS data promptly

> Verify before payroll
>
> Verify: Do not overwrite an incorrect FGTS base inside FGTS Digital. Correct the source event in eSocial and retransmit it through the controlled payroll close.

V

Hiring and Termination

Indefinite employment is the default. Written probation is capped at 90 days and ordinary fixed-term employment at 2 years for statutory temporary purposes. Exit calculations depend on termination ground and must be paid with the documents within 10 calendar days.

CONTRACT AND NOTICE CONTROLS

TOPIC	CURRENT RULE
Probation	Maximum 90 days, 1 renewal within the cap
Ordinary fixed term	Maximum 2 years
Temporary agency assignment	180 days + possible 90 days
Employer notice	30 days + 3 per completed year, maximum 90
Employee resignation	Normally 30 days for monthly paid staff

EXIT PAYMENTS

EXIT	MAIN PAYROLL TREATMENT
Without cause	Pay balance, notice, vacation + one third, 13th, FGTS + 40% fine
Mutual termination	Half notice, 20% FGTS fine, up to 80% FGTS withdrawal
Just cause	Pay balance and vested vacation + one third
Fixed-term expiry	Pay balance, proportional vacation + one third, 13th and FGTS withdrawal
Employer early fixed-term exit	May add half remaining remuneration and 40% FGTS fine

> Verify before payroll
> Verify before payroll: A reciprocal early-termination clause can change fixed-term notice treatment. Just-cause grounds require documented legal review before payroll classification.

VI

Compensation and Benefits

The national floor is BRL 1,621 per month, subject to higher state or collective floors. Employees also receive statutory 13th salary and vacation pay. Transport and food benefits follow separate eligibility and payroll-character rules.

WAGES AND BENEFITS

ITEM	RULE
National minimum	BRL 1,621/month, BRL 54.04/day, BRL 7.37/hour
13th salary	1/12 per qualifying month
First 13th instalment	February-November
13th balance	By 20 December
Transport voucher	Employee up to 6% of basic salary; employer pays excess
Meal benefit	Conditional on CBA, contract or employer policy
PAT food benefit	Non-salary treatment if programme conditions are met
Permanent RGPS ages	Women 62, men 65, with contribution requirements

> Verify before payroll
> Conditional: Retirement transitions are cohort-dependent. Meal or food payments made in cash or outside the controlling programme and agreement may acquire salary and payroll-charge treatment.

VII

Visas and Work Permits

The standard employment-contract route uses RN 02/2017. The Brazilian employer seeks residence authorisation in MigranteWeb, followed by VITEM V abroad where applicable and Federal Police registration after entry.

RESIDENCE AND EMPLOYER CONTROLS

MATTER	RULE
Initial RN 02 residence	Up to 2 years
Contract start after entry	Within 30 days in the prior-authorisation route
Temporary-visa registration	Within 90 days after entry
Residence granted in Brazil	Register within 30 days after approval
Employer termination notice	Within 15 days
Employer change	MigranteWeb request required
Renewal or conversion window	Opens 90 days before CRNM expiry

WORKFORCE RATIO

RULE	SCOPE
Brazilian headcount	At least two thirds in covered establishments
Brazilian payroll	At least two thirds in covered establishments
Typical threshold	Industrial or commercial establishment with 3+ employees
Exclusions	Long-term residents, Portuguese nationals and approved specialists may differ

> Verify before payroll
> Conditional: The two-thirds rule is not an immigration quota for every employer. Check sector, establishment size, payroll calculation and statutory exclusions before applying it.

VIII

Practical Notes and Watchpoints

Brazilian payroll depends on aligned source data across contract, eSocial, FGTS Digital, DCTFWeb and employee payment records. Cross-border HR systems also require an LGPD transfer mechanism, while provider service invoices follow the changing NFS-e framework.

OPERATIONAL CONTROLS

AREA	CONTROL
Contract language	Bilingual with a verified Portuguese version
Admission	eSocial before work; complete CTPS data within the stricter control
International data	LGPD basis plus Article 33 transfer mechanism
Standard clauses	Use ANPD clauses intact for contract-based transfer
Payroll currency	BRL, with signed receipt or valid bank deposit
Service invoice	NFS-e, separate from payroll reporting
Sanctions	Apply UN, Brazilian and correspondent-bank screening

> Verify before payroll
> Verify: NFS-e national integration and IBS/CBS field dates changed during 2026. Recheck the municipality, issuer profile and current technical note immediately before service invoicing.

IX

Incentives and Employer Support

Brazil has targeted payroll and employee-benefit mechanisms rather than one universal employer subsidy. The 2026 CPRB transition applies only to eligible opting sectors. PAT can support food benefits, while disability and apprenticeship rules are workforce obligations.

INCENTIVE AND OBLIGATION MAP

ITEM	2026 SCOPE	PAYROLL EFFECT
CPRB transition	Eligible opting sectors	60% revenue rate + 50% ordinary CPP component
CPRB headcount test	At least 75% of prior-year average	Condition for the option
PAT	Voluntary qualifying food programme	Payroll-base exclusion and possible IRPJ deduction
Disability quota	2%-5% for 100+ employees	Hiring obligation
Apprentice quota	5%-15% in covered functions	Hiring and training obligation
Apprentice FGTS	2%	Reduced deposit rate

APPLICATION CONTROLS

STEP	EMPLOYER ACTION
CPRB eligibility	Confirm statutory sector, election and headcount
PAT benefit	Register and preserve eligible food-use evidence
Quota calculation	Use the statutory company or establishment basis
Payroll coding	Keep incentives separate from ordinary CPP, RAT and FGTS
Support assumption	Do not deduct without a written legal basis

> Verify before payroll
> Conditional field: The 2026 CPRB percentages do not reduce RAT, third-party levies or FGTS. PAT's 2026 income-tax deduction is also affected by the federal benefit-reduction rule.

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EOR & PAYROLL, HANDLED

Manage Brazil payroll & employment from one center with Datassist.

Tax, eSocial, FGTS, collective-rule and mobility controls must operate on one calendar. Datassist helps international employers coordinate Brazil payroll and employment operations from one center.

Schedule a Meeting →

BRL 1,621	44h	2026
NATIONAL MONTHLY MINIMUM WAGE	GENERAL WEEK THROUGH DECEMBER 15	CURRENT LEGISLATION BASE

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