Algeria

Payroll & Employment Law Guide

2026 Edition · Last updated August 2026

Labour Code No. 90-11 · Law 25-08 (Maternity Reform, July 2025) · Finance Law 2026 (SNMG DZD 24,000)

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Overview

A reference for employing in Algeria

Regional Note: Algeria is Africa's largest country by area and a major hydrocarbon exporter. French is the operative language for payroll, contracts, and regulatory filings despite Arabic being the constitutional official language. Two critical constraints for international employers: (1) Currency controls by Bank of Algeria restrict DZD conversion and expatriate salary repatriation. (2) All employees — Algerian and foreign: contribute to CNAS and pay IRG at the same rates (no expat exemption).

40h	DZD 24,000	150d	35%
MAXIMUM WORKING WEEK	2026 MONTHLY MINIMUM WAGE	PAID MATERNITY LEAVE	COMBINED SOCIAL INSURANCE · VERIFY

WHAT THIS GUIDE COVERS

I

Company Setup & Business Environment

Regional Note: Algeria is Africa's largest country by area and a major hydrocarbon exporter. French is the operative language for payroll, contracts, and regulatory filings despite Arabic being the constitutional official language. Two critical constraints for international employers: (1) Currency controls by Bank of Algeria restrict DZD conversion and expatriate salary repatriation. (2) All employees — Algerian and foreign: contribute to CNAS and pay IRG at the same rates (no expat exemption).

LEGAL ENTITY TYPES

- SARL (Société à Responsabilité Limitée): Most common for foreign investors.
- SPA (Société par Actions): Larger operations; minimum capital DZD 1 million.
- Branch (Succursale): Direct presence; taxable; requires approval.
- Permanent Establishment: Projects > 6 months create PE; subject to stricter 2026 digital reporting.
- EOR Option: Fastest route to hire in Algeria without a local entity; EOR handles CNAS, IRG, and Labour Code compliance.

KEY REGULATORY AUTHORITIES

AUTHORITY	FUNCTION
CNAS (cnas.dz)	Health insurance, maternity, work accident social insurance
CNR	Retirement and early retirement fund
CNAC	Unemployment insurance fund
DGI	Income tax (IRG) administration and digital filings
Inspection du Travail	Labour inspection, work permits, compliance monitoring

II

Working Hours & Leave

STANDARD HOURS

— Maximum: 40 hours/week (private sector standard); some sectors up to 44 hours.
— Weekly rest: minimum 24 consecutive hours; typically Friday.
— Overtime daytime: +50% premium (150% total); night/Friday/holiday: +100% (200% total).

ANNUAL LEAVE

— Minimum: 30 calendar days per year paid.
— Entitlement from first year of service.
— Additional leave for seniority or hazardous conditions per CBA.
— Unused leave: carry-over permitted; cash-out on termination.

SICK LEAVE

— Funded by CNAS social security system.
— CNAS pays 50% of daily wage initially; increases to 100% after 15 days (subject to conditions).
— Long-term illness: up to 3 years under CNAS with medical board review.
— Medical certificate required; employer coordinates with CNAS.

MATERNITY LEAVE: LAW 25-08 (MAJOR REFORM, 19 JULY 2025)

Law 25-08 Reform (July 2025): Law 25-08 (effective 19 July 2025) amended Social Insurance Law 83-11. Maternity leave increased from 14 weeks (98 days) to 150 consecutive days (~21 weeks). CNAS pays 100% of average daily wage for the full 150 days. Leave begins no earlier than 42 days before expected delivery.

II

Working Hours & Leave

ITEM	DETAIL
Duration	150 consecutive days (from 19 July 2025)
Previous entitlement	98 days (14 weeks): pre-July 2025 hires who gave birth before this date
Compensation	100% of average daily wage: funded by CNAS
Earliest start	No earlier than 42 days before expected delivery date
Qualifying condition	Employee covered by social security at time of birth
Dismissal protection	Employer cannot terminate during maternity leave

PATERNITY LEAVE

3 days paid at employee's regular wage by employer; within a few days of birth.

PUBLIC HOLIDAYS

Approximately 11–12 official public holidays per year: New Year (1 Jan), Amazigh New Year (12 Jan), Labour Day (1 May), Independence Day (5 July), Revolution Day (1 Nov), Eid Al-Fitr (2 days), Eid Al-Adha (2 days), Islamic New Year, Prophet's Birthday, Mawlid.

III · CNAS SOCIAL INSURANCE: 2026

Algeria uses a fragmented three-body social security system: CNAS (health/maternity/accidents), CNR (retirement), and CNAC (unemployment). In practice, employers work with a combined rate. All employees: Algerian and foreign: contribute at the same rates.

CONTRIBUTION	RATE	APPLIED TO
Employer (CNAS + CNR + CNAC combined)	26%	Gross salary
Employee (CNAS + CNR + CNAC combined)	9%	Gross salary

III

CNAS Social Insurance: 2026

CONTRIBUTION	RATE	APPLIED TO
▸ **Total combined**	35%	
Training Tax (Taxe d'Apprentissage)	1%	Annual payroll
Apprenticeship Tax	1%	Annual payroll

> Verify before payroll
> VERIFY: Rate discrepancy in sources: Almawarid (March 2026) cites employer 25% + employee 9.5%; UpGrowth DZ (April 2026) cites 34.5% combined. Most English sources cite 26%/9%. Verify exact current rates at cnas.dz before running payroll.

INDICATIVE EMPLOYER SUB-BREAKDOWN

BRANCH	INDICATIVE EMPLOYER RATE
CNAS health, maternity, accidents	~12.5%
CNR retirement and early retirement	~10.25%
CNAC unemployment insurance	~1%
Occupational hazards (AT/MP)	~1.25%
▸ **Total employer (indicative)**	~25–26%

CNAS FILING & REGISTRATION

— 10+ employees: Monthly CNAS declarations.

— Fewer than 10 employees: Quarterly declarations.

— Annual salary report (DAS): within first 30 days of new calendar year.

— All employees registered with CNAS from first day of employment.

— Late payment: interest penalties apply.

IV

Income Tax: IRG (Impôt sur le Revenu Global)

PROGRESSIVE SCALE (FINANCE LAW 2022 BRACKETS, CONFIRMED FOR 2026)

ANNUAL TAXABLE INCOME (DZD)	RATE
0 – 240,000	0% (exempt)
240,001 – 480,000	23%
480,001 – 960,000	27%
960,001 – 1,920,000	30%
1,920,001 – 3,840,000	33%
Above 3,840,000	35%

KEY IRG MECHANICS: ALGERIA-SPECIFIC:

- 40% abatement (abattement forfaitaire): Applied to net salary (after CNAS deduction) before bracket calculation. This significantly reduces effective tax rates compared to headline brackets.
- Monthly gross salary ≤ DZD 30,000: Fully exempt from IRG.
- Monthly gross DZD 30,001–35,000: Progressive scale with double abatement (40% + formula-based reduction).
- Monthly gross > DZD 35,000: Standard progressive scale with 40% abatement.
- Employee CNAS (9%) deducted from gross before IRG calculation.
- Dependent deduction: DZD 12,000/dependent (up to 4 dependants, registered with DGI).
- Non-residents: 15% withholding tax on Algerian-sourced income; no deductions.

IV

Income Tax: IRG (Impôt sur le Revenu Global)

Verify before payroll

VERIFY: Non-taxation threshold was set at DZD 240,000/year (= DZD 20,000/month = old SNMG). Finance Law 2026 raised SNMG to DZD 24,000/month. Confirm whether the IRG exempt threshold was correspondingly updated to DZD 288,000/year at DGI.

V · MINIMUM WAGE (SNMG)

2026 Change: Finance Law 2026 raised the SNMG by +20% from DZD 20,000 to DZD 24,000/month effective 1 January 2026. All employees at or near the old minimum wage require immediate payroll review.

PERIOD	SNMG	EFFECTIVE
2025	DZD 20,000/month	January 2025
2026	DZD 24,000/month	1 January 2026

Note: SNMG applies to all workers. Collective agreements (CBAs) typically set higher sectoral minimums. Verify applicable CBA for your sector and check that all salaries meet the new DZD 24,000 floor.

VI · GROSS-TO-NET ILLUSTRATION (DZD 80,000/MONTH)

ITEM	CALCULATION	DZD/MONTH
Gross salary		80,000
− CNAS employee (9% × 80,000)		−7,200
Net after CNAS	80,000 − 7,200	72,800

VI

Gross-to-Net Illustration (DZD 80,000/month)

ITEM	CALCULATION	DZD/MONTH
40% abatement applied	72,800 × 40%	−29,120
Taxable monthly base		43,680
Annual taxable	43,680 × 12 = 524,160 DZD	
Annual IRG (27% bracket, indicative)	~DZD 115,000/yr	−9,583/mo
▸ **Estimated net take-home**		~63,217

EMPLOYER COST ITEM	DZD/MONTH
Gross salary	80,000
+ CNAS employer (26% × 80,000)	+20,800
+ Training/apprenticeship (~2%, annual average)	+~133
▸ **Total employer cost (indicative)**	~100,933 (~126% of gross)

Note: The 40% abatement is unique to Algeria's IRG and significantly reduces effective tax burden compared to headline brackets. A DZD 80,000/month earner effectively pays ~14% effective IRG rate on gross.

VII · SEVERANCE & TERMINATION

SEVERANCE PAY

CATEGORY	FORMULA	CAP
Standard (Labour Code)	15 days' salary per completed year of service	3 months' salary
CBA (sector-specific)	Up to 1 month per year in some sectors	6–12 months (per CBA)
Unfair dismissal (court-awarded)	Additional damages	Variable

VII

Severance & Termination

Note: Minimum 2 years of continuous service required to qualify for statutory severance. Serious misconduct: no severance.

NOTICE PERIODS (CDI)

SITUATION	NOTICE PERIOD
Employee resignation (general)	5 days per year of service, maximum 30 days
Employer notice (standard CDI)	Minimum 1 month (most CBAs specify longer)
CBA executives/senior staff	Up to 6–12 months per some CBAs
Probation period termination	No notice required

PROBATION PERIOD

POSITION CATEGORY	MAXIMUM PROBATION
Workers	6 months
Employees / technicians	6 months
Senior / management	Up to 12 months

Note: No notice, no severance during probation. Probation must be explicitly stated in the contract.

VIII

Work Permits & Visas for Foreign Employees

REQUIREMENT	DETAIL
Work permit	Autorisation de travail from Ministry of Labour; required before starting work
Permit validity	Maximum 2 years; renewable
Short-term (< 3 months)	Temporary work authorisation required
Residence permit	Carte de Résident applied for after arrival
Currency controls	Critical: Bank of Algeria restricts DZD conversion and salary repatriation for expatriates

> Verify before payroll
> VERIFY: Algeria's work permit process is not well-documented in English. Currency repatriation restrictions are a material risk for expatriate compensation. Verify current Ministry of Labour requirements and Bank of Algeria FX rules with local counsel.

IX · COMPLIANCE CALENDAR

OBLIGATION	FREQUENCY	DEADLINE
CNAS declaration (10+ employees)	Monthly	Monthly
CNAS declaration (< 10 employees)	Quarterly	Quarterly
IRG withholding + DGI payment	Monthly	Monthly
Annual salary report (DAS)	Annual	First 30 days of new year
Training + Apprenticeship Tax	Annual	Annual declaration

IX

Compliance Calendar

OBLIGATION	FREQUENCY	DEADLINE
SNMG compliance (DZD 24,000 from Jan 2026)	Per decree	Immediate: review all salary records
Work permit renewal	Per expiry	Before 2-year permit expiry

X · PRACTICAL NOTES & KEY RISKS

— SNMG +20% from January 2026: DZD 24,000 is a significant jump from DZD 20,000. Review all near-minimum wage employees immediately; cascade effect may trigger CBA adjustments for higher bands.

— Law 25-08 maternity (150 days from July 2025): Major change from old 98-day entitlement. Update HR policies and CNAS coordination procedures. Budget impact: CNAS funds at 100%, not employer: but absence management and backfill planning now cover ~5 months.

— CNAS rate discrepancy: Verify exact current rate (25% or 26% employer; 9% or 9.5% employee) at cnas.dz before each payroll run. Using wrong rate triggers interest penalties.

— 40% abatement is unique: Algeria's IRG mechanism is different from Morocco and Tunisia. Do not apply Moroccan or Tunisian gross-to-net logic to Algerian payroll.

— Currency controls are a real operational risk: Foreign employees expecting to repatriate DZD salary face Bank of Algeria restrictions. Structure expat compensation carefully: ideally through EOR with established FX procedures.

— Arabic is legally operative: All contracts must ultimately be in Arabic (bilingual is standard practice; Arabic governs). Payslips can be bilingual: DGI accepts French.

— 2026 digital reporting: Stricter requirements for large-turnover companies and PEs. Ensure payroll system can generate DGI-compliant digital declarations.

— No expat exemption: All employees pay CNAS at 9% and IRG. No separate expatriate social insurance track exists.

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CNAS, IRG, the 2026 SNMG increase, maternity reform and expatriate currency controls require one reconciled payroll process. Datassist helps international employers coordinate Algeria payroll and employment operations from one centre.

Schedule a Meeting →

7+
MENA MARKETS

1
ONE COMPLIANCE OPERATION

0%
MISSED PAYROLL DEADLINES