datassist

Morocco

Payroll & Employment Law Guide

2026 Edition · Last updated August 2026

Labour Code (Law 65-99) · Finance Law 2026 (Law 50-25) · CNSS Social Insurance

Overview

A reference for employing in Morocco

Regional Note: Morocco is francophone Africa's largest nearshore and outsourcing market. French is the operative language for all payroll, contracts, regulatory filings, and CNSS/DGI submissions (even though Arabic is the constitutional official language). Unlike Gulf countries, Morocco has NO expatriate exemption from social insurance: all employees (Moroccan and foreign) contribute at the same CNSS/AMO rates.

44h	MAD 17.92	37%	6,000
MAXIMUM WORKING WEEK	2026 HOURLY SMIG	TOP PERSONAL INCOME TAX RATE	MAD MONTHLY CNSS CEILING

WHAT THIS GUIDE COVERS

I	**Company Setup & Business Environment**	Morocco is francophone Africa's largest nearshore and outsourcing market.
II	**Working Hours & Leave**	Maximum: 44 hours/week (non-agricultural); daily maximum 10 hours.
III	**CNSS Social Insurance & AMO: 2026**	No personal income tax exemption based on nationality.
IV	**Income Tax: IR (Impôt sur le Revenu)**	VERIFY: Exempt threshold raised from MAD 30,000 to MAD 40,000 under Finance Law 2025.
V	**Minimum Wage (SMIG / SMAG)**	Note: Base salary alone must meet SMIG: variable allowances and bonuses cannot substitute.
VI	**Gross-to-Net Illustration (MAD 12,000/month, married, 2 children)**	Note: Employer on-cost ~17–25% above gross (varies by sector and workplace accident rate).
VII	**Severance (Indemnité de Licenciement)**	Statutory severance under Labour Code Article 52.
VIII	**Hiring & Termination**	Written contract required; French or Arabic language.
IX	**Work Permits & Visas for Foreign Employees**	Morocco's work authorisation is employer-driven with a fixed sequential process.
X	**Practical Notes & Key Risks**	No Gulf-style expat exemption: All employees (Moroccan and foreign) pay CNSS + AMO + IR.

I

Company Setup & Business Environment

Regional Note: Morocco is francophone Africa's largest nearshore and outsourcing market. French is the operative language for all payroll, contracts, regulatory filings, and CNSS/DGI submissions (even though Arabic is the constitutional official language). Unlike Gulf countries, Morocco has NO expatriate exemption from social insurance: all employees (Moroccan and foreign) contribute at the same CNSS/AMO rates.

LEGAL ENTITY TYPES

— SARL (Société à Responsabilité Limitée): Limited liability company; most common for foreign investors; minimum capital MAD 10,000 (no paid-up requirement).

— SA (Société Anonyme): Joint stock company; minimum capital MAD 300,000 (public) or MAD 100,000 (private).

— Branch (Succursale): Direct presence of a foreign company; fully taxable.

— Representative Office (Bureau de Liaison): Promotion/liaison only; no commercial activity.

— Casablanca Finance City (CFC): Premier financial hub; employees benefit from 20% flat IR rate (up to 10 years).

— EOR Option: International companies can employ staff in Morocco through an EOR without a local entity.

KEY REGULATORY PLATFORMS

PLATFORM	FUNCTION
Damancom (cnss.ma)	Monthly CNSS and AMO declaration and payment
SIMPL-IR / DGI portal	Monthly IR withholding payment and annual declarations
ANAPEC	Labour market test for hiring foreign nationals
Inspection du Travail	Employment contract visa (mandatory stamp) + labour disputes
DGSN	Residence permit (Carte de Séjour) for foreign employees

II

Working Hours & Leave

STANDARD HOURS

— Maximum: 44 hours/week (non-agricultural); daily maximum 10 hours.

— Standard: 2,288 hours/year; many sectors operate 40 hours/week under CBA.

— Weekly rest: minimum 24 consecutive hours; typically Sunday.

OVERTIME

TYPE	PREMIUM
Daytime overtime (06:00–21:00)	+25% of hourly rate
Night overtime (21:00–06:00)	+50% of hourly rate
Public holiday or weekly rest day work	+100% (double pay)

ANNUAL LEAVE

TENURE	ENTITLEMENT
First 5 years	1.5 working days/month = 18 working days/year
After 5 years	2 working days/month = 24 working days/year
Under 18 years old	Minimum 3 days/month regardless of tenure

Note: Leave pay settled before departure. Unused leave fully cashed out on termination. Entitlement accrues from day 1; usable after 6 months.

SICK LEAVE

— Entitled to full pay for up to 26 weeks with valid medical certificate.

II

Working Hours & Leave

- CNSS short-term allowance: 2/3 of average daily salary from day 4 (employer pays first 3 days).
- Qualifying condition for CNSS: minimum 54 contribution days in last 6 months.
- Beyond 26 weeks: medical board review; termination only after formal process.

MATERNITY LEAVE

- Duration: 14 weeks paid (min. 7 weeks pre-birth, 7 weeks post-birth).
- CNSS pays: 2/3 of average insured salary; employer may top up to full salary per contract/CBA.
- Qualifying condition: minimum 54 contribution days in the 10 months before delivery.
- Employer cannot terminate during maternity leave.

> Verify before payroll
> VERIFY: Law 54-23 (February 2026) is transferring public-sector health insurance (CNOPS) management to CNSS. Verify whether this reform changes AMO mechanics for private sector employees.

PATERNITY LEAVE

3 days paid (Labour Code Article 269). Taken around the birth event.

PUBLIC HOLIDAYS

Approximately 13–14 official public holidays per year: New Year, Amazigh New Year (13 January), Labour Day (1 May), Throne Day (30 July), Oued Eddahab Day (14 August), Revolution Day (20 August), Youth Day (21 August), Green March (6 November), Independence Day (18 November), Eid Al-Fitr (2 days), Eid Al-Adha (2 days), Prophet's Birthday, Islamic New Year.

III

CNSS Social Insurance & AMO: 2026

No personal income tax exemption based on nationality. All private sector employees: Moroccan and foreign: contribute at identical rates. The CNSS ceiling (MAD 6,000/month) is the single most important number to understand.

BRANCH	EMPLOYER	EMPLOYEE	BASE	CAP
Short-term benefits (sickness, maternity)	0.52%	0.52%	Gross salary	MAD 6,000/month
Long-term benefits (pension, disability, death)	8.98%	3.96%	Gross salary	MAD 6,000/month
CNSS subtotal	8.98%	4.48%		MAD 6,000/month
Family allowances	6.40%	—	Total gross	No cap
AMO: mandatory health insurance	4.11%	2.26%	Total gross	No cap
Vocational training tax (TFP)	1.60%	—	Total gross	No cap
Workplace accident insurance	0.5%–3% (sector))	—	Total gross	No cap
Employer total (indicative)	~21.09%	6.74%		

Note: Critical: the MAD 6,000/month ceiling applies ONLY to CNSS short/long-term benefits. Maximum employee CNSS deduction = 4.48% × 6,000 = MAD 269/month regardless of actual salary. AMO (2.26%) and family allowances (employer 6.40%) have NO cap: applied to full gross salary. For an employee earning MAD 30,000/month, AMO alone costs MAD 678/month.

CNSS PAYMENT & FILING

- Monthly declaration + payment via Damancom portal.
- Deadline: last day of the following month.
- Late payment surcharge: 3% per month on overdue amounts.
- All employers must register with CNSS before first employee starts; individual employee registration mandatory.

III

CNSS Social Insurance & AMO: 2026

Verify before payroll

VERIFY: Workplace accident insurance rate varies by sector activity code (0.5%–3%). Confirm your sector's assigned rate with CNSS before first payroll run.

IV · INCOME TAX: IR (IMPÔT SUR LE REVENU)

PROGRESSIVE SCALE (FINANCE LAW 2025, CONFIRMED FOR 2026)

ANNUAL NET TAXABLE INCOME (MAD)	RATE
0 – 40,000	0% (exempt)
40,001 – 60,000	10%
60,001 – 80,000	20%
80,001 – 100,000	30%
100,001 – 180,000	34%
Above 180,000	37%

Verify before payroll

VERIFY: Exempt threshold raised from MAD 30,000 to MAD 40,000 under Finance Law 2025. Top rate reduced from 38% to 37%. Some sources still cite 38% (old pre-2025 scale). Verify at tax.gov.ma before applying.

CALCULATION SEQUENCE (MONTHLY)

— Gross salary − CNSS employee (4.48% × MAD 6,000 cap) − AMO employee (2.26% on full gross)

— − Professional expenses deduction: 20% of net taxable (capped at MAD 30,000/year)

— − Family deductions: MAD 600/dependent/year (max 6 dependants = MAD 3,600/year): raised from MAD 500 in Finance Law 2026

— Apply annual progressive bracket → divide by 12 = monthly IR withheld

— Employer remits IR to DGI by last day of the following month.

IV

Income Tax: IR (Impôt sur le Revenu)

SPECIAL IR REGIMES

REGIME	DETAIL
New hire exemption (2021–2026)	Salaries of newly recruited employees hired 1 Jan 2021 – 31 Dec 2026 are IR-exempt for the first 36 months of employment. Major incentive for new entities.
Casablanca Finance City (CFC)	Employees may opt for 20% flat IR rate for up to 10 years: vs. 0%–37% progressive. Finance Law 2026 confirms 10-year maximum.
MRE pension transfer	80% allowance on foreign pension amounts transferred to Morocco.

> Verify before payroll
> VERIFY: New hire 36-month IR exemption expires for hires after 31 December 2026. Confirm whether Finance Law 2026 or subsequent legislation extends this incentive.

V · MINIMUM WAGE (SMIG / SMAG)

SECTOR	RATE	MONTHLY EQUIVALENT	EFFECTIVE
Non-agricultural (SMIG)	MAD 17.92/hour	~MAD 3,422.72 (191 hrs)	1 January 2026

SECTOR	RATE	MONTHLY EQUIVALENT	EFFECTIVE
Agricultural (SMAG)	MAD 97.44/day	~MAD 2,400/month	April 2026

Note: Base salary alone must meet SMIG: variable allowances and bonuses cannot substitute. Non-compliance: MAD 25,000–30,000 fine (doubled on repeat offence). SMIG is typically revised annually by ministerial decree.

VI

Gross-to-Net Illustration (MAD 12,000/month, married, 2 children)

ITEM	CALCULATION	MAD/MONTH
Gross salary		12,000
− CNSS employee (4.48% × 6,000 cap)		−269
− AMO employee (2.26% × 12,000)		−271
Net after social contributions	12,000 − 540	11,460
− Professional expenses (20%, cap MAD 2,500/month)		−2,292
Monthly net taxable	9,168 × 12 = MAD 110,016/year	9,168
− IR (annual at 34% bracket)	(110,016 × 34% − 22,000) ÷ 12 = ~1,284	−1,284
− Family deductions (3 dependants × MAD 600/yr ÷ 12)		−150
▸ **Estimated net take-home**		~10,297

EMPLOYER TOTAL COST BREAKDOWN:

ITEM	MAD/MONTH
Gross salary	12,000
+ CNSS employer (8.98% × 6,000 cap)	+539
+ Family allowances (6.40% × 12,000)	+768
+ AMO employer (4.11% × 12,000)	+493
+ Vocational training (1.60% × 12,000)	+192
+ Workplace accident (~1.0% × 12,000)	+120
▸ **Total employer cost (indicative)**	~14,112 (~118% of gross)

VI

Gross-to-Net Illustration (MAD 12,000/month, married, 2 children)

Note: Employer on-cost ~17–25% above gross (varies by sector and workplace accident rate). For managerial profiles (high salary, no CNSS cap effect on capped components but full AMO + family allowances) total reaches ~125–127% of gross salary.

VII · SEVERANCE (INDEMNITÉ DE LICENCIEMENT)

Statutory severance under Labour Code Article 52. Applies to employees with at least 6 months of continuous service terminated without serious misconduct. Formula is based on hours of average pay.

TENURE	HOURS OF AVERAGE PAY PER COMPLETED YEAR
Years 1–5	96 hours
Years 6–10	144 hours
Years 11–15	192 hours
Beyond 15 years	240 hours

Calculation base: Average hourly wage over last 52 weeks (including regular allowances). Tax: Exempt from IR up to MAD 1,000,000 (Finance Law 2023). Unfair dismissal: Additional termination indemnity of 1.5 months' pay per year of service, capped at 36 months' total pay.

ILLUSTRATIVE SEVERANCE: 8 YEARS SERVICE, MAD 10,000/MONTH AVERAGE:

PERIOD	CALCULATION	MAD
Years 1–5 (96 hrs/yr)	5 × 96 × (10,000 ÷ 191)	25,131
Years 6–8 (144 hrs/yr)	3 × 144 × (10,000 ÷ 191)	22,618
▸ **Total severance**		47,749

VIII

Hiring & Termination

EMPLOYMENT CONTRACTS

- Written contract required; French or Arabic language.
- Must be submitted to Inspection du Travail for visa stamp (mandatory: including foreign employee contracts).
- Fixed-term (CDD): maximum 1 year; renewable once; auto-converts to CDI after 2nd renewal or total > 2 years.
- Open-ended (CDI): default and presumed unless fixed-term properly justified.

PROBATION PERIOD

EMPLOYEE CATEGORY	MAXIMUM PROBATION
Workers and employees	15 days (renewable once = 30 days max)
Supervisors and technicians	45 days (renewable once = 90 days max)
Managers and executives	3 months (renewable once = 6 months max)

Note: No notice or severance required during probation. Cannot be reapplied for the same role.

NOTICE PERIODS (CDI / UNLIMITED-TERM)

CATEGORY (TENURE)	NOTICE
Workers/employees: < 5 years	8 days
Workers/employees: ≥ 5 years	15 days – 1 month (per CBA)
Supervisors/technicians: < 5 years	1 month
Supervisors/technicians: ≥ 5 years	2 months
Managers/executives (all tenure)	3 months

VIII

Hiring & Termination

Note: Pay in lieu of notice permitted. During notice period, employee entitled to 2 hours/day job-search leave. Redundancy (collective) requires Inspection du Travail notification and formal consultation procedure.

IX · WORK PERMITS & VISAS FOR FOREIGN EMPLOYEES

Morocco's work authorisation is employer-driven with a fixed sequential process. Steps cannot be reordered. Tourist visa entry and in-country conversion is not a valid procedure.

STEP	WHO	WHAT
1. Labour market test	Employer	Publish vacancy with ANAPEC; bilingual newspaper ads; demonstrate no qualified Moroccan candidate (~30 days)
2. ANAPEC certificate	ANAPEC	Issues certificate confirming no suitable Moroccan candidate
3. Contract visa stamp	Inspection du Travail	Employment contract submitted for official stamp; must comply with Labour Code in all respects
4. Work auth orisation card	Ministry of Labour	Issued to employee; renewable annually with employment contract
5. Entry visa	Moroccan consulate abroad	Employee applies for long-stay work visa in home country
6. Residence permit (Carte de Séjour)	DGSN	Applied for within 90 days of arrival; renewable annually

Total timeline: 3–6 months in practice (ANAPEC + contract visa stages are the longest).

ANAPEC EXEMPTIONS (NO LABOUR MARKET TEST REQUIRED)

- Foreign nationals seconded from overseas parent to Moroccan subsidiary (strongest exemption for corporate transfers)
- Foreigners born in Morocco or to a Moroccan mother
- Foreigners married to Moroccan nationals

IX

Work Permits & Visas for Foreign Employees

— Partners or shareholders in the company's capital

— Delegates on cooperation/mission assignments ≤ 6 months (non-renewable)

— Political refugees and stateless persons

X · PRACTICAL NOTES & KEY RISKS

— No Gulf-style expat exemption: All employees (Moroccan and foreign) pay CNSS + AMO + IR. Budget total employer cost at ~117–127% of gross salary.

— CNSS ceiling is your critical number: MAD 6,000/month ceiling on CNSS proper; but AMO (4.11% employer, 2.26% employee) and family allowances (6.40% employer) are uncapped and apply to full gross salary.

— Contract visa is mandatory: Every employment contract must be stamped by the Inspection du Travail before work begins: foreign and Moroccan employees alike. Unstamped contracts create compliance exposure.

— New hire IR exemption (36 months): If your entity is new or hiring new staff before December 2026, this exemption dramatically reduces net cost for the employee. Track the 36-month window per hire date.

— CFC for financial services: If your Morocco operations qualify for CFC status, the 20% flat IR rate for employees is a material talent attraction advantage.

— Severance accrues from month 7: Unlike MENA EOSB (which sometimes starts from year 1), Moroccan severance is available after 6 months. Include monthly accrual at ~4–5% of gross in your headcount cost model.

— Work permit takes 3–6 months: Plan foreign hires well in advance. Intra-group transfer exemption from ANAPEC is the fastest route for multinational secondments.

— Fixed-term contract risk: Auto-converts to unlimited-term after 2 renewals or 2 years total. Monitor expiry dates carefully.

— French language: All CNSS and DGI submissions, employment contracts, and regulatory correspondence must be in French (or bilingual). Arabic-only documents may be rejected.

datassist

EOR & PAYROLL, HANDLED

Manage your Turkey & MENA payroll & employment from one centre with Datassist.

CNSS and AMO, IR withholding, the SMIG floor, contract stamping and ANAPEC work-authorisation steps must stay aligned. Datassist helps international employers coordinate Morocco payroll and employment operations from one centre.

Schedule a Meeting →

7+	**1**	**0%**
MENA MARKETS	ONE COMPLIANCE OPERATION	MISSED PAYROLL DEADLINES