

Yemen

Payroll & Employment Law Guide

2026 Edition · Last updated August 2026

Labour Law No. 5/1995 (amended 2008) · Civil Conflict Context

Overview —

A reference for employing in Yemen

Critical: COUNTRY CONTEXT: CIVIL CONFLICT: Yemen has been in civil war since 2015. Two de-facto administrations (IRG/Aden and Houthis/Sanaa) control different territories. Banking system fragmented; currency split. Labour law enforcement severely limited. This guide reflects the formal legal framework; actual conditions vary drastically by region.

48h	9%	6%	30d
STANDARD WORKING WEEK	PRIVATE-SECTOR EMPLOYER GOSI	PRIVATE-SECTOR EMPLOYEE GOSI	ANNUAL LEAVE

WHAT THIS GUIDE COVERS

I	Social Insurance (GOSI): 2026	Note: Sickness, maternity, and work injury paid directly by employer (not via GOSI contributions).
II	Income Tax	VERIFY: Actual tax enforcement minimal due to conflict conditions.
III	Working Conditions & Leave	Working Conditions & Leave
IV	Severance & Termination	Employees not covered by GOSI: 1 month salary per year of service (last wage basis).
V	Operational Risk Assessment	Operational Risk: EXTREME RISK: Civil war, dual administration, fragmented banking, severely collapsed currency.

I

Social Insurance (GOSI): 2026

Verify before payroll

Critical: COUNTRY CONTEXT: CIVIL CONFLICT: Yemen has been in civil war since 2015. Two de-facto administrations (IRG/Aden and Houthis/Sanaa) control different territories. Banking system fragmented; currency split. Labour law enforcement severely limited. This guide reflects the formal legal framework; actual conditions vary drastically by region.

CONTRIBUTOR	RATE	BASE
Employer (private sector)	%9	Gross salary (basic + allowances; bonuses/OT excluded)
Employee (private sector)	%6	Gross salary
► Total	%15	

Note: Sickness, maternity, and work injury paid directly by employer (not via GOSI contributions).

II · INCOME TAX

ANNUAL TAXABLE INCOME (YER)	RATE
0 - 144.000	%10
144.001 - 1.200.000	%15
1.200.001 - 3.600.000	%20
Above 3,600,000	%25

Verify before payroll

VERIFY: Actual tax enforcement minimal due to conflict conditions. Verify in relevant territory.

III

Working Conditions & Leave

ITEM	DETAIL
Working hours	48 hours/week; Ramadan 36 hours
Overtime	+50% (weekday); +100% (night/Friday/holiday)
Annual leave	30 working days/year (full pay)
Sick leave	Up to 8 months (reducing: 100%→ 85%→ 75%→ 50%)
Maternity leave	70 days full pay (employer-funded); difficult birth: +20 days; max 90 days
Paternity leave	No statutory provision

IV · SEVERANCE & TERMINATION

- Employees not covered by GOSI: 1 month salary per year of service (last wage basis).
- Employee resignation due to employer misconduct: max 6 months salary.
- Notice: 30 days (monthly salary); 15 days (fortnightly).

V · OPERATIONAL RISK ASSESSMENT

Operational Risk: EXTREME RISK: Civil war, dual administration, fragmented banking, severely collapsed currency. Houthi designation as FTO creates sanctions risk. Specialized risk assessment and security planning mandatory before any commercial operation.

- IRG (Aden) vs Houthi-controlled area: Establish clearly which territory; determines which regulations apply in practice.
- Currency: YER, SAR, or USD depending on location and employer type.
- Sanctions screening: Check US/EU designation lists for Houthi-linked contractors or partners.

This document is for general information only. Seek local legal advice before making decisions. Datassist assumes no liability.

**EOR & PAYROLL, HANDLED**

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

Dual administration, fragmented banking, currency divergence and sanctions exposure require territory-specific legal and security review before operations. Datassist helps international employers coordinate documented Yemen, Turkey and wider MENA payroll and employment workflows from one centre.

[Schedule a Meeting →](#)**7+**

MENA MARKETS

1

ONE COMPLIANCE OPERATION

0%

MISSED PAYROLL DEADLINES