

# Lebanon.

## 1. Government requirements

### Registration requirements

#### Social security registration

Each company, with at least one employee, has to register itself with the National Social Security Fund (NSSF). A taxpaying company is required to register new employees with the NSSF within 15 days of their employment. Social security contributions are payable on a quarterly basis for companies with fewer than 10 employees, and on a monthly basis for companies with 10 or more employees.

#### Registration with the Payroll Tax Department

Each employer is required to register its employees within two months of their commencement of work. Certain forms (R3, R3-1) should be completed and submitted to the tax authorities.

### Ongoing compliance requirements

#### Employees' income tax

As per the Lebanese Income Tax Law, the employer is responsible for administering employees' income tax relating to their salaries and benefits. On a monthly basis, companies must withhold the imputed tax from the employees' payments and remit it on a quarterly basis to the tax authorities.

The required forms and deadlines are as follows:

- R10 — employees' quarterly income tax return; deadline: within 15 days from the end of each quarter
- R5 — employees' annual income tax return; deadline: before end of February of the following year
- R6 — individual's annual income tax return; deadline: before end of February of the following year
- R7 — list of employees who left the company during the year; deadline: before end of February of the following year
- R8 — personal return for an employee who works for more than one entity; deadline: before 30 April of the following year

The R10, R5, R6 and R7 forms are submitted online through the portal of the Lebanese Ministry of Finance (MoF).

**Employees' income tax brackets are progressive from 2% to 25%.**

## 2. Pension requirements

### Registration requirements

Registration with the NSSF: A taxpaying company is required to register new employees with the NSSF within 15 days of their employment.

The registration forms for the SS are as follows:

- SS employment form for employees being registered with the NSSF for the first time
- SS notification form for employees previously registered with the NSSF

### **Ongoing compliance requirement**

Each employer has to account for the following monthly contributions:

- From the employee's total income, 8.5% toward the end-of-service indemnity
- Six percent of the employee's total income (with an income ceiling of LBP1.5 million toward family contributions
- Eight percent of the employee's total income (with an income ceiling of LBP2.5 million toward sickness and maternity contributions, and an additional 3% contribution by the employee

## **3. Employment obligations**

Employment obligations include official transportation allowance (LBP8,000), official schooling allowance (LBP750,000 per child, up to three children. The allowance per employee should not exceed LBP1,500,000) and 15 days leave per year.

### **End-of-service indemnity**

As per the SS law, each employee is entitled to end-of-service indemnity, which is calculated by multiplying his or her years of service by his or her last salary as on the date of cessation of employment

## **4. Payroll requirements**

Payslips must be provided to the employee on a monthly basis. In addition, these payslips must be signed and stamped.

There is no currency limitation on the payment of salary, however employee income tax returns and related payments made to tax authorities should be in local currency.

## **5. Banking requirements related to payroll**

The employer may pay to employees via check, cash or electronic funds transfer.