

Morocco

1. Government requirements

Registration requirements

Social security registration with social security fund - Caisse Nationale de Sécurité Sociale (CNSS)

1. Employer registration with CNSS:

When a business enters Morocco and employs people, the business must register with CNSS by completing forms available on its website. If the business has already obtained an affiliation number, it can register by completing an additional business form which is also available on the CNSS website. DAMANCOM is an internet platform through which employers can declare and pay social charges on a monthly basis

2. Employee registration with CNSS:

Each new employee must have a CNSS number. If the employee already has a number, this number will be kept as each employee has one CNSS number for all his or her professional career. For each new employee, a form must be completed and provided to the CNSS.

These requirements are governed by Dahir No. 1-59-148 of 30th jourmada II 1379 (Arab calendar) (31 December 1959), and Dahir regarding Law No. 1-72-184 of 15th jourmada II 1392 (27 July 1972)

3. Employer — Health Insurance (AMO)

The affiliation to "l'assurance maladie obligatoire" (AMO) (mandatory medical insurance) is mandatory by law in Morocco, according to "Article 114 du Texte de Loi No. 65-00".

Ongoing compliance requirements

Monthly individual income tax (IR) withholding obligation

The employer is obliged to withhold the "Impôt sur le revenu" (IR - payroll tax) from the employee's payroll on a monthly basis and settle this on behalf of the employee. The employer should file the employee's IR return with the local tax office and settle the IR payable before the 30th of the following month, i.e., Payroll tax of October should be paid at least by 30 November (Before 1 December).

The salaries and wages received by the employee are subject to Morocco IR at six progressive tax rates ranging from 0% to 38%, and five specific rates from 10% to 30%, i.e., 30% specific rate eligibility are for providers of services with no professional tax.

The requirements are governed by Article 6 of Finance Law No. 35-05 for 2006, approved by the "Dahir No. 1-05-197 du 24 kaada 1426 (26 December 2005)".

Annual individual income tax (IR) declaration

Annual individual income tax (IR) declaration the employer is obliged to declare the annual payroll under the "Etat 9421" (annual payroll return) form. This declaration should be made by the end of February each year.

Social solidarity contribution

The social solidarity contribution is a contribution that was introduced in 2021, charged to employees subjected to the PIT of their professional, agricultural, salary and other incomes.

This new contribution (SSC) will be calculated at the rate of 1.5% on the global net to pay (Net to pay before retirement and mortgage rebate deductions) from all of the revenue collected by the employee in the Moroccan territory (Example: salaries), the citizens concerned by this contribution are the persons who have an annual net to pay (after PIT and social contribution deductions) higher or equal to 240 000,00 MAD (annual) / 20 000,00 MAD (monthly). This contribution will be adjusted each month if the employee will exceed the monthly cap of 20 000,00 MAD.

Article 273 of the Moroccan general tax code referring to the duration and application of the SSC will apply only for 2021 (mainly due to COVID-19 FY2020 social impacts), but it is not excluded that it could be renewed for the upcoming years.

Annual SSC declaration

The employer is obliged to declare the annual social solidarity contribution under the SSC annual return form. This declaration should be made by the end of February each year.

2. Pension requirements

Registration requirements

Retirement pension — “Caisse Interprofessionnelle Marocaine de Retraites” (CIMR - Moroccan interprofessional retirement fund)

The retirement pension is not mandatory in Morocco. However, a company can choose to be affiliated to the CIMR. The firm should subscribe to one of the two existing CIMR retirement pensions. The social charge rates depend on which offer the company chooses.

More details can be found at www.cimr.ma

CIMR payment

The employee social charge is deducted from his or her payslip.

The employer social charge must be paid within 45 days after the end of the quarter.

More details can be found at www.cimr.ma.

Ongoing compliance requirement

The same treatment as CIMR should be applied. This is not mandatory by Moroccan law.

3. Employment obligations

The employer should follow the Labor Law for all employment issues Including:

Working hours

In accordance with Law Article 184 “code du travail” (Labor Code), working hours per week is 44 hours, with a maximum of 10 hours per day.

Vacation days

The minimum vacation allowed is 1.5 days per month (18 days per year).

Minimum wage

The minimum wage is MAD14.81 per hour and MAD2,828.71 per month for industry, trade and services (since July 2020).

Notice period – préavis

It differs depending on the function of the employee and his seniority. For executives and such similar designations, the notice period according to their tenure is:

- Less than one year of tenure: one month
- One to five years of tenure: two months
- More than five years tenure: three months

Workplace accident — accident du travail (AT)

Workplace accident (AT) insurance is mandatory in Morocco. The employees are entitled to a compensation payable by the company for accidents that occur inside the company and during the journey between home and the workplace.

This is governed under Dahir No. 1-60-223 du 12 ramadan 1382 (6 février 1963) portant modification en la forme du dahir du 25 hija 1345 (25 juin 1927) relatif à la réparation des accidents du travail". (Amendment of the law relating to the compensation for work accidents)

4. Payroll requirements

The employer is required to make a salary payment to the employee every month.

5. Banking requirements related to payroll

Payroll payments can be paid by one or a combination of:

- Cash
- Check, money order or postal order, payable to the employee
- Electronic funds transfer (i.e., EFT or bank transfer)

If paying wages by cash, the employer and the employee should sign a record to confirm the amount of money that has been paid each pay period.