

Country Workforce Report

Algeria

Algeria is a country in North Africa, and it is considered a part of the Maghreb region of North Africa. With a population of 44 million, Algeria is ranked as the ninth-most populous country in Africa and the 32nd most populous country in the world. Algiers, the country's capital and largest city, is located in the far north of the Mediterranean coast.

As of 2021, the GDP in Algeria was worth USD 163.04 billion.



Major Projects Taking Place in Algeria



Hassi Messaoud Oil Refinery Project

The Hassi Messaoud refinery project is a grassroots crude oil refinery planned in the Ouargla province of Algeria. Algerian state-owned company, Sonatrach, will own and operate the USD 3.68 billion oil refinery facility, which is scheduled to begin operations in the first half of 2024.

The project construction will be executed by a joint venture between South Korea's Samsung Engineering (45%) and Spanish firm Técnicas Reunidas (55%).

Boost in Natural Gas Output Pipeline

Sonatrach, Algeria's national energy company, plans to invest more than USD 30 billion in the exploration and production of hydrocarbons, notably natural gas, and upgrading facilities to improve its position in global markets for LNG (Liquified Natural Gas) as well as pipeline gas for Europe.

Sonatrach signed a contract in 2022 with two Chinese engineering companies, Sinopec Luoyang Engineering and Sinopec International Petroleum Services Corp., for improvement work at the Skikda LNG Plant.

Development and Exploitation of Phosphate Deposit in Bled El Hadba, Djebel Onk, Tebessa

In March 2022, four Algerian and Chinese firms signed a deal worth nearly USD 7 billion to develop an integrated phosphates project (PPI) in Algeria. The agreement was signed by Algerian firms Manal and Asmidal, with Chinese firms Wuhuan Engineering and Tian'An Chemical, a nitrogen and phosphate fertilisers production company.

The project is expected to create approximately 12,000 jobs in the construction phase and in the long term, 6,000 direct jobs and 24,000 indirect jobs in the operating phase. With this project, Algeria will produce more than 6 million tonnes of phosphate products annually.

Renewable Energy Production

The Algerian government has ambitions to develop green energy, as initiatives began rolling out to diversify the use of alternative energy sources for the future. The Ministry of Energy and Mines has established a target to reach a total renewable energy capacity of 22,000 MW by 2030 for its national market, accompanied by a strategic objective for exportation.

Spotlight on Employment and Payroll in Algeria

Minimum Salary

The minimum salary in Algeria is **DZD 20,000** per month.

Types of Contract

There are **two types of contracts** available in the country:

1. Fixed Term
2. Permanent Contract

Probation Period

There are no specific clauses which define the probation period for employees in Algeria. However, the standard practice of probation typically ranges between **one (1) to three (3) months**, or even **six (6) months**.

Working Hours

The normal working hours is **40 hours a week**, divided into **five (5) working days**. All workers have the right to **one (1) day of rest per week**. In Algeria, the weekend is on Friday and Saturday.

Night Shift

Employees who work from **9pm to 5am** are considered to be on the night shift in Algeria.

Overtime Payment

Overtime payment in Algeria **cannot be less than 50%** of the normal hourly rate.



Spotlight on Employment and Payroll in Algeria

Types of Leave

Annual Leave

The leave cycle in Algeria runs from **1st July to 30th June**. For new employees, the leave cycle starts on the commencement date.

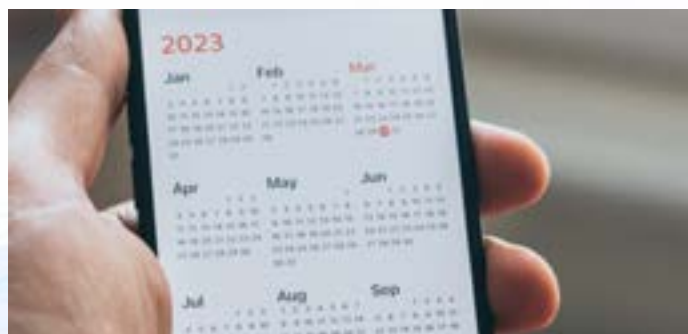
Employees are entitled to **2.5 days** of annual leave per month, not exceeding 30 days of annual leave per year of employment.

In Algeria, employees can carry over unused leave for up to **five (5) years**. If the five year period is exceeded, the balance will be zero.

Sick Leave

Employees are entitled to **15 days** of paid sick leave at half pay from their first day of sick leave, and full pay from the 16th day of sickness or earlier if the employee is admitted to the hospital prior to the 16th day.

Sick pay and medical expense reimbursement are paid for by the National Fund of Social Security, which is funded by mandatory social contributions paid by both the employer and the employee.



Maternity Leave

Female employees are entitled to a maximum of **14 weeks** of fully paid maternity leave and the employee must stop working at least one week before their due date, provided that they have worked:

- At least **nine (9) days** or **60 hours** during the three preceding months, or
- **36 days** or **240 hours** during the 12 months preceding to the first medical acknowledgement of pregnancy

In order to receive maternity pay, a registered doctor or qualified professional must have assisted with the birth.

Paternity Leave

Male employees are entitled to **three (3) days** of paid paternity (emergency) leave for the birth of a child.

Additional Leave

Employees are also entitled to **three (3) days** of paid leave for the following family events:

- Marriage of the employee
- Birth of the employee's child
- Circumcision of the employee's child
- Marriage of the employee's descendant
- Death of the employee's immediate family member or blood relative
- Death of employee's spouse

Spotlight on Employment and Payroll in Algeria

Termination of Employment

Cause for Termination

In Algeria, an employer can only terminate a contract for two reasons:

1. Gross Misconduct
2. Economic Reason

Contract termination besides these two reasons will result in unfair dismissal.

Termination of Fixed Term Contract

Terminating a fixed term contract before the end of its term will result in compensation for the remainder of the contract.

Termination for economic reasons in Algeria requires the employer to ensure that necessary steps have been taken to reduce the number of terminations, such as:

1. Reduction of working hours
2. Introducing part-time work
3. Procedure for retiring employees
4. Transfer of employees to other business segments where they can develop (employees who refuse will be offered a termination package)



Termination for Gross Misconduct

In case of termination under gross misconduct, no indemnity will be given to the employee. The following are examples of gross misconduct acts:

1. Failure to execute instructions related to job performance without a valid reason.
2. Disclosure of the company's internal confidential information, such as technical, technology, internal organisation documents, and process documents to third parties.
3. Acts of violence.
4. Wilful destruction of company materials related to the job.
5. Consumption of alcohol or drugs at work.

To determine the extent of the gross misconduct, the employer must understand the circumstances surrounding the misconduct, the extent of its impact, the losses incurred by the company, and the employee's behaviour prior to the act. Then they can make their decision to terminate based on gross misconduct. The procedure would be as follows:

1. Notify the employee in writing about the termination.
2. Call the employee to a hearing and then dismiss them.

Termination by Mutual Agreement

The Algerian law also allows the employer and employee to end the employment relationship by mutual agreement. With this type of termination, both the employer and the employee agree to terminate the contract by paying/receiving some indemnity.

Spotlight on Employment and Payroll in Algeria

Payroll Deduction

Social Security

Regulated by the **CNAS (Caisse Nationale des Assurances Sociales des travailleurs salaries)** authority, employers and employees are obligated to make the following contributions (percentage of the employee gross salary):

Contribution	Social Security
Employee	9%
Employer	26%

The deadline for employers to remit payments to the CNAS authority is the **end of the following month**.

Income Tax

Income tax, also known as **IRG (L'impôt sur le Revenu Global)**, is the Algerian progressive and categorical tax system. The income taxable amount is derived as follows:

Total Gross Taxable Income is less than 9% of Employee's Social Security Contribution

Article contributed by

Fawwaaz Jaunbocus
Deputy Country Manager, Mauritius
E: fawwaaz.jaunbocus@biposervice.com

Sumayyah Khodabocus
HR Service Delivery Consultant, Mauritius
E: sumayyah.khodabocus@biposervice.com

Jefferson Erick Pele
HR Service Delivery Manager, Kenya
E: jefferson.pele@biposervice.com

Progressive Annual Tax Table

Taxable Income	Rate
Less than DZD 120,000	0%
DZD 120,001 to DZD 360,000	20%
DZD 360,001 to DZD 1,440,000	30%
Greater than DZD 1,440,000	35%

This taxable income, however, receives a proportional **40% rebate** on the global income tax. The rebate cannot be less than **DZD 12,000** per year or more than **DZD 18,000** per year (approximately DZD 1,000 to DZD 1,500 per month).

The tax rate on bonus payments is **15%**.

The deadline to remit returns and payments to the DGI (Directeur Général des Impôts) in Algeria is by the **20th of the following month**. Meanwhile, the annual tax declaration must be filed by the **30th April of each year**.



About BIPO

Established in 2010, BIPO provides **global payroll and people solutions** to help businesses of all sizes compete in global markets. With our **Human Capital Management (HCM)** solutions suite, **Global Payroll Outsourcing (GPO)**, and **Employer of Record (EOR)** service, we offer a total workforce solution to clients in 150+ global markets.

Our award-winning **HR Management System, Athena BI, GPO, and EOR technology platform** automate HR processes, simplify workflows, and deliver actionable insights. At our core, we are committed to helping businesses manage today's global people operations, so businesses can focus on expanding with the best international talents.

Find out more

 www.biposervice.com

 [biposvc](https://www.facebook.com/biposvc)

 [bipo-svc](https://www.linkedin.com/company/bipo-svc)



**Connect with our experts today:
hello@biposervice.com**

Copyright © 2023 BIPO Service. All rights reserved.

Asia Pacific • North America • Latin America • Europe • Middle East & Africa