

# **Kuwait Employment Laws 2025: A Guide to Kuwait's Labour Laws**



# Table of Contents

<b>Kuwait Employment Laws 2025: A Guide to Kuwait's Labour Laws.....</b>	<b>1</b>
Labour Law in Kuwait.....	3
Minimum Wages.....	3
Bonuses.....	3
Overtime.....	3
Labour Disputes.....	4
Break Time.....	4
Important clauses for employers to know.....	4
Working Hours and Rest Days.....	4
Kuwait Taxation Laws.....	5
Laws towards Minors and Female Employees.....	5
Payment & deductions from wages.....	5
Employment Laws Concerning Expatriates.....	6
Visa and Work Permits.....	6
Labour Laws for Expatriates.....	6
Expatriate Taxation.....	6
Laws on Trade Unions.....	6
Laws on Discrimination and Harassment.....	6
Health Insurance in Kuwait.....	7
Data Protection and Employee Privacy.....	7
Occupational Health and Safety.....	7
Penalties for Employers' Non-Compliance.....	7
Rest Period & Leave Policies in Kuwait.....	7
Employment Contracts & Agreements.....	9
Types of Contracts.....	9
What Should a Contract Include?.....	9
Termination of Employment.....	10
Permissible grounds for termination include:.....	10
Procedures to follow.....	11
Termination Indemnity.....	11
How Truein Can Enhance Employee Management with Time Tracking?.....	11
Conclusion.....	11
FAQs.....	12
1. What are the requirements for drafting an employment contract in Kuwait?.....	12
2. What are the regulations regarding employee termination and severance pay in Kuwait?.....	12

Kuwait is a bustling city in the Middle East with opportunities in several sectors. While the country's hardworking workforce has over 3.29 million **foreigners** from over 100 countries, Kuwait's employment laws form the backbone of the country's labour market regulations.

As of 2024, these laws continue to evolve, reflecting the changing dynamics of the global workforce and Kuwait's unique socio-economic landscape. Employers must understand Kuwait employment law. Compliance with these regulations is essential to avoid legal complications and maintain a harmonious work environment.

In this article, we explore Kuwait's labour laws in detail.

## Labour Law in Kuwait

Kuwait Labour Laws, included in [Law No. 6 of 2010](#) and its subsequent amendments, is the primary law that deals with employment relationships in the private sector.

Here are the critical aspects of this law:

### Minimum Wages

As of 2024, according to the Kuwait employment law, the minimum wage is 75 Kuwaiti Dinars (KWD) per month for private sector employees. This applies to both Kuwaiti nationals and expatriate workers. However, workers seldom earn this low; on average, employees' monthly wages are much higher. All full-time employees in the private sector are eligible for minimum wages.

### Bonuses

Bonuses are not mandated by law in Kuwait. However, most private-sector employers offer performance bonuses. The bonuses become mandatory under Kuwait's employment laws when included in employment contracts or company policies. The eligibility for bonuses depends on company policies. Typically, eligibility depends on individual performance and company profitability.

### Overtime

Overtime work in Kuwait is regulated under [Article 66 of the Labour Law](#). Unlike Western countries, the standard workweek is 48-hour or 8-hour workday. Friday is the official weekend. Any hours over 48 hours a week are counted as overtime. Workers must be paid 125% of the regular wage rate for working overtime during the day on regular work days. 150% of the regular wage rate must be paid for overtime at night, holidays, or weekends. Work performed on public holidays is compensated at 200% of the regular wage rate, along with a compensatory day off.

## Labour Disputes

The Ministry of Social Affairs and Labour handles all labour disputes in Kuwait. Both employers and employees have the right to file complaints and seek resolution through official channels for labour disputes.

## Break Time

[Article 64 of the Labour Law](#) mandates a one-hour break after every five consecutive work hours. This break must be one hour long, including time for prayers, meals, etc. All private and public sector employees are eligible for these breaks, which are considered part of the working hours and must be paid. The break after five consecutive work hours is not included in the working hours and is therefore unpaid.

## Important clauses for employers to know

- Article 46 of the Kuwait Labour Law prohibits employment of minors under 15 years of age.
- Article 28 of the labour law mandates that employment contracts be in writing and Arabic. Only the Arabic version of the employment contract is valid in a court of law.

## Working Hours and Rest Days

The standard working in Kuwait is 48 hours. This is typically spread over six days, from Saturday to Sunday. Friday is the official weekly rest day. Daily working hours should be at most 8 hours, excluding break times without overtime pay.

During the holy month of Ramadan, working hours are reduced to 36 hours per week for all employees, regardless of their religious affiliation.

Additionally, working outside is prohibited from 11 am to 4 pm during the summer period, from June to August. The exception to this rule is oil and gas workers

## Kuwait Taxation Laws

Kuwait is one of the most prosperous countries, and there is no personal income tax on employees, whether Kuwaiti nationals or expatriates.

However, employers must contribute to the social security of their Kuwaiti employees. Both the employer and employee must make contributions to

social security.

As of 2024, there have been discussions about introducing a value-added tax (VAT) system, but concrete implementation has yet to occur.

## Laws towards Minors and Female Employees

The Kuwait labour law prohibits the employment of minors under 15. Furthermore, juveniles between the ages of 15 and 18 can be employed only after [approval from the Ministry](#). Furthermore, such underage employees can work under specific conditions. The restrictions include only 6-hour shifts, and they must be made to work at most 4 hours continuously. Also, they cannot be employed in any hazardous activity that could harm their health.

Female employees in Kuwait are granted equal rights in the workplace. After maternity leave, they may request up to four months of unpaid leave to care for their child. Employers are prohibited from terminating a female employee during her maternity leave or for absences due to pregnancy or childbirth-related illnesses, as evidenced by a medical report. The only restriction women have is working during the night shifts from 10 pm to 7 am. Only if female employees are employed in a hotel, clinic, pharmacy, or establishment approved by the Ministry can they work late shifts.

## Payment & deductions from wages

Wages must be paid on time and in Kuwaiti Dinars through bank transfers. The schedule of payment depends on the type of employment. It can be monthly, project-based, or hourly. There are deductions required from expat salaries.

However, deductions from Kuwaiti employees' salaries can be made under specific conditions, such as social security deductions, housing allowances, loans provided by the employer, or court-ordered deductions.

## **Employment Laws Concerning Expatriates**

If hiring expatriates, you must be aware of various labour laws in Kuwait regarding the same. Expatriates form a significant portion of Kuwait's workforce, and the country has specific rules and regulations governing their employment.

### **Visa and Work Permits**

Expatriates can only work in Kuwait with a valid visa and work permit. The visa and work permit can only be obtained by the employer, an organization, or the government. However, expats residing in Kuwait can sponsor visas for their immediate family members, such as parents, spouses, and children.

### **Labour Laws for Expatriates**

With a few exceptions, expatriates are generally subject to the same labour laws as Kuwaiti nationals. One notable difference is the Kafala or sponsorship system that mandates a Kuwaiti sponsor to work in the country. Also, the transfer of sponsorship, such as in the case of changing employers, is regulated and requires approval from the current sponsor. Approval from both current and prospective employers is mandatory for sponsorship transfer.

### **Expatriate Taxation**

As mentioned, Kuwait's expatriates are not subject to personal income tax. However, they may be liable for taxes in their home countries depending on bilateral agreements between Kuwait and their country of origin.

### **Laws on Trade Unions**

Trade unions are legal under Kuwait's constitution. However, only Kuwaiti employees have the right to form trade unions. Additionally, Kuwait employment law only approves one union per establishment, and only one federation of unions is permitted at the national level.

### **Laws on Discrimination and Harassment**

Kuwait labour laws prohibit employee discrimination based on gender, origin, language, or religion. Every employee must be given equal opportunities based on merit and equal pay for equal work. As far as sexual harassment goes, it is illegal.

However, there are no particular laws addressing the issues of harassment at work, and as of 2024, there's growing pressure for more comprehensive anti-harassment legislation.

## **Health Insurance in Kuwait**

Employers who employ Kuwaiti nationals are entitled to free health care. While healthcare facilities are accessible to all Kuwaiti employees, foreign employees must contribute to the national health insurance scheme for similar benefits, or they can buy insurance from a private insurance provider.

## **Data Protection and Employee Privacy**

As of 2024, the newly implemented [Decision No. 42 of 2021 on Data Privacy Protection Regulation](#) DPPR is the law that ensures data protection and employee privacy. All employers in Kuwait must adhere to the guidelines of the new amendments that require entities "who collect, process, or store personal data, in whole or in part," must have provisions in place to protect general privacy and specific employee data.

## **Occupational Health and Safety**

Employers are solely responsible for maintaining a safe and healthy work environment. Under Kuwait labour law, routine checks are performed for all necessary safety equipment and training, and they adhere to industry-specific safety standards.

## **Penalties for Employers' Non-Compliance**

Non-compliance with labour laws in Kuwait can result in fines, imprisonment, or both, depending on the severity of the violation.

Employers' Repeated offences may lead to the closure of the business. Fines typically range from 100 to 1000 Kuwaiti Dinars (KWD) per violation under the labour laws.

## **Rest Period & Leave Policies in Kuwait**

### **Rest Period & Leave Policies in Kuwait**

Employers should provide the mandated rest period to all eligible employees without failing. Here is the general leave period for each type:

**Annual Leave:** Kuwait labor law grants employees 30 days of paid annual leave after completing nine months of service, not one year.

**Public Holidays:** Kuwait observes approximately 9 public holidays annually, including religious and national holidays.

These include:

- New Year's Day
- National Day
- Liberation Day
- The Prophet's Birthday
- Islamic New Year
- The Prophet's Ascension
- Eid al-Fitr
- Al-Wuqf Fi Arafa
- Eid al-Adha

**Sick Leave:** All employees are eligible for up to 45 days of paid sick leave within a year, provided they can produce a valid medical certificate for leave. Employees are paid in full for the first 15 days, followed by 10 days at 75% pay, 10 days at 50% pay, and 10 days at 25% pay.

**Maternity Leave:** Kuwait has a robust maternity leave program offering female workers 70 days with full pay as maternity leave. Female employees who have completed at least one year of service are eligible for maternity leave. 30 days of paid maternity leave can be taken before and 40 days after delivery.

**Hajj leave:** Kuwait labor law grants Muslim employees 21 days of paid leave to perform Hajj, provided they have completed two continuous years of service and have not performed Hajj previously while employed by the same employer.

**Bereavement leave:** Kuwait labor law provides three days of paid leave in the event of the death of a first-degree relative, including a spouse. The additional day for the death of a spouse is not specified in the law.

**Educational Leave:** Kuwaiti employees may be granted paid leave for educational purposes, subject to approval by the employer.

**Contingency Leave:** Employees may be granted leave for urgent personal matters, typically up to six days per year.

## Employment Contracts & Agreements

Employment contracts form the basis of the employer-employee relationship. Kuwait Labour Law only recognizes employment contracts in Arabic. Additionally, these are the specific legal requirements:

### Types of Contracts

- 1. Permanent (Indefinite) contracts:** These are open-ended agreements for long-term employment. There is no specific end date mentioned. The termination requires notice as per labour law, and any of the parties can initiate it. It is the most common type of employment contract.
- 2. Temporary (Fixed-term) contracts:** These are for a specific duration, usually up to 5 years for expatriates. Such a contract automatically terminates at the end of the specified period but can be renewed by mutual agreement between employer and employee.
- 3. Part-time contracts:** A part-time contract specifying working hours and a compensation structure is mandatory for employees working less than full-time hours. Also, the benefits given to part-time employees are pro-rata.
- 4. Freelance contracts:** Such contracts are utilized by employers to hire independent contractors. Standard labour law protections do not cover such freelancers.
- 5. Probationary contracts:** Employers can use probationary contracts for the initial trial period of a maximum of 100 days. Either party can terminate these contracts without notice during this period.

### What Should a Contract Include?

A typical employment contract must include:

- **Employee and Employer Details:**
  - Full names and addresses
  - Employee's nationality and passport details (for expatriates).
  - Employer's commercial registration details
- **Job description & Income**
- **Job Title:** Clearly specify the employee's position title.
- **Main Tasks and Responsibilities:** Describe the key tasks, duties, and responsibilities the employee is expected to undertake. Ensure this section is detailed and precise to prevent any misunderstandings.
- **Reporting Line:** Identify the position or name of the individual to whom the employee will report.
- **Work Schedule:** Define the working hours, including the start and end times, and any expectations regarding overtime or shift work.
- **Probationary period:** In Kuwait, the maximum probationary period is 100 days, during which either party can terminate the contract without notice
- **Notice period:** Employees on indefinite contracts are required to serve notice of:
  - 15 days for employees paid monthly
  - 7 days for employees paid weekly or daily
  - A 3-month notice period is standard for terminating employment; however, specific durations can be stipulated in the employment contract.
- **Gratuity:** The end-of-service gratuity is calculated based on the length of service. In Kuwait, employees receive 15 days' salary for each year of the first 5 years as a gratuity, followed by 1 month's salary for each year beyond 5 years.

## Termination of Employment

Under the Kuwait labour law for termination, there are clear guidelines on what is considered a fair termination.

Permissible grounds for termination include:

- Mutual agreement
- Expiry of fixed-term contract
- Employee's resignation
- Employer's decision (with notice)
- Gross misconduct
- Prolonged illness
- Business closure or downsizing

- Employee's death or total disability

An employer must adhere to the abovementioned notice period for termination to be valid. There is no provision for a separate severance pay. Typically, the end-of-service gratuity serves as severance pay unless specified otherwise in the contract.

**Pension:** All Kuwaiti nationals are covered under the social security system. Expatriates are not eligible for pension benefits in Kuwait.

### Procedures to follow

For termination to be fair, employers must:

- Provide written notice
- Settle all outstanding payments
- Issue end-of-service certificate
- Cancel work permit and residency (for expatriates)

### Termination Indemnity

In unfair dismissal, employees may be entitled to compensation determined by the labour court.

## How Truein Can Enhance Employee Management with Time Tracking?

Truein offers advanced workforce management solutions that can significantly improve compliance with Kuwait's labour laws. It is a [face scanning attendance system](#) that ensures accurate time tracking, which is crucial for calculating overtime. It also helps maintain precise records of working hours, which is essential for adhering to Kuwait's working hour regulations.

Furthermore, Truein streamlines and aids overall compliance with labour laws. This hardware-less [time attendance system in Kuwait](#) can help employers in Kuwait maintain accurate records, ensure fair compensation.

## Conclusion

Kuwait's employment laws are beneficial for both employers and employees. They protect employer interests by providing guidelines for maintaining a fair and productive

work environment in Kuwait. A thorough understanding of these laws is essential for employers to successfully navigate the Kuwaiti workforce market.

## FAQs

### 1. What are the requirements for drafting an employment contract in Kuwait?

All employment contracts in Kuwait must be in writing and primarily in Arabic, with optional translations. A valid employment contract includes comprehensive details such as job description, salary structure, working hours, leave entitlements, and termination conditions.

The employment contract should specify probation periods, notice requirements, and end-of-service benefits. It must comply with Kuwait's Labour Law, providing at least the minimum benefits stipulated.

### 2. What are the regulations regarding employee termination and severance pay in Kuwait?

Termination in Kuwait requires proper notice as specified in the contract or labour law, typically ranging from 15 days to 3 months. In cases of gross misconduct, the notice period requirement is not mandatory.

Severance pay is calculated based on the length of service. It is 15-day salary for the first five years and one month for each subsequent year. Employees resigning with less than three years of service receive reduced gratuity. Unfair dismissal may result in additional compensation.

## Stop Time theft and Irregularities

- ✓ Accurate Time Tracking
- ✓ 70+ Automated Policies
- ✓ Jobs and Shift Scheduling

Trusted by 500+ Customers

[Start Free Trial](#)

