

GLOBAL HIRING GUIDE

Monaco





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01

BASIC COUNTRY FACTS

- **Full Name**
Principality Of Monaco
- **Capital**
Monte Carlo
- **Main Languages**
French
Italian
English
Monégasque
- **Population**
36,686
- **Monetary Unit**
Euro
- **Internet Domain**
.mc
- **International Dialing Code**
+377
- **Currency**
Euro



02

STATUTORY LABOR REQUIREMENTS

Probation Period

- When its duration is not established by the contract or by a collective agreement, it is fixed at:
 - 6 business days for staff paid by the hour
 - 1 month for staff paid on a monthly basis
- The duration of a probationary period is limited by law to three months.

Annual Leave

- The employee has the right to 2.5 business days of paid leave per month of actual work completed.
- The period of the leave must not exceed 30 days.
- Part-time employees have the right to the same number of days as full-time employees.
- The number of days of paid leave increases according to length of service in the same company. Employees have the right to:
 - 2 additional working days after 20 years of service in the same company.
 - 4 additional working days after 25 years of service in the same company.
 - 6 additional working days after 30 years of service in the same company.
 - The total number of days accumulated in this way must not exceed 36 days.

Public Holidays

1. New Year's Day
2. Saint Dévote's Day
3. Easter Monday
4. Labor Day
5. Ascension Day
6. Whit Monday
7. Corpus Christi
8. Assumption of Mary
9. All Saints' Day
10. National Day of Monaco
11. Feast of the Immaculate Conception
12. Christmas Day

Maternity Leave

- Women are allowed 16 weeks' maternity leave in Monaco, for the third child, maternity leave is 26 weeks.
- An allowance is paid during maternity off-time.
- A pregnant employee is not obliged to reveal her pregnancy until the time she wishes to take maternity leave.

Notification can be made verbally or by letter.

Paternity Leave

- You can take paternity leave of:
 - 12 consecutive calendar days for a single birth
 - 19 calendar days for multiple births
 - 19 calendar days if there are already two or more other children in the household
- You can take the whole or part of this leave.

Sick Leave

- Days taken as sick leave do not qualify as paid leave, unless there are contractual provisions to the contrary.
- Days of absence for sick leave must not be deducted from the annual leave.

Work Hours

- Monaco has a standard work week of 39 hours per week or a maximum of ten hours per day.

Overtime

- If there is a request from the employer, an employee in Monaco can render overtime work which should not exceed 48 hours per week.
- Workers should be paid 25% for the first eight hours and 50% for any subsequent hours of overtime.

Notice Period

- Employees are entitled to the following notice period
 - 1 month of notice period if length of service is more than 6 months but less than 2 years with the same employer;
 - 2 months of notice period if length of service is more than 2 years with the same employer

Severance

- Severance pay is due to employees with more than 2 years of service
- The amount of severance pay is as follows:
 - 1/4 of the monthly salary for each year of service for the first 10 years
 - 1/3 of the monthly salary for each year of service for the first 11 years

13th Month

- 13th month pay in the form of a 5% “prince's bonus” is mandatory in Monaco.

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INCOME TAX

- Monegasque nationals and foreign nationals residing in Monaco, with the exception of French nationals, who are regulated by the 1963 bilateral tax treaty between France and Monaco, are not liable for income tax.
- However, the absence of income tax for individuals only relates to activities carried out and persons who are genuinely established in Monaco.
- Foreign-source income is subject to the domestic rules of the state in which the source of the income is located and is not subject to Monegasque tax.



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SOCIAL SECURITY

- Individuals' social security taxes are withheld monthly by employers.
- Monegasque social security tax contributions are due on compensation, including bonuses and benefits in kind, earned from performing an activity in Monaco and paid in Monaco.
- However, this rule may be modified by a social security totalization agreement.
- The total charge for 2018 (the 2019 rates will be available in October 2019) is approximately 10% to 14% (depending on retirement fund contributions and level of remuneration) of gross salary for employees and 28% to 40% for employers.
- Some of the contributions are levied on wages up to certain ceilings.
- The following are the rates of these contributions and the amounts of the ceilings for 2018 (the 2019 rates and ceilings will be available in October 2019):
 - Sickness contribution and family allocation: employee share of 0% and employer share of 15.05% (monthly ceiling of EUR8,600)
 - Basic state pension contribution: employee share of 6.55% and employer share of 8.03% (monthly ceiling of EUR4,896)
 - Unemployment contribution: employee share of 2.40% and employer share of 4.05% (monthly ceiling of EUR13,508)

CONTRIBUTION	EMPLOYER	EMPLOYEE
Sickness Contribution and Family Allocation	15.05%	-
Basic State Pension Contribution	8.03%	6.55%
Unemployment Contribution	4.05%	2.4%

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DEDUCTIBLE EXPENSES

- There are no deductible expenses as income tax is not applicable.



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IMMIGRATION

Immigration

- All foreign nationals - that is, non-Monegasques - are required to obtain a work permit (Permit de travail) before they take up any job in Monaco.
- They also need to get a new permit if they change position or employer.
- It is the responsibility of the employer to help their employee obtain a work permit.
- Recruitment must be agreed by the Service de l'Emploi.
- When a job vacancy comes available the employer must contact the Service de l'Emploi, which then has four days to come up with an employee from Monaco or the surrounding area.
- Under Monegasque law local people with the same qualifications have priority.
- If a candidate within these criteria cannot be found, the employer may then propose its own candidate.
- To obtain a work permit the employee must submit their contract of employment stamped by the employment service, along with proof of residence and personal identification to the Service de l'Emploi.
- If the employee lives in Monaco, a valid Monegasque residence permit is required.
- If resident in France, a French identity card or valid residence permit that authorises him to work is necessary.
- The Employee also has to have an annual medical examination at the Office de la Médecine du Travail

TYPE OF VISA	DOCUMENTATION	VALIDITY	ELIGIBILITY
<p>Work Permit</p>	<ul style="list-style-type: none"> • Completed application form • A valid passport • Recent passport pictures • Police clearance forms • Travel itinerary • Proof of property ownership in Monaco or rental lease • Visa fees • Documents supporting your reason for the application, for example marriage certificate, authorized work contract, proof of sufficient means to live in Monaco without work, etc. • A letter of appointment (in the form of an undertaking of employment stamped by the Employment Service, in order to obtain a residence permit issued by the Department of Public Safety) • The agreement of the Department of Public Safety as well as the Occupational Health Office are necessary to obtain a work permit (for employees that are unknown in the Principality or who have stopped working for a period of 6 months) 	<p>N/A</p>	<ul style="list-style-type: none"> • All foreign nationals - that is, non-Monegasques - are required to obtain a work permit (Permit de travail) before they take up any job in Monaco. • Under Monegasque law local people with the same qualifications have priority. • If a candidate within these criteria cannot be found, the employer may then propose its own candidate. • To obtain a work permit the employee must submit their contract of employment stamped by the employment service, along with proof of residence and personal identification to the Service de l'Emploi.

Residence Permit

- Original and photocopy of passport
- Original or Certified copy of Birth Certificate (if applicable)
- Original or Certified copy of Marriage Certificate (if applicable)
- Original Police Clearance Certificate
- Original Bank Reference Letter (Not older than 6 month)
- Evidence of Business Background
- Evidence of Health Insurance
- Proof of ownership or rental housing
- Evidence of Residential Address

1 year
(renewable
up to 3
years)

- To obtain a residence permit you must:
 - Have accommodation in Monaco, being the owner of a house or apartment or being the director or unit holder of a company which owns a house or apartment or renting a house or apartment (lease contract minimum of 12 months).
 - Have sufficient financial resources, this requirement is fulfilled making a deposit in a Monegasque bank. Most banks do require initial deposits from €500,000 to €1,000,000 to open an account.

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VALUE ADD TAX

Value Added Tax

- For the purposes of VAT Monaco is part of the European Union.
- The Principality adopts the French system for collection.
- Two rates of VAT apply: the normal rate of 19.6% (which is the standard rate in France) and a reduced rate of 7%, which applies to water, food products, medicines, books, special equipment for handicapped people, hotel accommodation, public transport services and public entertainment services.

VAT	
Standard Rate	19.6%
Reduced Rate	7%

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WITHHOLDING TAX

Withholding Tax

- There is no withholding tax on dividends and interests.

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TERMINATION

- Employees are entitled to the following notice period
 - 1 month of notice period if length of service is more than 6 months but less than 2 years with the same employer;
 - 2 months of notice period if length of service is more than 2 years with the same employer
- Severance pay is due to employees with more than two years of service
- The amount of severance pay is as follows:
 - 1/4 of the monthly salary for each year of service for the first 10 years
 - 1/3 of the monthly salary for each year of service for the first 11 years

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STATUTORY BENEFITS

- These are mandatory benefits as postulated by law
- These include probationary period, annual leave, public holidays, maternity leave, paternity leave, overtime pay, severance pay and 13th month pay.
- Statutory benefits also include social security benefits

STATUTORY BENEFITS

- Probationary Period
- Annual Leave
- Public Holidays
- Maternity Leave
- Paternity Leave
- Overtime Pay
- Severance Pay
- 13th Month Pay
- Social Security Benefits



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