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Egypt: Salaries, pensions cut to fund pandemic, disaster responses

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A law enacted by the Egyptian government requires temporary deductions from private and public sector employees' salaries and pensions to support state initiatives that address pandemics and natural disasters. The deductions are effective for one year from 14 Aug 2020.

Highlights

- Deduction amounts are 1% of the net salaries of employees, and 0.5% from the net pension of retired employees.
- Employers or payroll providers must make the deductions and submit them to the Ministry of Finance.
- Most employees are covered by the measure, including those on temporary contracts. However, the deductions do not apply to employees and retirees with monthly earnings or pensions of EGP 2,000 or less.
- The duration of deductions could be extended beyond one year, subject to parliamentary approval.
- Certain industry sectors could be partially or completely exempted from the deductions on the basis of their economic performance.

Related resource

- Law 170 of 2020 (Arabic) (Official Gazette, 13 Aug 2020)

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