
Fiscalite de l'emploi

Rwanda



EMPLOYMENT TAX

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Employer Legal Obligations in Rwanda: Complete Guide

Business Registration Requirements

All employers operating in Rwanda must comply with specific registration and licensing requirements under the country's legal framework. The Rwanda Development Board (RDB) serves as the primary agency for business registration and investment promotion.

Company Registration Process

- **Rwanda Development Board Registration:** All businesses must register with RDB through the online platform or physical offices
- **Tax Identification Number (TIN):** Mandatory registration with Rwanda Revenue Authority (RRA)
- **Social Security Registration:** Employers must register with Rwanda Social Security Board (RSSB)
- **Work Permit Requirements:** Foreign employers must obtain appropriate work permits through Rwanda Directorate General of Immigration and Emigration

The registration fee varies depending on the business type, with a minimum capital requirement of RWF 30,000 for private limited companies. Processing typically takes 3-5 business days when all documentation is complete.

Sector-Specific Licenses

Certain industries require additional permits and licenses:

- **Manufacturing:** Environmental compliance certificate from Rwanda Environment Management Authority (REMA)
- **Construction:** Registration with Private Sector Federation (PSF)
- **Financial services:** Central Bank of Rwanda licensing
- **Healthcare:** Ministry of Health operating permits
- **Education:** Rwanda Education Board certification

Employment Law Compliance

Rwanda's labor relations are governed primarily by Law No. 66/2018 of 30/08/2018 regulating labour in Rwanda, which replaced the previous 2009 labor law. This comprehensive legislation establishes fundamental employer obligations.

Employment Contracts

Under Article 14 of Law No. 66/2018, employers must provide written employment contracts for all employees, including:

- Job description and responsibilities
- Salary and benefits structure
- Working hours and overtime provisions
- Leave entitlements
- Termination conditions
- Dispute resolution mechanisms

Contracts must be in Kinyarwanda, English, or French, with translations provided when necessary. Fixed-term contracts cannot exceed two years and may only be renewed once.

Minimum Wage and Compensation

While Rwanda does not have a universal minimum wage, sector-specific minimum wages apply in certain industries. As of 2024, the minimum wage for:

- Domestic workers: RWF 25,000 per month (to be verified)
- Agricultural workers: RWF 100 per day (to be verified)
- Construction workers: Varies by skill level and location

All employees are entitled to 13th-month salary payments, calculated as 8.33% of annual gross salary, payable in December or upon contract termination.

Workplace Safety and Health Standards

The Occupational Health and Safety regulations in Rwanda are governed by the Ministry of Public Service and Labour, with specific requirements outlined in various ministerial orders and guidelines.

General Safety Obligations

Employers must ensure:

1. **Safe Working Environment:** Maintain premises free from hazards that could cause injury or illness
2. **Safety Equipment:** Provide appropriate personal protective equipment (PPE) at no cost to employees
3. **Training Programs:** Conduct regular safety training and orientation for all workers
4. **Emergency Procedures:** Establish and communicate emergency evacuation and response plans
5. **Accident Reporting:** Report workplace accidents to relevant authorities within 48 hours

Industry-Specific Requirements

High-risk industries face additional obligations:

- **Construction:** Mandatory safety officers for projects above certain thresholds, regular site inspections
- **Manufacturing:** Environmental impact assessments, waste management protocols
- **Mining:** Specialized safety equipment, geological surveys, environmental restoration bonds
- **Healthcare:** Infection control measures, medical waste disposal systems

Social Security and Benefits

The Rwanda Social Security Board (RSSB) administers mandatory social security contributions under Law No. 45/2010 of 14/12/2010 establishing the Rwanda Social Security Board.

Contribution Requirements

Employers must contribute:

- **Pension Scheme:** 6% of gross salary (employee contributes 6%)
- **Occupational Hazards:** 2% of gross salary
- **Medical Insurance (CBHI):** Varies by income level, with government subsidies for low-income workers
- **Maternity Leave Benefits:** Funded through social security contributions

Contributions must be submitted monthly by the 15th of the following month, with penalties applied for late payments.

Leave Entitlements

Under current labor law, employers must provide:

- **Annual Leave:** 18 working days per year after 12 months of service
- **Maternity Leave:** 12 weeks paid leave
- **Paternity Leave:** 4 days paid leave
- **Sick Leave:** Up to 6 months with medical certification
- **Compassionate Leave:** 3-7 days for family bereavement

Health Standards and Medical Requirements

Employers in Rwanda must comply with public health regulations administered by the Ministry of Health and local health authorities.

Workplace Health Measures

- **Health Certificates:** Required for employees in food service, healthcare, and childcare sectors
- **Medical Examinations:** Pre-employment and periodic health screenings for certain positions
- **Sanitation Standards:** Adequate toilet facilities, clean drinking water, waste disposal systems
- **First Aid:** Trained first aid personnel and equipped medical stations in workplaces above certain size thresholds

COVID-19 and Health Protocols

Ongoing health protocols may include (to be verified for current requirements):

- Temperature screening at workplace entry points
- Hand sanitizing stations
- Social distancing measures in offices and facilities
- Remote work policies where applicable
- Contact tracing cooperation with health authorities

Compliance Monitoring and Penalties

Various government agencies conduct workplace inspections and enforce compliance:

- **Labor Inspectorate:** Ministry of Public Service and Labour conducts regular workplace inspections
- **RRA Audits:** Tax compliance and social security contribution verification
- **REMA Inspections:** Environmental compliance for applicable industries
- **Local Government:** Business license compliance and local regulations

Non-compliance penalties range from warnings and fines to business license suspension or revocation. Serious violations may result in criminal charges against company directors or managers.

Employers are advised to maintain detailed records of all compliance activities, employee documentation, safety training records, and regulatory correspondence to demonstrate good faith efforts during inspections.

Rwanda Employer Taxes & Social Contributions Guide 2024

Overview of Employer Tax Obligations in Rwanda

Rwanda has established a comprehensive framework for employer taxes and social contributions that supports the country's social security system while maintaining competitive business costs. Employers operating in Rwanda must comply with various tax obligations and social contributions administered primarily by the Rwanda Revenue Authority (RRA) and the Rwanda Social Security Board (RSSB).

The legal framework is governed by Law No. 25/2013 of 16/05/2013 establishing the Rwanda Social Security Board and various tax laws administered by the RRA. Understanding these obligations is crucial for businesses operating in Rwanda's growing economy.

Social Security Contributions (RSSB)

Pension Scheme Contributions

The Rwanda Social Security Board administers the mandatory pension scheme for all employees in both public and private sectors. The contribution rates are structured as follows:

- **Employee contribution:** 6% of gross salary
- **Employer contribution:** 6% of gross salary
- **Total contribution:** 12% of gross salary

These contributions are calculated on the employee's gross monthly salary and are mandatory for all employees aged 16-65 years. The employer is responsible for deducting the employee's portion and remitting both portions to RSSB by the 15th of the following month.

Occupational Hazards Scheme

Employers must also contribute to the occupational hazards scheme, which provides coverage for work-related injuries and diseases:

- **Contribution rate:** 1% of gross salary (employer only)
- **Coverage:** All employees regardless of sector
- **Benefits:** Medical treatment, disability benefits, and survivor benefits

Medical Insurance Scheme (RSSB Medical)

The medical insurance scheme under RSSB covers formal sector employees:

- **Employee contribution:** 1.5% of gross salary
- **Employer contribution:** 1.5% of gross salary
- **Total contribution:** 3% of gross salary

This scheme provides comprehensive medical coverage for employees and their declared dependents, including spouse and up to four children under 18 years (or 25 if in school).

Payroll Tax (Pay As You Earn - PAYE)

PAYE Tax Rates and Brackets

Rwanda operates a progressive income tax system where employers are required to withhold Pay As You Earn (PAYE) tax from employee salaries. The current tax brackets are:

1. **0 - RWF 360,000 annually:** 0%
2. **RWF 360,001 - RWF 1,200,000:** 20%
3. **Above RWF 1,200,000:** 30%

These rates apply to residents and non-residents alike, with the employer responsible for calculating, deducting, and remitting the tax to RRA by the 15th of the following month.

PAYE Calculation and Deductions

When calculating PAYE, employers can deduct certain items from gross income:

- RSSB contributions (employee portion)
- Approved pension contributions
- Professional membership fees (up to specified limits - to be verified)

Skills Development Levy

Under Law No. 44/2019 of 04/09/2019 establishing the Skills Development Fund, employers are required to contribute to workforce development:

- **Rate:** 2% of gross payroll
- **Applicable to:** All employers with annual turnover exceeding RWF 12 million
- **Purpose:** Financing skills development and vocational training programs
- **Administration:** Workforce Development Authority (WDA)

Filing and Payment Requirements

Monthly Obligations

Employers must fulfill several monthly obligations:

- **PAYE returns:** Due by 15th of following month
- **RSSB contributions:** Due by 15th of following month
- **Skills Development Levy:** Quarterly payments (to be verified)

Annual Filing Requirements

Annual obligations include:

- **Annual PAYE reconciliation:** Due by March 31st
- **Employee annual certificates:** Must be issued by January 31st
- **Skills Development Levy annual return:** Due by March 31st

Registration Requirements

RRA Registration

All employers must register with the Rwanda Revenue Authority:

- Obtain Tax Identification Number (TIN)
- Register for PAYE within 30 days of first employee
- Maintain updated employee records

RSSB Registration

Registration with RSSB is mandatory for all employers:

- Register within 30 days of starting operations
- Register all employees within 30 days of employment
- Maintain accurate payroll records

Penalties and Compliance

Late Payment Penalties

Rwanda imposes strict penalties for non-compliance:

- **PAYE penalties:** 5% per month on outstanding amounts

- **RSSB penalties:** 1.5% per month on late contributions
- **Interest charges:** Applied to all overdue amounts

Record Keeping Requirements

Employers must maintain comprehensive records:

- Employee payroll records for minimum 5 years
- Tax payment receipts and returns
- RSSB contribution records
- Employee registration documents

Special Considerations

Expatriate Employees

Special rules may apply to expatriate employees:

- Work permit requirements affect tax obligations
- RSSB contributions mandatory regardless of nationality
- Double taxation agreements may provide relief (to be verified)

Small and Medium Enterprises (SMEs)

While most obligations apply universally, some considerations for SMEs include:

- Skills Development Levy exemption for businesses below RWF 12 million turnover
- Simplified filing procedures may be available (to be verified)
- Support services available through Rwanda Development Board

Employers should consult with qualified tax professionals or contact RRA and RSSB directly for specific guidance on their obligations. The regulatory environment continues to evolve as Rwanda develops its social security and tax systems to support economic growth while ensuring worker protection.