



GOSI & Employment Tax

Complete guide to GOSI social insurance, employment taxes, and payroll obligations in Bahrain. Contribution rates, registration, and compliance for employers.

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GOSI & EMPLOYMENT TAX

Everything employers need to know about social insurance contributions, payroll obligations, and employment compliance.

GOSI SOCIAL INSURANCE RATES

CONTRIBUTION TYPE	BAHRAINI EMPLOYEE	EXPAT EMPLOYEE
Employer Share	12%	3%
Employee Share	8%	1%
Total Contribution	20%	4%
Applied On	Basic salary + allowances	Basic salary only

EMPLOYER OBLIGATIONS

EMPLOYEE REGISTRATION

Register all employees with GOSI within 30 days of hire. Provide CPR/passport, job title, salary, and contract start date.

MONTHLY CONTRIBUTIONS

Calculate and remit GOSI contributions by the 15th of each month. Late payments incur a 1% monthly penalty.

SALARY DECLARATIONS

Report any salary changes within 7 days. Annual salary declarations must reconcile with payroll records.

WPS COMPLIANCE

All salaries must be paid through the Wage Protection System (WPS) via approved banks. Non-compliance triggers LMRA sanctions.

TERMINATION & END OF SERVICE

Deregister departing employees within 7 days. Calculate end-of-service benefits: half-month salary per year (first 3 years), one month per year thereafter.

COMMON GOSI PENALTIES

LATE REGISTRATION

Fines for delayed employee registration with GOSI. Retroactive contributions may also be required.

LATE PAYMENT

1% monthly penalty on overdue contributions. Accumulated penalties can become significant over time.

SALARY UNDERREPORTING

Declaring lower salaries to reduce contributions is auditable and carries both fines and retroactive assessments.

WPS NON-COMPLIANCE

Not paying through WPS can result in work permit suspension, CR freeze, and LMRA blacklisting.

We handle payroll setup, GOSI registration, WPS configuration, and ongoing compliance monitoring.

Bahrain's trusted tax advisory partner.

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