

Egypt Payroll & Salary Calculator 2026 Complete User Guide

How the calculator works — taxable additions, deductible deductions, social insurance, salary tax brackets, and employer costs, all per Egyptian law as applicable in 2026.

Try it now: www.tawzef.com/en/tools/salary-calculator

1. What the Calculator Does

The Tawzef Salary Calculator converts between gross salary, net (take-home) salary, and total employer cost for employees in Egypt, applying the statutory rules in force for 2026: social insurance contributions (Law No. 148 of 2019), salary income tax (Law No. 91 of 2005 as amended), the Martyrs & Victims Fund contribution, and the Labor Emergency Fund. Results are calculated instantly and can be saved as a PDF or shared via a link that restores the full calculation.

2. The Three Calculation Modes

Mode	You enter	The calculator returns
Gross Salary	Your monthly gross salary	Net take-home pay after all deductions, plus the employer's total cost
Net Salary	The target net (take-home) amount	The gross salary required to deliver that net
Employee Cost	The employer's total monthly budget	The gross and net salary that fit within that budget

All three modes use the same underlying engine, so a result from one mode can always be verified in another: a gross of EGP 20,000 yields a net of EGP 15,708 and an employer cost of EGP 23,298.25 — and entering either of those figures in the other modes returns exactly EGP 20,000 gross.

3. Roles: Employee vs. Consultant

- **Employee** — the standard case. Subject to social insurance (employee and employer shares), salary tax, the Martyrs Fund deduction, and the employer-paid Labor Emergency Fund.
- **Consultant** — engaged outside the social insurance system. No employee or employer social insurance is calculated; salary tax is applied to the full amount (no insurance deduction), and the employer cost equals the gross fee.

Note: The Consultant mode models a consultant paid through payroll. Independent contractors invoicing through their own tax file may be subject to different treatment (e.g. withholding tax on professional fees). Contact Tawzef for advice on specific engagement structures.

4. Additions — and What "Taxable" Means

Use the **Additions** section to add any payment on top of the base salary: performance bonus, attendance bonus, commission, overtime, allowances, profit share, incentives, holiday pay, travel reimbursement, or a custom item. Each addition has two settings:

4.1 Type: Gross or Net

- **Gross** — the amount is added before deductions (the normal case for bonuses, allowances and commissions).
- **Net** — the amount is guaranteed in the employee's hand; the calculator grosses it up so the employee receives exactly that amount after deductions.

4.2 The "Taxable" Toggle

- **Taxable ON** — the addition is included in the salary tax base. Most cash payments (bonuses, commissions, overtime, most allowances) are taxable under Egyptian law.
- **Taxable OFF** — the addition is paid free of salary tax and is simply added to the net amount. Use this only for items that are genuinely exempt or are reimbursements of actual business expenses (e.g. documented travel reimbursement), which are not considered income.

Example: A gross salary of EGP 20,000 plus a **taxable** allowance of EGP 2,000 produces total income of EGP 22,000, salary tax of EGP 2,890.73 and a net of EGP 17,261.27. If the same EGP 2,000 were marked **non-taxable**, the tax would stay at the base-salary level and the full 2,000 would flow to the net.

5. Deductions — Deductible vs. Non-Deductible

The **Deductions** section handles amounts taken out of the employee's pay, such as loan installments, salary advances, penalties, or unpaid leave. Each deduction can be:

- **Deductible (pre-tax)** — subtracted before salary tax is calculated, reducing the tax base. This applies only to items the tax law recognises as deductible.
- **Non-deductible (post-tax)** — subtracted from the net after tax. This is the correct setting for most deductions (loans, advances, penalties): the employee owes the money, but it does not reduce their taxable income.

6. 2026 Statutory Parameters Used by the Calculator

Parameter	Rate / Amount	Paid by
Minimum insurable wage (from 1 Jan 2026)	EGP 2,700 / month	—
Maximum insurable wage (from 1 Jan 2026)	EGP 16,700 / month	—
Social insurance — employee share	11% of insurable wage	Employee
Social insurance — employer share	18.75% of insurable wage	Employer
Labor Emergency Fund	1% of insurable wage	Employer
Martyrs & Victims Fund	0.05% of gross salary	Employee (withheld)
Personal tax exemption	EGP 20,000 / year	—

The **insurable wage** is the employee's monthly wage bounded by the minimum and maximum above. Once a salary reaches EGP 16,700, every insurance-based contribution stops growing: the employee share is fixed at EGP 1,837.00

($11\% \times 16,700$), the employer share at EGP 3,131.25 ($18.75\% \times 16,700$), and the Emergency Fund at EGP 167.00 ($1\% \times 16,700$) — no matter how high the salary goes. Both limits rise by 15% every 1 January under Law 148/2019.

7. The Labor Emergency Fund — Why EGP 167 and Not EGP 27?

The Labor Emergency Fund (Law No. 156 of 2002) is an **employer-paid** contribution of **1% of the employee's insurable wage**. It never touches the employee's net salary; it appears in the calculator under employer costs.

If another calculator shows EGP 27: that tool is applying the 1% to the **minimum** insurable wage ($1\% \times \text{EGP } 2,700 = \text{EGP } 27$) or to an outdated wage base, instead of the employee's actual capped insurable wage. For any salary at or above the 2026 ceiling, the correct figure is **$1\% \times \text{EGP } 16,700 = \text{EGP } 167.00$** . For a salary below the ceiling — say EGP 10,000 — the fund is $1\% \times 10,000 = \text{EGP } 100$. The Tawzef calculator always uses the actual insurable wage, updated to the 2026 limits announced by the National Organization for Social Insurance.

8. Salary Tax 2026 — Brackets and Rules

Salary tax is computed on **annual net income**: annual gross pay minus the employee's social insurance contributions, minus the personal exemption of EGP 20,000. The standard progressive brackets are:

8.1 Standard Brackets (annual net income up to EGP 600,000)

Annual taxable income (EGP)	Rate
0 – 40,000	0%
40,001 – 55,000	10%
55,001 – 70,000	15%
70,001 – 200,000	20%
200,001 – 400,000	22.5%
400,001 – 600,000	25%

8.2 Higher Incomes — Progressive Removal of Lower Brackets

Egyptian law removes the lower brackets step by step as annual net income rises, so higher earners do not benefit from the low starting rates:

Annual net income (EGP)	How the ladder starts
600,001 – 700,000	0% bracket removed — first 55,000 taxed at 10%, then as above
700,001 – 800,000	starts at 15% on the first 70,000
800,001 – 900,000	starts at 20% on the first 200,000
900,001 – 1,200,000	starts at 22.5% on the first 400,000
Over 1,200,000	25% on the first 1,200,000 and 27.5% on the excess

Rounding rule: in line with official practice, the calculator rounds annual taxable income **down to the nearest EGP 10** before applying the brackets. This is why results may differ from a naive spreadsheet by a few piasters — the calculator follows the official method.

9. Worked Example — EGP 20,000 Gross (Employee)

Item	Basis	EGP / month
Base gross salary	—	20,000.00
Social insurance — employee	11% × 16,700 (capped)	-1,837.00
Salary tax	2026 brackets*	-2,445.00
Martyrs & Victims Fund	0.05% × 20,000	-10.00
Net take-home salary	—	15,708.00
Social insurance — employer	18.75% × 16,700	+3,131.25
Labor Emergency Fund	1% × 16,700	+167.00
Total employer cost	—	23,298.25

* Annual: 240,000 gross – 22,044 insurance – 20,000 exemption = 197,956 → rounded down to 197,950 → tax 29,340 / year = EGP 2,445.00 / month.

10. Frequently Asked Questions

Why does social insurance stay at EGP 1,837 even for very high salaries?

Because contributions are calculated on the insurable wage, which is capped at EGP 16,700 per month in 2026. Salaries above the cap pay insurance on EGP 16,700 only.

Why did these figures change from last year?

Law 148/2019 raises the minimum and maximum insurable wages by 15% every 1 January. The 2025 limits were EGP 2,300 / 14,500; from 1 January 2026 they are EGP 2,700 / 16,700. Always make sure any calculator you use states the year it applies.

Is the Labor Emergency Fund deducted from my salary?

No. It is paid by the employer on top of the gross salary. The only statutory amounts deducted from the employee are the 11% social insurance share, salary tax, and the 0.05% Martyrs Fund contribution.

Can I share or save a calculation?

Yes — use **Save as PDF** for a payslip-style summary, or **Share → Copy Link** to generate a link that re-opens the calculator with your exact inputs and results.

Need payroll done for you?

Tawzef provides end-to-end payroll outsourcing, Employer-of-Record (EOR) services and HR advisory across Egypt and the MENA region — fully compliant with the rules described in this guide.

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