Hiring your first employee in Morocco: contract, CNSS, AMO and payroll

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Your first hire is a big step for a small business. It is also the moment you become an **employer**, collecting sums on behalf of the State and the National Social Security Fund (CNSS) for which you are personally answerable. Mistakes made at this stage – the wrong contract, late registration, incorrectly calculated payroll – come back to haunt you later, in employment tribunal claims or during an audit.

This guide sets out the main steps and the 2026 figures. It is no substitute for an analysis of each situation: the collective agreement, the employee's status, working hours and pay components all change the rules.

What is at stake

- **The real cost of an employee**, which is well above the gross salary.
- **Employment litigation risk**: a contract that is reclassified, or a dismissal found to be unfair, leads to compensation.
- **Social security and tax risk**: contributions and personal income tax (IR) withholdings that are unpaid or wrongly calculated, with penalties. The employer is **personally liable** for the withholding taxes it must deduct (article 198 of the General Tax Code, CGI).

1. Choosing the right contract

In outline

The **permanent contract** (CDI) is the norm. A **fixed-term contract** (CDD) is only possible in the cases set out in the Labour Code (article 16), in particular:

- replacing an absent employee;
- a temporary increase in activity;
- seasonal work.

In non-agricultural sectors, opening a business for the first time, opening a new establishment or launching a new product allows a CDD of up to one year, renewable once. In agriculture, the term is six months, renewable, up to a total of two years. Beyond these limits, the contract becomes permanent (article 17).

The probationary period

The probationary period is three months for managers, one and a half months for office staff and fifteen days for manual workers. It can be renewed only once (article 14). These periods apply to a CDI. For a CDD, the probationary period cannot exceed one day per week worked, up to a maximum of two weeks, where the contract lasts less than six months, and one month where it lasts more than six months (article 14).

Points to watch

- **A CDD concluded outside the legal cases**, or renewed beyond the limits, risks being reclassified as a CDI. Ending it then becomes a dismissal, with its own rules and compensation.
- **A precise written contract** (duties, place of work, pay, working hours, special clauses) avoids disputes in which the burden of proof often falls on the employer.
- **The minimum wage**: since 1 January 2026, the minimum wage (**SMIG**) has been **17.92 dirhams (MAD) an hour** in non-agricultural activities (Decree No. 2.25.983). The agricultural minimum wage (**SMAG**) has been **97.44 dirhams a day** since 1 April 2026. A collective agreement may provide for more.

2. Affiliating the business and registering the employee

In outline

The employer must be **affiliated with the CNSS** and must **register each employee**. Salaries are then declared, and contributions paid, every month. Cover includes **family benefits**, **short- and long-term social benefits** and **compulsory health insurance (AMO)**. The CNSS also collects the vocational training levy.

2026 rates, for guidance

Branch	Employer share	Employee share	Basis

Family benefits	6.40%	—	total salary
Short-term social benefits	1.05%	0.52%	capped at MAD 6,000 a month
Long-term social benefits	7.93%	3.96%	capped at MAD 6,000 a month
AMO	4.11%	2.26%	total salary
Vocational training levy	1.60%	—	total salary

For a monthly salary of up to 6,000 dirhams, the employer share therefore comes to **21.09%** of gross pay and the employee share to **6.74%**, before IR. Above the cap, the overall rate falls, because some contributions stop increasing.

Example: for a gross salary of 8,000 dirhams a month, the employer share is about **1,508 dirhams** and the employee share about **450 dirhams**, before IR withholding. The monthly cost to the business is therefore close to 9,500 dirhams, excluding workplace accident insurance and any benefits.

Points to watch

- **Late registration** deprives the employee of their rights. It exposes the employer to late-payment surcharges and, in the event of an accident or illness, to claims from the fund or the employee.
- **The monthly return** must cover **every** pay component subject to contributions. An omitted bonus or benefit in kind becomes a claim for unpaid contributions in an audit.
- **Workplace accidents** are not covered by the CNSS: the employer must take out **compulsory insurance** with an insurance company (Law No. 18-12). Failure to insure carries heavy penalties.

3. Payroll

In outline

Every month, the employer:

1. calculates gross pay;
2. deducts employee contributions and **IR withholding**;
3. pays the net amount;
4. gives the employee a **payslip** (article 370 of the Labour Code);

5. declares and pays contributions to the CNSS and withholdings to the Directorate General of Taxes (DGI).

The deadlines

- **CNSS**: return and payment no later than the 10th of the following month, according to information published by the fund.
- **IR withheld at source**: paid over **within the month following** payment of the salaries (article 174-I of the CGI).
- **Annual return of wages and salaries**: **before 1 March** of the following year (article 79).

Points to watch

- **The IR calculation** depends on taxable net pay, deductions for professional expenses, contributions, dependants and any exemptions. An error repeats itself every month and builds up over four years.
- **Late payment of withholdings** triggers a **20%** penalty, on top of late-payment surcharges (article 208 of the CGI).
- **Filing the salary return late** triggers a surcharge of 5% (up to thirty days late) or 15%; **failing to file it**, or filing an incomplete one, triggers 20%. The surcharge is calculated on the tax withheld or that should have been withheld, with a minimum of MAD 500 (article 200-II of the CGI), in addition to any back taxes.
- **Benefits in kind**, allowances and bonuses each have their own social security and tax treatment. This is the main source of payroll reassessments.

The mistakes we see most often

1. **Having someone work "on trial" before any formalities**, with no contract and no registration.
2. **Stringing together fixed-term contracts** with no legal basis, then discovering the reclassification when the parties part ways.
3. **Paying an agreed "net" amount** without working back to gross pay, contributions and IR.
4. **Forgetting workplace accident insurance**, which is not part of the CNSS.
5. **Paying part of the salary in cash** or "off payroll": a social security and tax risk for both the business and the employee.

How we can help

We:

- help you choose the right contract and draft it to fit your situation and your collective agreement;
- handle the business's affiliation and the registration of employees;
- run your payroll every month, with CNSS returns and IR withholdings paid on time;
- model the full cost of a hire before you decide;
- support you in a CNSS or labour inspectorate audit.

For a first hire without missteps, see our payroll and HR administration services and contact the firm.

Sources

- Loi n° 65-99 relative au code du travail (in French), articles 14, 16, 17 et 370.
- Décret n° 2.25.983 fixant le salaire minimum (in French) (SMIG et SMAG 2026).
- Dahir portant loi n° 1-72-184 relatif au régime de sécurité sociale, et loi n° 65-00 portant code de la couverture médicale de base (in French) (AMO). Taux de cotisation publiés par la CNSS (cnss.ma) et le CLEISS.
- Loi n° 18-12 relative à la réparation des accidents du travail (in French).
- Code général des impôts, édition 2026 (in French) (tax.gov.ma), articles 79, 174, 198, 200 et 208.

A question on this topic?

The Adyel & Associés teams in Casablanca support businesses and their directors with all their tax, accounting and payroll obligations. Let's talk about your situation.

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