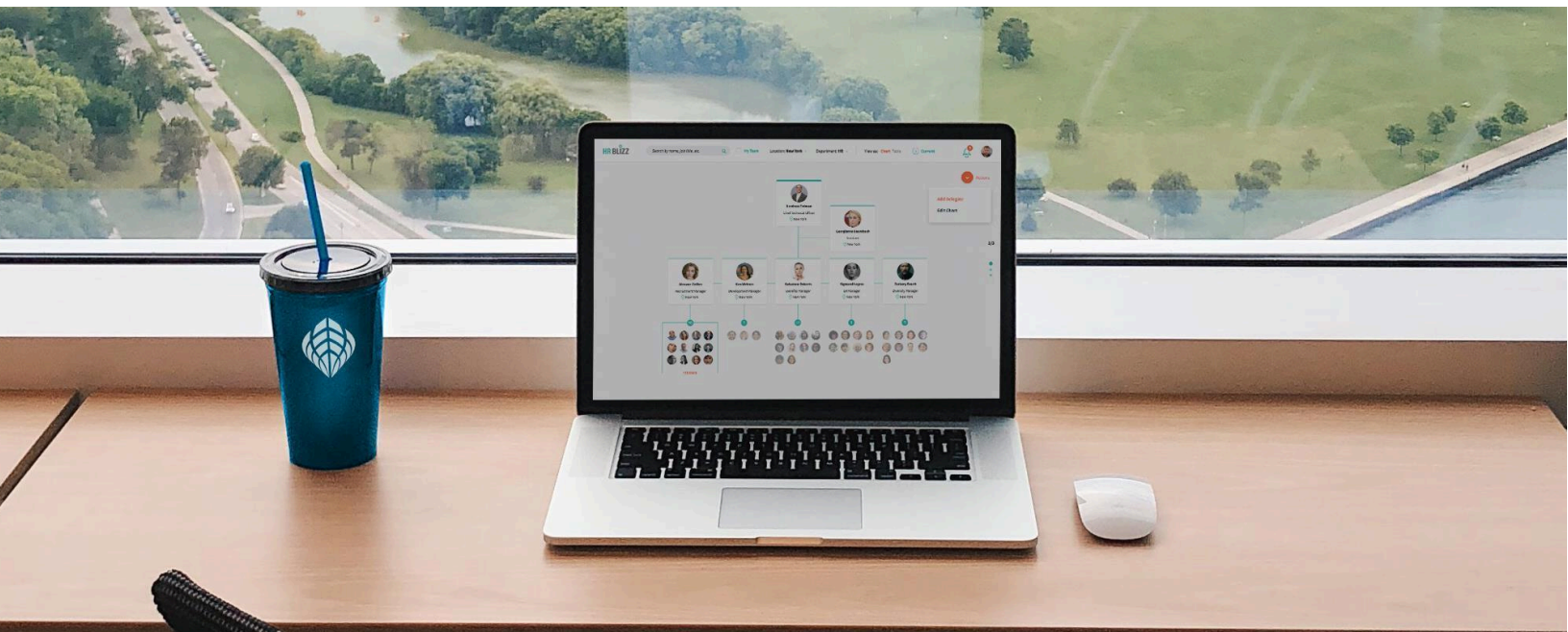




Simplifying Employment  
Tasks Worldwide

# Statutory Change Alert

Saudi Arabia – New Social Security Law – 3 July 2025



## SAUDI ARABIA



Jun 27, 2025

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# We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



## **Global Payroll Solutions – Boost your HR brand and employee satisfaction**

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



## **PEO/GEO Services – Easily hire, deploy and manage your workforce abroad**

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



## **Global Talent Acquisition – Quickly fill vacancies with only the best candidates**

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



## **BPO Services – Reclaim the focus on your core activities to expand your business**

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



## **HR Management SaaS – Access customizable cloud-based online platforms**

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



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### **Local Statutory Compliance – Forget the hassle of setting up branches abroad**

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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## Mercans at a Glance

<b>160+</b> Countries	<b>20</b> Years of Success	<b>1K+</b> Payroll and HR Specialists
<b>22k+</b> Clients Worldwide	<b>97%</b> Client Retention Rate	<b>1.5X</b> Annual Revenue Growth
<b>95k+</b> Largest Single Country Payroll	<b>25M+</b> Pay Slips per Annum	<b>0</b> Security Breaches

**Number one** for outsourced payroll services, we are endorsed by international authorities.



**Mercans has the highest industry quality and IT security certificate certificate**





# New Social Security Law

The General Organization for Social Insurance (GOSI) has recently passed amendments to the Social Security Law, which include a new social security retirement system for new entrants to the workforce and changes for existing employees. The new Social Insurance Law came into law on 3 July 2024 and takes effect 3 July 2025.

## Key Details

**Applicability:** The new Social Insurance Law is designed specifically for new employees joining the workforces in the public (civil) and private sectors who do not have any prior contribution periods in the current Civil Pension or Social Insurance Laws. This targeted approach ensures that the transition is smooth and that current contributors remain unaffected by the changes.

**Gradual Increase in Retirement Age:** The statutory retirement age is now between 58 and 65 Gregorian years based on the contributor's age on 3 July 2024. The retirement age for those covered by the new system is 65 years old. However, individuals can retire 10 years before the regular retirement age if they have 360 months of subscription, which is equivalent to 30 years of service.

**Extended Contribution Periods for Early Retirement:** There is a gradual increase in required contribution periods for early retirement. This change, ranging from 25 to 30 years, encourages longer participation in the workforce and ensures that employees are better prepared for retirement.

**Contribution Rates:** The employee and employer contribution rates will each gradually increase from 9% to 11% of contributory wages by 0.5% each year from 3 July from 2025 to 2028.

	Employees New To The Workforce	Employees Under Age 50 With Existing Contributions (Not New To Workforce)	Employees Aged 50 And Above (Not New To Workforce):
Retirement Age	Set at 65	Increase gradually from the current retirement age 58 until reaching 65.	Continue to follow the rules under the old system with no changes
Contribution Rates	Will rise by 0.5% annually starting in the second year, reaching a total increase of 2% by the fifth year.	No change to contribution rates.	No change to contribution rates.

1. Employees New to the Workforce (No Prior Social Insurance):

- Applicability: Individuals entering the labor force for the first time after July 3, 2024, with no previous social insurance contributions.
- Retirement Age: Set at 65.
- Contribution Rates: Will rise by 0.5% annually starting in the second year, reaching a total increase of 2% by the fifth year.

2. Employees Under Age 50 with Existing Contributions Before the Law Effective Date:

- Retirement Age: Increase gradually from the current retirement age, depending on the employee's age at the time the law is enacted.
- Contributions: These employees will remain in the current system, with no change to contribution rates.

3. Employees Aged 50 and Above:

- Retirement Age: Continue to follow the rules under the old system with no changes.
- Contributions: Contributions will proceed under the existing system without changes to contribution rates.

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change.

## They already trust Mercans





# What Makes Mercans your HR and Payroll **Partner of Choice?**

## **We Simplify Employment Tasks Worldwide**

### **Everywhere for Everyone**

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

### **Local Presence. Regional Strategy. Global Success**

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

### **A Revolutionary Service Delivery System**

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

### **Trailblazing Cloud-Based SaaS Products**

HR Blizz & Mesar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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