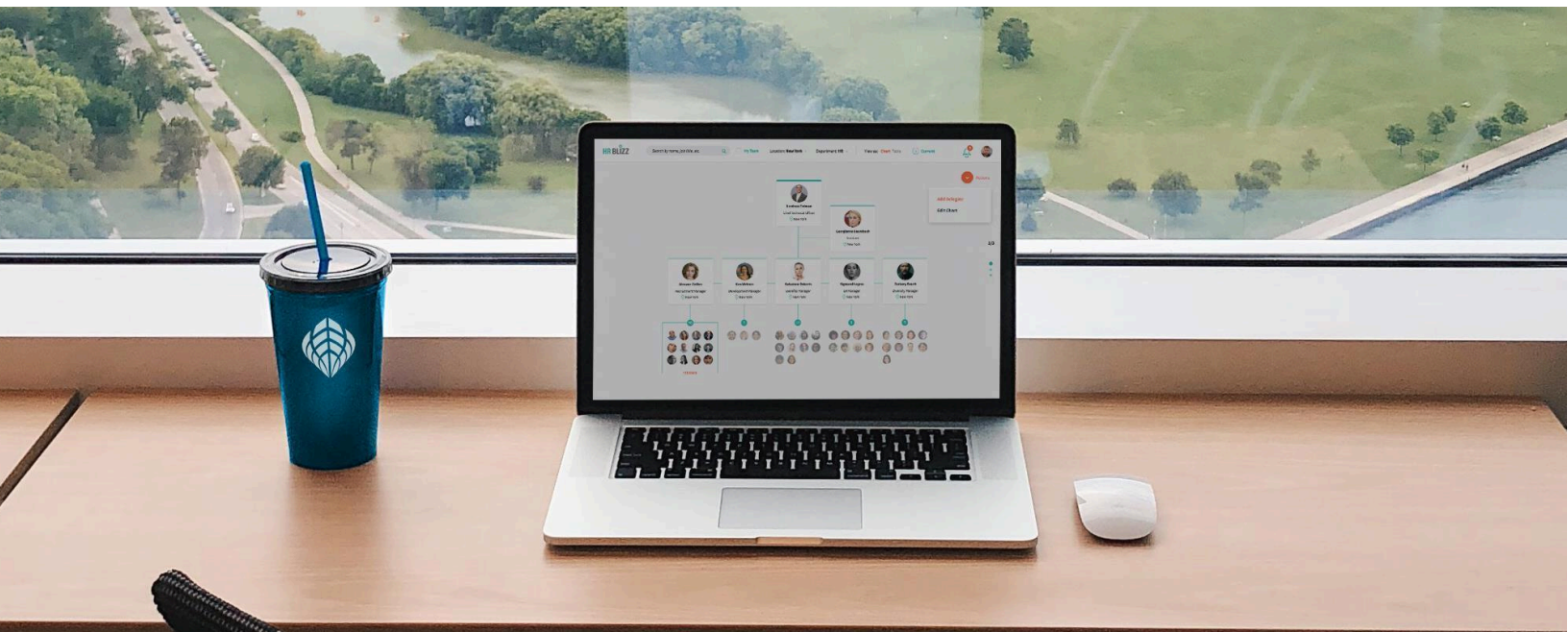




Simplifying Employment
Tasks Worldwide

Statutory Change Alert

Bahrain – Changes in Social Security Rates & EOSB – 1st
January 2026



BAHRAIN



Dec 16, 2025

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MERCANS

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 Mesaar™ 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 Mesaar 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

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





Bahrain - Changes in Social Security rates & EOSB - 1st January 2026

Social Security and Payroll Contributions Updates

Effective January 1, 2026, the employer's contribution rate to the Social Insurance Organization (SIO) for Bahraini employees will increase by 1 percentage point. This is a mandated annual increment, continuing Bahrain's 2022 social insurance reform aimed at strengthening the pension fund.

- **Employer Contribution:** The total employer's pension contribution (covering retirement, unemployment, and work injury) will rise from **17% in 2025 to 18% in 2026** of the employee's wage.
- **Employee Contribution:** The employee's deduction **rate remains unchanged** at a **total of 8% (7% for pension plus 1% for unemployment)**.

(Note: These percentages apply to the employee's applicable wage up to the statutory salary cap and fund pensions, work injury, and unemployment benefits.)

New Funded End-of-Service Benefit (EOSB) System for Expatriate Workers

Effective March 1, 2024, Bahrain introduced a new end-of-service benefit (EOSB) scheme for expatriate employees, fundamentally altering the method of managing their service gratuities.

Under this new system, the traditional lump-sum payment by the **employer upon termination has been replaced**. Employers are now required to make **monthly contributions** to a fund administered by the Social Insurance Organization (SIO). These accumulated contributions will cover the employee's EOSB (or leaving indemnity).



The required monthly contribution rates, based on the employee's salary and tenure, are:

- **4.2% of the monthly wage** for the first three years of service (equivalent to a half-month's wage per year).
- **8.4% of the monthly wage** for each year of service exceeding three years (equivalent to one month's wage per year).

Upon the cessation of employment, the expatriate worker will directly claim their accrued benefit from the SIO, rather than the employer. This transition aligns Bahrain with international best practices by ensuring that the EOSB is securely funded and readily available.

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™ & Mesaar™, 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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