SAUDI ARABIA · PAYROLL

GOSI Rates 2026: Why Some Saudis Pay 23.5%, Not 21.5%

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IN SHORT

Since 1 July 2026, GOSI contributions for Saudi employees depend on when the employee was first registered with GOSI. Saudis first registered on or after 3 July 2024 are at 23.5% combined — employer 12.75% and employee 10.75%, including SANED and occupational hazards. Saudis registered before that date stay at 21.5% combined. The base is basic salary plus housing allowance, capped at SAR 45,000; the next 0.5% step comes on 1 July 2027.

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The one question that decides the rate

Most "GOSI rates 2026" tables print a single percentage, and that is exactly what goes wrong in payroll. Under the new Social Insurance Law, the annuities (pension) branch is stepping up gradually — but only for Saudis whose **first GOSI registration** is on or after 3 July 2024. An employee hired in 2025 who already had GOSI history from an earlier job stays on the old track; a genuine first-time entrant is on the new one.

So before applying a rate, payroll needs one fact per employee: the date of first GOSI registration, not the hire date.

The rates from 1 July 2026

From 1 July 2026 the two tracks look like this (Saudi employees; the base for all of it is basic salary plus housing allowance, capped at SAR 45,000):

GOSI CONTRIBUTIONS FOR SAUDI EMPLOYEES FROM 1 JULY 2026

Component	First registered on or after 3 Jul 2024	First registered before 3 Jul 2024
Annuities (pension) — employer	10%	9%
Annuities (pension) — employee	10%	9%
SANED (unemployment) — employer	0.75%	0.75%
SANED (unemployment) — employee	0.75%	0.75%
Occupational hazards — employer	2%	2%
Combined	**23.5%** (12.75% + 10.75%)	**21.5%** (11.75% + 9.75%)

- Non-Saudi employees: only the 2% employer occupational-hazards contribution applies
- The SAR 45,000 cap means a SAR 60,000 basic-plus-housing package contributes as if it were SAR 45,000

Not legal advice — verify with GOSI

The step-ups still to come

The new-registrant track did not jump to 23.5% in one move and it is not finished. The annuities rate for post-July-2024 registrants rises 0.5 percentage points per side each July until it reaches 11% + 11%:

ANNUITIES STEP-UPS FOR SAUDIS FIRST REGISTERED ON OR AFTER 3 JULY 2024

Effective date	Employer annuities	Employee annuities	Combined (with SANED + hazards)
1 July 2025	9.5%	9.5%	22.5%
1 July 2026 (current)	10%	10%	23.5%
1 July 2027	10.5%	10.5%	24.5%
1 July 2028 (final)	11%	11%	25.5%

- Legacy registrants (first registered before 3 July 2024) stay at 9% + 9% annuities throughout — their combined 21.5% does not step up
- Put the July dates in your payroll calendar: a rate table without effective dates will silently under-deduct from the first July run

Worked example: two colleagues, same salary, different GOSI

Two Saudi employees each earn SAR 8,000 basic plus SAR 2,000 housing in October 2026 — a contribution base of SAR 10,000. One joined the workforce in 2023, the other first registered with GOSI in 2025.

October 2026, base SAR 10,000

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Registered 2023 (old track): employee 9.75% = SAR 975 · employer 11.75% = SAR 1,175 · total SAR 2,150
First registered 2025 (new track): employee 10.75% = SAR 1,075 · employer 12.75% = SAR 1,275 · total SAR 2,350
Difference: SAR 200 a month on the same payslip base — the registration date is the only variable
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What counts in the base — and what does not

The contribution base is the basic salary plus the housing allowance (or the value of employer-provided housing), capped at SAR 45,000. Transport allowances, commissions and overtime stay out. Two consequences follow:

- Restructuring pay from basic into transport allowance changes GOSI; moving it into housing does not
- A mid-year raise changes contributions from the month it takes effect — GOSI expects the updated wage, so report salary changes rather than letting the registered wage drift

Getting this right in payroll, every month

The failure mode is a payroll sheet with one GOSI percentage pasted across every Saudi employee. The rule needs three per-employee inputs — nationality, first-registration date and basic-plus-housing base — and a rate table with effective dates so the July 2027 step applies itself.

In ERP HRM Solution the GOSI table ships with both tracks and their effective dates, and each company can edit the rates. The deduction lands on the payslip, the employer cost posts to the ledger when the run is approved, and the same run produces the Mudad or bank payroll CSV.

Frequently asked questions

What are the GOSI rates in 2026?

From 1 July 2026: 23.5% combined for Saudis first registered with GOSI on or after 3 July 2024 (employer 12.75%, employee 10.75%, including SANED and occupational hazards), and 21.5% combined for Saudis registered before that date. For non-Saudis, only the 2% employer occupational-hazards contribution applies.

Which GOSI rate applies to an employee hired in 2025?

It depends on their first GOSI registration, not the hire date. If 2025 was their first-ever registration they are on the new track (23.5% combined in 2026); if they had GOSI history from an earlier job before 3 July 2024, they stay at 21.5%.

Is housing allowance included in the GOSI base?

Yes. The contribution base is basic salary plus housing allowance, capped at SAR 45,000. Transport and other allowances are excluded.

When is the next GOSI rate increase?

On 1 July 2027 the annuities rate for Saudis first registered on or after 3 July 2024 rises another 0.5% per side (to 10.5% + 10.5%), and on 1 July 2028 it reaches the final 11% + 11%. Rates for earlier registrants do not change.

Sources

- General Organization for Social Insurance (GOSI)
  https://www.gosi.gov.sa/en
- GOSI rate step-up from 1 July 2026 (PaySpace summary)
  https://payspace.com/blog/saudi-arabia-gosi-contribution-rates-increase-1-july-2026-new-employee-employer-rates
- Ministry of Human Resources (HRSD)
  https://www.hrsd.gov.sa/

If your payroll sheet still has one GOSI percentage for everyone, that is the thing to fix before July 2027. **ERP HRM Solution's Saudi payroll** keeps both rate tracks with effective dates, prints the split on the payslip and exports the Mudad or bank CSV from the approved run.
https://erphrmsolution.com/guides/gosi-rates-2026-explained