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KEY AMENDMENTS TO THE NEW LABOUR LAW

Federal Decree Law Number 33 of 2021 on Regulation of Labour Relations (New Labour Law) takes effect from 2nd February 2022 and will repeal UAE Federal law No 8 of 1980. The new labour law has introduced a number of amendments and employment reforms.

NEW WORK MODELS

The New Labour Law recognises the following work models

Remote work

The scheme enables full-time and part-time employees to work completely or partially outside the office.

Shared job model

Splitting the job responsibilities and pay among more than one employee based on an agreement with the employer.

Full time

Which means working for one employer for full daily working hours throughout the working days.

Part time

Which means working for one or more employers for a specified number of working hours or days designated for work.

Temporary work

Which is work whose execution requires a specific period or is based on a certain task and is ended by its completion.

Flexible work

Which is work whose hours or working days change according to the workload, as well as the economic and operational variables of the employer. The worker may work for the employer at variable times according to the work conditions and requirements.



WORK PERMITS

Temporary work permit

Enables employers to hire on a project basis or for work that lasts for a fixed period.

One-mission permit

Enables companies & establishments to recruit an employee from abroad for temporary work or a specific project to be completed in a certain period of time.

Part-time work permit

Allows employees to work for more than one employer based on a fixed number of hours or days.

Juvenile permit

Enables employers to hire juveniles aged between 15 and 18 under the conditions outlined in the law.

Student training permit

Enables companies and establishments to train and recruit teenagers aged 15 under specific regulations that ensure a healthy work environment.

UAE/GCC National permit

Issued when hiring UAE and GCC nationals.

Golden Visa Holders permit

Issued when hiring a Golden Visa holder inside the UAE.

National Trainee permit

Enables companies & establishments to train UAE nationals based on their qualifications or field.

Freelancer permit

Issued for self-sponsored expats wishing to provide a certain service, complete a task or work for a fixed period of time for an individual or a company without sponsorship or existing contracts.

A permit to hire a worker from outside the country.

A permit to transfer an expatriate worker's employment from one facility registered in the ministry to another.

A permit for expats sponsored by family.



EMPLOYMENT CONTRACTS

All employees under the New Labour Law must be employed on fixed term (renewable) contracts of not more than three years. The contract can be renewed unlimited number of times for either the same length period or a shorter period. Employers have time until 1st February 2023 to replace all existing unlimited employment contracts to fixed term contracts. Workers and employers are allowed to introduce new clauses to the approved contract forms in accordance with the UAE labour.

PROBATION

Employers will be required to give a minimum of 14 days written notice before terminating an employee during probation, which may not be longer than six months. Employees who wish to switch jobs during probation shall submit a one-month notice, while the new employer must pay all the recruitment costs to the previous employer. Employees who wish to leave the country shall submit a 14-day notice, but if they return to the country for a new job within three months from the date of departure, the new employer must compensate the previous employer, unless there is an agreement between the worker and the employer stating otherwise.

NON-COMPETITION CLAUSE

Under the non-competition clause, employers can require employees not to participate in a competing project in the same sector for a maximum of two years from the contract termination if the work allows them to have access to the employer's clients or professional secrets. The clause must stipulate the time, place and types of work it applies to.

PAYMENT OF WAGES

Wages can be paid in UAE Dirhams or any other agreed currency.



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LEAVE

Maternity Leave

Mothers in the private sector will receive longer maternity leave, with 45 days of full pay and the next 15 days with half pay.

Paternity Leave

Employees of the private sector are entitled to a parental leave of 5 working days from the day of the birth of their child to six months. Parental leave is a paid leave that can be applied for by both mother and father of the baby.

Bereavement Leave

Paid bereavement leave is granted, ranging from 3 -5 days depending on nature of the relationship between the employee and the deceased.

Study Leave

After completing two years of work term with an employer, workers are entitled to a 10-day study leave per year provided that they are enrolled in an accredited institution within the UAE.

Sabbatical Leave

Available to UAE national employees only for the purposes of performing national or reserve service.

DEATH OF EMPLOYEE

Employers are obliged to pay outstanding wages and other dues owed to the employee, to the employee's family within a period not exceeding (10) ten days from the date of death or from the date on which the employer became aware of the death of the worker. The employer shall bear all the costs of preparing and transporting the corpse of the deceased worker to his home country or place of residence if his family so requests

MINIMUM WAGE

In a first-of-its-kind move, the new law will introduce a minimum wage for private sector employees to be detailed in the Executive Regulations. The minimum wage will protect the rights of low-skilled workers by setting a minimum wage threshold for employers to adhere to.

EQUALITY & NON-DISCRIMINATION

Any discrimination on the basis of race, colour, sex, religion, national or social origin or disability is prohibited

BULLYING AND HARASSMENT

New law expressly prohibits sexual harassment, bullying, or the use of verbal, physical, or emotional violence against employees by the employer, superiors or colleagues.

JUDICIAL FEES EXEMPTION

Labour claims shall be exempted from judicial fees at all stages of litigation and execution, as well as the requests filed by workers or their heirs, whose amounts do not exceed (AED 100,000) one hundred thousand UAE Dirhams

END OF SERVICE BENEFITS FOR FULL-TIME WORKERS

Full-time foreign worker, who completed a year or more in continuous service, shall be entitled to end of service benefits at the end of his service, calculated according to the basic wage as per the following:

- a. A wage of (21) twenty-one days for each year of the first five years of service;
- b. A wage of (30) thirty days for each year exceeding such period.

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