

Federal Law 33 of 2021 – The “Labour Law” Summary

As this summary, discusses the new employment law, it must be highlighted to the readers that the information it provides is not legal advice and are for ease of reference only.

Any provisions to the contrary of the provisions of this Decree-Law shall be deemed void even if it preceded its effective date, unless it is more beneficial to the employee. Any discharge, conciliation or waiver of any of the employee’s rights arising under this Decree-Law shall be deemed void to the extent that it conflicts with its provisions.

Gregorian calendar shall be adopted in calculating the dates and periods of time stipulated in this Decree-Law. In the application of the provisions of this Decree-Law, a calendar year shall comprise three hundred sixty-five (365) days, and a calendar month shall comprise thirty (30) days.

Employment Contracts

Limited Contract

- The Employment Contract shall be a term-limited contract in accordance with both parties agreement. The contract’s term may be extended or renewed; one or more times; for a similar or a shorter period.
- In case of extending or renewing the contract’s term, the new term(s) shall be deemed as extension(s) of the original term and shall be added to it when calculating the term of the employee’s continuous service.
- If the parties continue to perform the contract after the expiration of its original term or after the completion of the work agreed upon without any explicit agreement, the original contract shall be deemed as implicitly extended with the same terms and conditions.

Unlimited Contract

- Eliminated in the UAE Labour Law, however provisions of this law are applicable on the unlimited contracts signed prior to the effectiveness of this law.
- Employers shall adjust their respective statuses and convert any unlimited-term Employment Contracts into limited-term Employment Contracts by 31/12/2023.

General Provisions

Probation

- A period not exceeding six (6) months starting from the commencement date.
- Only once in an each Employment.

Notice During Probation

- 14 Days minimum if terminated by the company or employee.
- 30 Days minimum if terminated by employee in the case of transfer.

Compensation Duration Probation

- Applicable to transfer or New work permit within 3 months from date of exit:**
- New employer to compensate the original employer on the recruitment expenses (unless otherwise agreed between the original employer & Employee)

General Provisions

Notice Period

Minimum 30 days & doesn't exceed 90 days for any legal reason, to be notified in written to the other party.

In the case of termination is by the employer, the employee is entitled for one unpaid day weekly to search for another job to be notified 3 days prior from the date of absence.

Temporarily of unlimited contracts:

- Not less than 30 for an employment less than 5 years.
- Not less than 60 for an employment more than 5 years.
- Not less than 90 for an employment more than 10 years.

Disciplinary Rules

Type of Disciplinary action:

1. Serving a non-disciplinary written notice
2. Serving a written warning letter;
3. Deducting no more than five (5) days per month from his Wage
4. Suspension from work for a period not exceeding fourteen (14) days along with deducting the Wage of those days of suspension;
5. Depriving the Employee from the periodic increments for a maximum period of one (1) year for those Establishments having periodic increment scheme, in case the Employee was entitled to such periodic increments pursuant to the terms of his Employment Contract or pursuant to the Establishment's bylaws.
6. Depriving the Employee from getting promoted for a maximum of (2) two years, for those Establishments having a promotion scheme.
7. Dismissing the Employee while reserving his right in getting the end of service gratuity.

Immediate Termination cases (Article 44)

The Employer may dismiss the Employee without prior notice, after conducting a written investigation with him. The dismissal decision shall be in writing and reasoned, and shall be handed by the Employer; or his representative; to the Employee in any of the following cases:

1. In case the Employee assumed a false identity or submitted forged certificates or documents
2. In case the Employee commits an error that results in gross material loss to the Employer, or purposely damages the Employer's property along with admitting the same, provided that the Employer notifies the Ministry of such incident within seven (7) working days from becoming aware of the occurrence thereof.
3. In case the Employee violates the Establishment's bylaws related to the work safety, Employees' safety or the safety of the workplace, provided that such safety instructions are in writing and affixed in conspicuous places, and that the Employee is made aware of the same.
4. In case the Employee fails to perform his main duties as set out in the Employment Contract, and such failure continued despite conducting a written investigation with him for such reason and after being served with two warnings of dismissal in case such failure is repeated.
5. In case the Employee discloses any of the trade secrets related to the industrial or intellectual property and such disclosure resulted in losses to the Employer, loss of opportunity or in case the Employee achieved a personal benefit therefrom.
6. In case the Employee is found in an intoxicated state or under the influence of a narcotic or psychotropic substance or commits any act of moral turpitude at the workplace during the working hours.
7. In case the Employee commits a verbal or physical assault or any other form of assault; that is punishable under the laws applicable inside the State; against the Employer, the manager-in-charge, any of his supervisors or co-Employees.
8. In case the Employee absents himself from work for more than twenty (20) inconsecutive days in one year, or for more than seven (7) consecutive days without a legitimate reason or a justification that is acceptable to the Employer.
9. In case the Employee misuses his position for private gain.
10. In case the Employee joins another Establishment without complying with the controls and procedures prescribed in this respect.

Working Hours

Working Hours	Not to exceed 48 hours a week, shouldn't exceed 144 working hours every 3 weeks
Overtime	2 Hours Maximum daily, Employee shall be entitled to normal hours pay + at least 25 % increase of basic remuneration
	Between 10.00 p.m and 4.00 a.m, Employee shall be entitled to normal working hours pay + an increase equal to at least 50% of the basic remuneration (Shifts Employees are exempted from this provision)
	If working on rest day indicated in the contract Employee shall be granted one day off or be paid for the normal working hours + an increase equal to at least 50% of the basic remuneration. Except for employees on daily wage an employee may not work on more than two rest day consecutively.
Weekly Rest Day	One day minimum determined in the employment contract or executive regulations.

Gratuity Entitlement

Gratuity (Based on Basic Wage)	<p>Applicable to Resignations and Terminations:</p> <ul style="list-style-type: none"> - 21 days basic wage 1 > 5 - 30 days for each additional year above 5 years <p>Note for Unlimited terms contracts: Employer may calculate the end of service gratuity in accordance with the provisions of the unlimited-term Employment Contract stipulated in Federal Law No. (8) of 1980, referred to herein.</p>
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Compensation (Unlawful Termination)

Compensation (Unlawful Termination)	<ul style="list-style-type: none"> - The Employer's termination of the Employee's service shall be deemed unlawful in case such termination was due to a serious complaint submitted by the Employee to the Ministry or due to filing a lawsuit against the Employer and such lawsuit was proven to be valid. - In case it is proven that the Employer's termination of the Employee's service is unlawful; pursuant to the provisions of Clause "1" of this Article, then the Employer shall be obligated to pay to the Employee a compensation to be determined by the competent Court. The compensation value shall be determined based on the type of work, volume of damage sustained by the Employee and the term of his service. In all cases, the compensation amount may not be in excess of the wage of three (3) months and shall be calculated based on the latest wage that the Employee was receiving.
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Leave Type	Description
Annual Leave	<p>Without prejudice to the Employee's rights that have accrued to his benefit prior to the date this Decree-Law takes effect, the Employee shall be entitled to a fully paid annual leave that is not less than:</p> <ul style="list-style-type: none"> - Two (2) days per month in respect of any employee with more than six months and less than one year of service. - Thirty (30) days (or 2.5 days per month) per annum in respect of any employee whose period of service exceeds on year. <ul style="list-style-type: none"> • The Employer may approve the employee an annual leave from the leave balance during the probation period. • The employee is entitled to receive cash in lieu of annual leave days not availed by him, if he was dismissed or if he left the service, based on the basic salary.
Official Holiday	<p>As determined by the Ministry Cabinet from time to time.</p> <p>If working on official holiday day Employee shall be granted one day off or be paid for the normal working hours + an increase equal to at least 50% of the basic remuneration</p>
Sick Leave	<p>During the probationary period, the employee is not entitled to any paid sick leave.</p> <p>If the employee completed the probationary period, in the continuous service of employer, the employee shall be entitled to a sick leave not more than 90 days either continuous or intermittent per each year or service, computed as follows:</p> <ol style="list-style-type: none"> The first 15 days with full pay. The next 30 days, with half pay. The subsequent period, without pay.
Parenthood Leave	5 working days full pay entitled from the child's birth up to 6 months
Compassionate Leave	<ul style="list-style-type: none"> - 5 days incase of Spouse decease - 3 Days incase decease of parents, children, siblings, grandchildren, grandparents
Study Leave	<p>10 working days annually for the admitted student in Higher education institutes in UAE, to conduct exams</p> <p>Employee to work no less than 2 years for the entitlement</p>
Unpaid Leave	After approval of the employer, employee may take an unpaid leave which is not calculated as part of the service
Maternity Leave	<p>Employee shall be entitled for 60 days if the employee the birth is after 6 months or more from pregnancy, either the child is born deceased or alive, or born alive then deceased:</p> <ul style="list-style-type: none"> - 45 days based on full pay - The following 15 days based on half pay - Then following consecutive or inconsecutive 45 days without pay based on a report from a Medical Authority <p>Plus the above, in case of giving a birth to a sick child or People of Determination which require a full time attendance based on a report from a Medical Authority:</p> <ul style="list-style-type: none"> - 30 days after the maternity leave - Extended to another 30 days without pay.