

United Arab Emirates

Worker Classifications

There are no official subcategories of Workers in UAE

Fixed Term Contracts

Fixed term contracts do not have a duration limit as long as both parties agree to the length of the fixed term. There is no limit on the number of times a fixed-term contract can be renewed but will be considered an extension of the previous contract on same legal terms. Fixed term contracts can be renewed automatically, or as agreed between the parties. The fixed term contract may be terminated before the expiration of the term without further compensation due to the Worker only under certain circumstances. Otherwise, either party can terminate it with one to three months' notice and compensation to the other party as contracted. If no such terms are in the employment agreement, a three-month notice period will automatically apply as well as early termination compensation equal to three months' remuneration or the remainder of the term, whichever is less. If the Worker initiates the end of the fixed-term contract, he or she may be liable for half of early termination compensation only if the worker's early termination is not considered to be a legitimate reason.

Probationary Periods

Probationary periods must not be longer than six months and cannot be extended. During the probationary period, the employment agreement may be terminated by either party providing 14 days written notice.

Holidays

In UAE, most Workers recognize seven paid national holidays, some of which span multiple days. If work is performed on a public holiday, it should be compensated with either (a) time off in lieu as well as a bonus of 50% of wages, or (b) 150% of wages.

Vacation

After six months of service, Workers are entitled to paid vacation equal to two calendar days per month. After one year of service, the entitlement increases to 22 working days/30 calendar days of leave annually. Employers can require that the leave be broken into two separate periods. Unused leave can be carried over year to year. Accrued but unused leave is payable at the time of termination.

Sick Leave

Following a probationary period, Workers are entitled to 90 days of paid sick leave per year payable at full-pay for the first 15 days, half-pay for the next 30 days, and unpaid thereafter. Workers who are sick for 3 days or less do not need to provide a medical certificate, for sickness lastly 4 days or more the worker must provide a medical report issued by government approved medical facility.

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Working Hours

The maximum normal working hours are eight hours per day or 48 hours per week. The working week is Sunday to Thursday, Friday is considered a day of rest. Work required to be performed on Friday should be compensated with a day off in lieu or 150%. In Ramadan working hours are reduced by 2 hours per day.

Overtime

Employers may require Workers to work up to two additional hours of overtime per day. Overtime must be compensated at 125% if the overtime worked is between 4:00 a.m. and 9:00 p.m. or 150% if it is between 9:00 p.m. and 4:00 a.m. Only senior executive, managerial, or supervisory positions are exempt from working hours and overtime requirements.

Termination

Except in cases where Article 120 of the Labour Law applies (specific cases of gross misconduct), Workers are entitled to an "acceptable reason" and at least 30 days' notice of termination or pay in lieu (or the amount of notice contracted to). Workers may also be entitled to an end of service gratuity ("ESG") after one year of service. The ESG is equal to 21 days' wages for each of the first five years of service and 30 days' wages for each year thereafter, for a maximum of two years' wages.

Resignation

Workers generally may resign by giving 30 days' notice or the required notice established by contract, whichever is longer. Workers on indefinite contracts with less than five years' service are entitled to a portion of ESG upon resignation. One-third is due for lengths of service between one and three years and two-thirds for lengths of service between three and five years. Workers on fixed-term contracts with more than five years of service are entitled to ESG calculated in the usual way.

Other End Of Employment Rules

End of Service Benefit: Employees in the UAE are entitled to an end of service gratuity (EOSG) at the end of their employment, provided that certain qualifying conditions are fulfilled. EOSG is granted to employees who: (1) Resign, provided they have been in employment for one year or more; or (2) are terminated other than for "cause". The amount of EOSG that an employee received will depend on his/her length of service, and whether he/she resigned or had their employment terminated by the employer. Generally, a terminated employee is entitled to 21 day's pay for each year of the first 5 years of service, and 30 days pay for each additional year. Employees who have resigned and have between 1-3 years of service will be entitled to 1/3 of the end of service gratuity; 2/3 of the gratuity if they have between 3-5 years of service; and full-gratuity if their service exceeds 5 years.

Mandatory Employer Costs

Social Security Contributions, End of Service Benefit (EOSB), and private medical insurance (employee and family)