

TITLE SEVEN TERMINATION OF EMPLOYMENT CONTRACT AND END OF SERVICE GRATUITY

CHAPTER ONE

TERMINATION OF EMPLOYMENT CONTRACT

Article 113 –

The employment contract shall be terminated in the following cases :

- Should the parties thereto agree to the termination thereof , provided that the consent of the worker is in writing .
- Should the specified term of the contract expire , unless the contract is explicitly or implicitly extended in accordance with the provisions hereof .
- Should a party to an employment contract with undetermined term wish the termination thereof , provided that such party abides by the provisions hereof related to the notification and the acceptable grounds for the termination of the contract in a non – arbitrary manner .

Article 114 –

The employment contract shall not be terminated with the death of the employer , unless the subject of the contract is related to the person thereof . However , the employment contract shall be terminated with the death or complete disability of the worker and such by virtue of a medical certificate approved by the competent health authorities in the State .

Should the worker with a partial disability be capable of performing other works that are consistent with his health condition , and should such works exist , the employer shall transfer the worker upon the request thereof to such a work , and pay him the wage normally paid to the workers with the same title , and such without prejudice to the rights and compensations due to the worker by virtue hereof .

Article 115 –

As amended by Federal Law no . 12 dated 29/10/1986 :

Should the employment contract be of a determined term , and the employer rescind same for reasons not set forth in Article 120 , he shall be bound to compensate the worker for the damage incurred thereto , provided that the compensation amount does not exceed in any case the total wage due for the period of three months or for the remaining period of the contract , whichever is shorter , unless otherwise stipulated in the contract .

Article 116 –

As amended by Federal Law no . 12dated 29/10/1986 :

Should the contract be rescinded by the worker for causes not set forth in Article 121 , the worker shall be bound to compensate the employer for the loss incurred thereto by reason of the rescission of the contract , provided that the amount of compensation does not exceed the wage of half a month for the period of three months , or for the remaining period of the contract , whichever is shorter , unless otherwise stipulated in the contract .

Article 117 –

1 – The employer and the worker may terminate the employment contract with undetermined term for valid grounds at any time subsequent to the conclusion of the contract , and such after notifying the other party thereof in writing at least thirty days prior to the termination thereof .

2 – With regards to day workers , the notice period shall be as follows :

a – One week should the worker have worked for a period of six months at least and one year at most .

b – Two weeks should the worker have worked for a period of one year at least .

c – One month should the worker have worked for a period of five years at least .

Article 118 –

The contract shall remain valid for the notice period referred to in the preceding Article , and shall be terminated with the expiry thereof . The worker shall be entitled to his complete wage for such period on the basis of the last paid wage . He must perform his job during said period should the employer so requires .

It shall not be permissible to agree on the exemption for the notice provision , or on the reduction of the period thereof . However , the agreement on the extension of such period shall be permissible .

Article 119 –

Should the employer or worker fail to notify the other party of the termination of the contract , or should such party reduce the notice period , the notifying party shall pay to the other party a compensation know as compensation in lieu of notice , even if such failure to notice or such reduction of the period does not cause damage to the other party . Such compensation shall be equal to the wage of the worker with regards to the entire notice period or the reduced part thereof . The compensation in lieu of notice shall be calculated on the basis of the last wage paid to the worker for the monthly , weekly , daily or hourly – paid workers , and on the basis of the average daily wage set forth in Article 57 hereof with regards to the payment per piece .

Article 120 –

The employer may dismiss the worker without prior notice in any of the following cases :

a – Should the worker assume false identity or nationality , or submits false certificates or documents .

b – Should the worker be appointed under probation , and the dismissal occur during or at the end of the probation period .

c – Should the worker commit an error resulting in colossal material losses to the employer , provided that the Labor Department is notified of the incident within 48 hours of the knowledge of the occurrence thereof .

d – Should the worker violate the instructions related to the safety at work or in the work place , provided that such instructions be written and posted in a prominent location , and that he is notified thereof should he be illiterate .

e – Should the worker fail to perform his main duties in accordance with the employment contract , and fail to remedy such failure despite a written investigation on the matter and a warning that he will be dismissed in case of recidivism .

f – Should he divulge any of the secret of the establishment where he works .

g – Should he be convicted in a final manner by the competent court in a crime of honor , honesty or public ethics .

h – Should he be found in a state of drunkenness or under the influence of a narcotic during work hours .

i – Should he assault during the work the employer , responsible manager or co – worker .

j – Should he be absent without valid cause for more than twenty non – consecutive days in one year , or for more than seven consecutive days .

Article 121 –

The worker may leave work without notice in the following cases :

a – Should the employer breach his obligations towards the worker , as set forth in the contract or the law .

b –

As amended by Federal Law no . 12dated 29/10/1986 :

Should the employer or the legal representative thereof assault the worker .

Article 122 –

The termination of the employment of the worker by the employer shall be deemed arbitrary should the cause of termination not be related to the work , in particular should the termination of the employment of the worker be made by reason of the filing by the latter of a serious complaint before the pertinent authorities or a valid claim against the employer .

Article 123 –

As amended by Federal Law no . 12 dated 29/10/1986 :

a – Should the worker be arbitrarily dismissed , the competent court may order the employer to pay a compensation to the worker . The court shall assess such compensation , taking into account the type of work and the extent of damage incurred to the worker as well as the duration of employment and after the investigation of the work conditions . In all cases , the amount of compensation shall not exceed the wage of the worker for a period of three months calculated on the basis of the last due wage .

b – The provisions of the preceding paragraph shall not breach the right of the worker to the gratuity entitled thereto and the compensation in lieu of notice provided for herein .

Article 124 –

The employer may not terminate the employment of the worker for his medical unfitness before the exhaustion thereby of the leaves legally due thereto . Any agreement to the contrary shall be deemed void even if concluded prior to the coming into force hereof .

Article 125 –

The employer shall give the worker , upon the request thereof and at the end of his contract , a certificate of end of service gratis in which the date of commencement and termination of the employment , the total duration of employment , the type of work performed , the last paid wage and supplements , if any , shall be mentioned .

The employer shall return any certificates , documents or tools belonging to the worker .

Article 126 –

Should a change occur in the form of the establishment or the legal headquarters thereof , the employment contracts valid at the time of the change shall remain valid between the new employer and the workers of the establishment The employment shall continue and the original and new employer shall be jointly liable for a period of six months for the execution of the obligations arising from the employment contracts during the period preceding the change . Upon the lapse of the said period , the new employer shall solely bear such liability .

Article 127 –

Should the work entrusted to the worker enable him to meet the clients of the employer or know the business secrets thereof , the employer may require from the worker not to compete with him or participate in any competing project upon the termination of the contract For the validity of such agreement , the worker shall be twenty one years old at least upon the conclusion thereof , and the agreement shall be limited , with regards to time , place and type of work , to the extent necessary for the protection of the legal interests of the employer .

Article 128 –

Should the non – national worker leave work without a valid cause prior to the end of the contract with definite term , he may not get another employment even with the permission of the employer for a year from the date of abandonment of the work . No employer may knowingly recruit the worker or retain in his service during such period .

Article 129 –

Should the non – national worker notify the employer of his desire to terminate the contract with undetermined term , and leaves work before the expiry of the legally prescribed notice period , he may not get another job , even with the permission of the employer and such for a period of one year from the date of abandonment of the work . No employer may knowingly recruit the worker or retain in his service during such period .

Article 130 –

Non – national workers obtaining prior to the employment in another job the consent of the Minister of Labor and Social Affairs in accordance with the authorization of the original employer shall be exempt from the provisions of Articles 128 and 129 .

Article 131 –

The employer shall , upon the termination of the contract , bear the expenses of repatriation of the worker to the location from which he is hired , or to any other location agreed upon between the parties . Should the worker , upon the termination of the contract , be employed by another employer , the latter shall be liable for the repatriation expenses of the worker upon the end of his service . Subject to the provisions of the preceding clause , should the employer not repatriate the worker and not pay the expenses of such repatriation , the competent authority shall do so at the expense of the employer . Such authority may recover such expenses by means of attachment .

Should the reason of the termination of the contract be attributable to the worker , the latter shall be repatriated at his own expense should he have the means therefore .

Article 131 – bis

Added by Federal Law no . 12 dated 29/10/1986 :

1 – In the implementation of the provisions of the preceding Article , repatriation expenses shall mean the price of the travel ticket as well as the rights of the worker stipulated in the employment contract or the regulations of the establishment with regards to the travel expenses of his family and the cost of shipping of his personal effects .

2 – In the event where the employer provides the worker with accommodation , the worker shall vacate the accommodation within thirty days from the date of termination of the employment thereof .

3 – The worker shall not delay the vacation of the accommodation beyond said period for any reason whatsoever , provided that the employer pays the worker the following :

a – Expenses provided for in clause 1 of the present Article .

b – End of service gratuities and any other entitlements undertaken by the employer in accordance with the employment contract , establishment policies or the law .

4 – Should the worker contest the amount of the said expenses and entitlements , the competent labor department shall specify such expenses and entitlement in an expedite manner within a week from the date of notification thereto , provided that it notifies the worker thereof upon their specification .

5 – In such case , the thirty – day period referred to in clause 2 of the present Article shall run as of the date of the deposit by the employer of the specified expenses and entitlements into the treasury of the Ministry of Labor with the knowledge of the Labor Department .

Should the worker not vacate the accommodation after the elapse of the said thirty – day period , the Labor Department shall cooperate with the pertinent authorities in the emirate to take the necessary administrative measures for the vacation .

6 – The provisions of the present Article shall not prejudice the right of the worker of contestation thereof before the competent court .

Article 131 – bis 1

Added by Federal Law no . 14 dated 17/10/1999 :

1 – The employer shall submit to the competent labor department a banking guarantee whose type , value , procedures of submission , companies and institutions to whom it applies and other provisions related thereto shall be determined by virtue of a cabinet decision . Such guarantee shall be allocated to the good execution of the obligations of the employer provided for in Article 131 and 131 (bis) hereof .

2 – The deduction of any sums from the banking guarantee referred to in paragraph 1 of the present Article shall be carried out in pursuance of a judicial ruling , and such with the exception of the following :

a – The expenses of repatriation of the worker to his country or to the location agreed upon with the employer .

b – Sums acknowledged by the employer before the competent Labor department as due to the worker .

In such cases , the Ministry may deduct such entitlements from the guarantee referred to in clause 1 of the present Article , and pay same to the worker in view of settling the prescribed rights .

CHAPTER TWO

END OF SERVICE GRATUITY

Article 132 –

As amended by Federal Law no . 12 dated 29/10/1986 :

The worker having spent one year or more in continuous service shall be entitled to an end of service gratuity upon the termination of his service . The days of absence from work without pay shall not be included in the calculation of the period of service , and the gratuity shall be calculated as follows :

1 – The wage of twenty one days for each of the first five years of service .

2 – The wage of thirty days for every additional year .

Always provided that the total gratuity does not exceed the wage of two years .

Article 133 –

The worker shall be entitled to a gratuity for the served fraction of a year , provided that he completes one year of continuous service .

Article 134 –

As amended by Federal Law no . 12 dated 29/10/1986 :

Without prejudice to the provisions of certain laws on the pensions and retirement benefits granted to workers in certain establishments , end of service gratuity shall be calculated on the basis of the last wage due to monthly , weekly and daily – paid workers , and on the basis of the average daily wage set forth in Article 57 hereof for the workers getting paid by piece . The wage used as a basis for calculating the end of service gratuity shall not include payments made to the worker in rem , housing , transport and travel allowance , overtime pay , representation allowance , cashier's allowances , children education allowance , allowances for recreational and social services , and any other bonuses or allowances .

Article 135 –

The employer may deduct from the end of service gratuity any amounts due to him by the worker .

Article 136 –

For the purposes of the Article 132 , cases of employment preceding the coming into force of the present Law shall not be deemed cases for which the worker is entitled to an end of service gratuity with the exception of cases involving nationals , and such without prejudice to any rights acquired by the worker by virtue of revoked labor laws , the employment contract or any agreement , regulations or by – laws of the establishment .

In the event of the worker's death , his end of service gratuity shall be paid to the beneficiaries thereof .

Article 137 –

Should the worker bound by an employment contract with undetermined term leave his work by his own choice after a continuous service of one year at least and three years at most , he shall be entitled to one – third of the end of service gratuity set forth in foregoing Article .

Should his continuous service be of three years at last and five years at most , he shall be entitled to two thirds of the said gratuity , and to the full gratuity should it exceed five years .

Article 138 –

Should the worker bound by an employment contract with determined term leave his work by his own choice prior to the expiry of the contract , he shall not be entitled to an end of service gratuity unless the duration of the service period exceeds five years .

Article 139 –

The worker shall be deprived of his end of service gratuity in the following two cases :

a – Should he be dismissed from service for any of the reasons set forth in Article 120 hereof or should he leave his employment in view of avoiding the dismissal therefrom in accordance with the said Article .

b – Should he leave his employment of his own accord , and without notice in cases other than the ones set forth in Article 121 hereof , and such with regards to contracts with undetermined term , or prior to the completion of five years of continuous service with regards to contracts with determined term .

Article 140 –

Should the establishment have a saving fund for the workers , and the rules of the fund stipulate that the sums deposited into the fund on behalf of the worker is in return for the legal obligation with regards to the end of service gratuity , the saved amount or the duly due gratuity shall be paid to the worker , whichever is greater .

Should the rules of the fund not stipulate that the amounts paid by the employer are in return for his legal obligation with regards to the end of service gratuity , the worker shall receive the amounts due to him from the saving fund in addition to the statutory end of service gratuity .

Article 141 –

Should the establishment have a retirement system , an insurance or any similar scheme , the worker entitled to a pension may choose between such pension , the prescribed gratuity or the money entitled thereto from the retirement system or under the insurance scheme , whichever is better .