

Ministerial Resolution No. (43) of 2022

Regarding

Wages Protection System

His Excellency the Minister of Human Resources and Emiratisation:

- Having reviewed the Federal Law No.(1) of 1972 regarding the duties of the Ministers and powers of the Ministers, and its amendments; and
- Federal Decree-Law No. (33) of 2021 concerning the Regulation of Labor Relations; and the Cabinet Resolution No. (1) of 2022 regarding the executive regulations of Federal Decree-Law No. 33 of 2021; and
- Cabinet Resolution No. (21) of 2020 regarding fees for services provided by the Ministry of Human Resources and Emiratisation, and any new decisions; and
- Ministerial Resolution No. (739) of 2016, regarding the Protection of Wages

Has resolved:

Article (1)

1. In implementation of Article 16 of the aforementioned Executive Regulations of Federal Decree-Law No. 33 of 2021, all establishments registered with the Ministry must pay the wages of their workers on the due date through the Wages Protection System (WPS) approved by the Ministry or any other relevant system. The worker's salary (wage) shall be due starting from the first day of the month following the registered payday specified in the Employment Contract; if such period is not mentioned in the Employment Contract, the employee must receive his/her wage at least once a month.

2. If wages are not paid to employees within 15 days from the due date, the employers will be considered late in paying, unless otherwise is specified in the Employment Contract.

3. All establishments must provide all what will be requested to prove the payment of wages to their employees.

Article (2)

The following actions will take place against establishments failing to pay workers' wages on their due date:

| Deadline | Establishment Size | Action |
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| 1. On the due date | All establishments | <ul style="list-style-type: none"> The establishment will be monitored electronically to ensure its compliance with the payment of wages of its workers. |
| 2. On the third and tenth day after the due date | | <ul style="list-style-type: none"> Sending reminders and notifications to the non-compliant establishment to pay the wages |
| 3. On the seventeenth day after the due date | All establishments | <ul style="list-style-type: none"> Suspension of the issuance of new work permits for the establishment. A notification will be sent to the establishment owner stating the reason for the suspension. |
| | Establishment employing 50 workers and above | <ul style="list-style-type: none"> The non-compliant establishment will be listed in the electronic monitoring and inspection system & inspection visits scheduled. An inspector will conduct inspection visits, and duly issue warnings |
| 4. 30 days from the due date | Establishment employing 500 workers and above & High-risk establishments according to the Ministry's classification | <ul style="list-style-type: none"> Relevant Public Prosecution will be notified, and information about the establishment will be communicated to the competent authorities at federal and local level for further legal action. The establishment will be followed up by the concerned teams in the Ministry. |
| 5. 45 days from the due date | Establishment employing 50 to 499 workers | <ul style="list-style-type: none"> Relevant Public Prosecution is notified and information about the establishment will be communicated to the competent authorities at the federal and local level for further legal action and will be followed up by the concerned teams in the Ministry. |
| 6. 60 days from the due date | All establishments | <ul style="list-style-type: none"> The ban on the issuance of new work permits remains in force for the violating establishment including suspension of Issuance of work permits for all other individual or exclusively owned companies by the owner of the offending company, on the condition that partners in all the companies are the same. |
| 7. In the event that the establishment repeats the violation or accumulates more than one violation | All establishments | <ul style="list-style-type: none"> The Non-compliant establishment will be listed in the electronic monitoring and inspection system & the inspection visits schedule, and will be liable to the following penalties: An administrative fine will be imposed in accordance with Cabinet Resolution No. 21 of 2020. Downgrading the establishment to the third category. |

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| <p>8. Failure to pay a worker's wage for more than 3 consecutive months.</p> | <p>All establishments</p> | <ul style="list-style-type: none"> • Electronic notification will be sent to the facility • The ban on new work permits remains in force. • Renewal of the work permit of a worker who has not received his wages shall be suspended unless his/her status is duly modified • If the failure to pay wages continues, an inspection visit to the facility will be conducted after 6 months from the date of non-payment, in order to ensure the existence of the employment relationship. In case there is no active employment relationship, the violating establishment will be referred to the Public Prosecution and an administrative fine will be imposed in accordance with Cabinet Resolution No. 21 of 2020, further coordination with other concerned authorities will also take place regarding the imposition of relevant fines as per the rules. |
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Article (3)

Without prejudice to workers' entitlement to the agreed-upon wage:

1. The establishment will be considered compliant with wage payment requirements on the condition that the wages of more than 90% of the workers' have been transferred, including all types of employment contracts.

2. Where there are legal deductions, the worker is considered to be in receipt of their wage if he/she receives 80% or more of the value of the wage registered in the Employment Contract, provided that proof of such deductions is presented upon request.

3. Partial compliance: The establishment is considered partially compliant in the event that it has transferred 80% to 90% of the total wages due to workers, including all types of employment contracts. In this case, the partially compliant establishment shall be granted an additional grace period of one month (while notification and reminders mentioned in Articles 1 & 2 hereof to resume) before the application of item 3 of the schedule in Article 2 above.

Article (4)

In the event that the worker is granted unpaid leave, the Employer is obligated to notify the Ministry in accordance with the approved mechanisms and channels, and specify the period of the unpaid leave.

Article (5)

The following categories of workers will be excluded from the Wage Protection System (WPS) compliance requirements:

1. The worker who filed a lawsuit related to wage in the Labour Court.
2. The worker who has been reported absent by their employers by filing an unexpected work abandonment report " ".
3. New worker, during (30) days from the wage due date.
4. Worker on unpaid leave during the unpaid leave period provided that supporting documents are duly submitted to the Ministry.

Article (6)

The following categories of Employers and / or establishments will be excluded from the Wage Protection System (WPS) compliance requirements:

1. Fishing boats owned by nationals
2. Public taxis owned by nationals
3. Banks
4. Houses of worship

Article (7)

The Undersecretary for Human Resources Affairs shall issue guidelines for the implementation of the provisions of this decree.

Article (8)

This Decree shall annul the above-mentioned Ministerial Decree No.739 of 2016. All provisions contradicting this decree shall be null and void.

Article (9)

Establishments will be granted a three months' grace period to comply with the provisions of this Decree.

Article (10)

This Decree shall be published in the Official Gazette and shall come into force from the date of its issuance.

Dr. Abdulrahman Abdul Mannan Al-Awar
Minister of Human Resources and Emiratization
(Seal and signature)