

Cabinet Resolution No.(97) of 2022
Concerning the Procedures and Controls for Implementing Unemployment
Insurance Scheme

Council of Ministers:

- Having perused the Constitution
- Federal Law No.(1) of 1972, concerning jurisdictions of the Ministries and powers of the Ministers and amendments thereof
- Federal Law No. (5) of 1985 regarding the promulgation of Civil Transactions Law
- Federal Decree-Law No.(14) of 2018 concerning the Central Bank and the Regulation of Financial Institutions and Activities
- Federal Law No. (6) of 2007 concerning Insurance Activities and amendments thereof
- Federal Decree-Law No.(33) of 2021 concerning Regulation of Labor Relations
- Federal Decree-Law No. 13 of 2022 concerning Unemployment Insurance Scheme
- In accordance with the proposal of the Minister of Human Resources and Emiratisation and the approval of the Council of Ministers.

Resolved:

Article 1
Definitions

This Resolution is governed by the definitions contained in the Federal Decree-Law No.(13) of 2022 referred to herein. Otherwise, the following terms and expressions shall have the meanings opposite thereto unless the context requires otherwise:

Basic insurance package : Under this package, the insured is provided with 60% of the subscription salary, without any additional benefits, as described in this Resolution.

Subscription Salary : A worker's basic wage or employee's basic salary on a monthly basis, upon which the insurance premium and compensation amount are calculated.

Article 2

Scope of Application

Government and private sector employees are required to participate in the unemployment insurance scheme by purchasing an insurance policy that provides coverage in case of termination of employment based on eligibility criteria. Excluded from this are the following categories:

- 1) Investors (*self-employed*)
- 2) Domestic Workers
- 3) Contractual workers/employees on a temporary basis
- 4) Juveniles under the age of 18
- 5) Pension-receiving retirees who have joined a new employer

Article 3

Insurance Packages

A prior approval of the Ministry is required for insurance packages offered by service providers in accordance with Federal Decree-Law No.(13) of 2022, and without prejudice to the legislation and procedures followed by the Central Bank.

Article 4

Requirements for Service Providers

To obtain approval from the Ministry to provide unemployment insurance services, the following requirements must be met:

1. Providers of insurance services must be licensed by the Central Bank.

2. A service provider must obtain at least the minimum rating indicated in the table below, or an equivalent rating from another international rating agency accredited by the Central Bank in accordance with the latest rating issued by the accredited body.

Standard & Poors	Moody's	AM Best	Fitch Ratings
BBB	Baa	B+	BBB

3. Financial solvency must be maintained by service providers in accordance with the requirements of the Central Bank.
4. Service providers must have a high level of governance performance in accordance with the requirements of the Central Bank.
5. Service providers must prove the quality and efficacy of the services provided in the same field of expertise.
6. Assert ownership of the systems, processes, and digital channels necessary to provide insurance services.

Article 5

Obligations of the Service Provider

An agreement must be concluded between the Service Provider and the Ministry for the provision of unemployment insurance services, which shall include the following:

1. Obligations of service providers towards insured parties
2. Process for collecting insurance premiums
3. Process for disbursing compensation to insured individuals
4. Ensure the confidentiality of all data and information
5. Service provider standards and levels of service
6. Any other obligations stipulated by the Ministry

Article 6

Collection of Insurance Premiums

1. Insured shall be issued an insurance policy for a minimum of (12) twelve months by the service provider
2. Payments for subscriptions and insurance premiums will be collected in accordance with a decision made by the Minister.

3. According to the approved insurance policy, and in accordance with the procedures specified by the Minister, the insured may choose the method and frequency of payment of the prescribed insurance premiums.

Article 7

Cost of Subscription

Based on the subscription salary, the insured shall pay the value of the insurance premium for the basic insurance package as follows:

- a. **First Category** : Not more than (5) five dirhams per month if the subscription salary does not exceed (16,000) sixteen thousand dirhams.
- b. **Second Category** : Not more than (10) ten dirhams per month if the subscription salary exceeds (16,000) sixteen thousand dirhams.

The Council of Ministers, upon the Minister's proposal, may amend subscription and compensation values and establish new categories.

Article 8

Payment of Due Insurance Premiums

1. A worker or employee who fails to subscribe to unemployment insurance scheme for a period of three (3) months from the date the premium is due or fails to pay the prescribed insurance premiums may be disqualified from receiving unemployment insurance. The employee will be required to subscribe/re-subscribe by purchasing a new insurance policy, effective on the date of purchase. In addition to paying all due amounts resulting from non-subscription, the employee will also be required to pay a fine of 400 dirhams imposed by the Ministry if the employee fails to comply with subscribing to the scheme, and 200 two hundred dirhams in case the insured fails to pay the prescribed insurance premiums for more than (3) three months. These amounts are collected as follows:
 - a. Deduction is made from the insured salary account as indicated by the Wages Protection System or any other alternative systems.

- b. Deduction from the end of service gratuity or by using any other alternative system.
2. In addition to establishing the necessary deadlines for registering the insured and subscribing to the scheme, the Minister shall establish the necessary controls and procedures to ensure that premiums and fines related to insurance policies are paid.

Article 8

Conditions for Claiming Insurance Benefits

In accordance with Article No.(5) of the aforementioned Federal Decree-Law No. (13) of 2022, an insured may benefit from the insurance coverage if the following conditions are fulfilled:

1. The insured period of subscription in the unemployment insurance scheme shall not be less than (12) twelve consecutive months.
2. The insured must be committed to paying all insurance premiums according to the prescribed frequency.
3. Providing evidence of unemployment due to reasons other than resignation of the insured.
4. The insured may not have been dismissed from his/her job for disciplinary reasons according to the applicable laws regulating labor relations in the private sector and human resources in the federal government.
5. A claim must be submitted within (30) thirty days following the termination of the employment relationship, or when the court rules on the labor complaint.
6. The Insured may not be the subject of an existing absconding report
7. In order to obtain compensation, the claim should not be fraudulent or deceitful. Similarly, the establishment where the employee works should not be fictitious.
8. Loss of employment may not be attributed to strikes or other non-peaceful protests, regardless of the extent of damage caused.
9. It is necessary for the insured to have a legal residence in the country.

Article 10

Amount of Compensation

1. Each claim shall be compensated monthly at a rate of (60%) sixty percent of the subscription salary for a maximum period of three (3) months from the date of

unemployment, provided that the monthly compensation for the first category does not exceed (10,000) ten thousand dirhams, and for the second category does not exceed (20,000) twenty thousand dirhams.

2. There is a (12) twelve-month limit on the period during which an insured may receive compensation during their period of employment on the labor market in the country.

Article 11

Additional Benefits

1. The insured may, in coordination with the service provider, subscribe to additional benefits in addition to the basic package.

Article 12

Procedures for Filing Compensation Claims

1. An application for unemployment insurance must be submitted by the insured within thirty (30) thirty days from the date of termination of the work relationship in accordance with the procedures by which a decision is issued by the Minister, along with documentation demonstrating the insurer's entitlement to compensation.

Article 13

Receiving Compensation from the Service Provider

In the event that the insured is entitled to compensation, the service provider is required to make payment within two weeks of receiving the claim that is consistent with the established eligibility criteria, provided the service provider transfers the compensation to the insured's account in the manner determined by the insured. Coverage under this scheme must be paid in addition to coverage under any other insurance policy held by the insured.

Article 14

Governance Procedures for the Unemployment Insurance Scheme

1. The service provider must process insurance claims in accordance with the terms and conditions of the insurance policy and the applicable legislation of the Central

Bank. Any breach to the terms and conditions of the insurance policy by the service provider will be reported to the Central Bank by the Ministry. Disputes arising from the policy shall be resolved in accordance with the Central Bank's procedure.

2. To ensure effective implementation of this decision, the Ministry undertakes to review the basic policy and its annexes, the value of insurance premiums, and the channels for obtaining service on a regular basis.
3. As part of the provider's duties, the service provider is required to provide technical reports regarding the management of the unemployment insurance program. Additionally, the service provider must inform the Ministry of the movement of the premium account and the monthly payments due to the insured.

Article 15

General Provisions

1. In the event that the insured provides inaccurate information regarding his/her subscription salary, contractual relationship with his/her employer, or circumstances of the termination of his/her service, the service provider has the right to recover the full amount paid to the insured, without prejudice to the insured being penalized or sanctioned by the governing authorities in the country for such information.
2. If it is proven that the employer colluded with the insured in order to obtain unemployment insurance benefits, and without prejudice to taking any necessary measures to impose penalties and sanctions according to the applicable laws and decisions in effect in the country, an administrative fine of twenty thousand dirhams for each case will be imposed by the Ministry on the establishment.
3. Unemployment insurance disputes are subject to the jurisdiction of the United Arab Emirates courts, which are governed by UAE laws and regulations.

Article 16

Federal Government Employees

With respect to employees of the federal government, the Federal Authority for Human Resources will implement the provisions of this resolution in coordination with the Ministry of Finance.

Article 17

Unemployment Insurance Scheme Subscription

1. It is mandatory for employees governed by the provisions of the aforementioned Federal Decree-Law No.(13) of 2022 to subscribe to the unemployment insurance program within (4) four months of its enactment.
2. The Minister of Human Resources and Emiratisation is authorized to extend the period described in Paragraph (1) of this Article as necessary to regulate the labor market.

Article 18

Publication and Commencement Date

This Resolution shall be published in the Official Gazette and shall be effective on the following day of its publication.

Mohammed bin Rashid Al Maktoum
Prime Minister of the United Arab Emirates

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