

UAE Update : February 2022 – Reminder

Subject	Legal Change	Notes/Actions required
<p>Part time and flexible working</p>	<p>New employment arrangements:</p> <p>Part time employees are now recognised and entitled to vacation leave on pro rata basis.</p> <p>Temporary workers – appears to be similar to fixed term contracts.</p> <p>Flexible work – hours/days depend on employer's workload and economic/operational variables.</p>	<p>Effective February 1st 2022.</p> <p>Note the changes.</p>
<p>Three year Fixed Term Contracts</p>	<p><u>All</u> employees are required to enter fixed term contracts for a maximum of 3 years.</p> <p>On expiry of the fixed term, contracts can be renewed/extended for a similar or shorter term. This can be done multiple times. Any extension automatically counts to employee's continuous service.</p> <p>If the contract is not renewed/extended but parties continue to work as if it was, the contract is deemed renewed on the same terms as the most recent version of it.</p> <p>The new law also applies to employees on current unlimited contracts. Employers must convert these to fixed term contracts by February 1st 2023.</p> <p>Where employees are currently on an unlimited contract either party can terminate for a "legitimate reason" on minimum notice provisions:</p> <ul style="list-style-type: none"> - 30 days for less than 5 years' service - 60 days for more than 5 years - 90 days for more than 10 years. 	<p>Effective February 1st 2022.</p> <p>Action needed to change contracts before February 1st 2023.</p>
<p>Terminations</p>	<p>Fixed term contracts can now be terminated at any time for a "legitimate reason" provided the contract notice period is respected. This must be a minimum of 30 days and a maximum of 90 days.</p> <p>Salary in lieu of notice is permitted.</p> <p>Employees are allowed one day of unpaid leave each week to look for a new job.</p> <p>Termination on grounds of redundancy is now expressly permitted on economic or exceptional grounds. This includes company closure or non- renewal of a work permit provided this is not the employer's fault.</p>	<p>Effective February 1st 2022.</p> <p>Note the changes.</p>

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	<p>On a valid summary termination, employees will now be entitled to their end of service gratuity.</p> <p>Employees can leave their employment without any notice if the employer takes no steps to resolve known risks to health and safety or where the employee is asked to do work fundamentally different from the contract role.</p>	
End of Service Gratuity	<p>Resigning employees are entitled to the full end of service gratuity payment provided they have served at least one full year.</p> <p>All end of service entitlements must be paid within 14 days of the termination date. Failure may result in a fine but no compensation to the employee will be payable.</p>	<p>Effective February 1st 2022.</p> <p>Note the changes.</p>
Unlawful termination	<p>A termination will be unlawful where the termination (a) was the result of the employee filing a serious complaint against the company or (b) the employee filed a successful complaint against the employer.</p> <p>The court may award compensation of up to 3 months total remuneration.</p> <p>There is still uncertainty regarding terminations which do not qualify as for a "legitimate reason".</p>	<p>Effective February 1st 2022.</p> <p>Note the changes.</p>
Probation Period	<p>Employees on probation are now entitled to 14 days' notice.</p> <p>The maximum probation remains 6 months.</p> <p>Where an employee resigns while on probation:</p> <ul style="list-style-type: none"> ➤ to join another UAE employer they must give one month's notice and the new employer may be obliged to compensate the former employer for recruitment costs; ➤ to leave the UAE, they must give 14 days' notice. If they return to the UAE within 3 months to join another employer, the same compensation provisions apply. <p>If the employee does not comply with these rules they will be subject to a labour ban for one year from their date of leaving the UAE.</p>	<p>Effective February 1st 2022.</p> <p>Note the changes.</p>
Discrimination and Equal Pay	<p>Employees are now protected against workplace discrimination on grounds of race, colour, sex, religion, national origin, social origin and disability that would impair equal opportunities for the employee.</p> <p>There should be equal pay for men and women for the same work.</p>	<p>Effective February 1st 2022.</p> <p>Note the changes and update work policies.</p>

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<p>Bullying and Sexual Harassment</p>	<p>Sexual harassment, bullying, verbal, physical or psychological violence towards by the employer or colleagues.</p> <p>There are fines for breaches of between AED5000 and AED 1,000,000.</p>	<p>Effective February 1st 2022.</p> <p>Note the changes and update work policies.</p>
<p>Maternity/Paternity and leave</p>	<p>Employment cannot be terminated on grounds of pregnancy or maternity leave.</p> <p>Maternity leave is now : 60 calendar days (45 days full pay and 15 half pay). This is paid even if the service is less than one year.</p> <p>Maternity leave applies in the event of a miscarriage after 6 months, a still birth or death after delivery.</p> <p>An additional 30 days fully paid maternity leave if the child is disabled or sick enough to require a constant companion. The can be extended a further 30 unpaid days.</p> <p>Entitlement to nursing breaks are reduced from 18 months to 6 months.</p> <p>Compassionate leave: 5 days in the event of the death of a spouse and 3 days on the death of a child, parent, sibling, grandparent or grandchild.</p> <p>Parental leave : 5 days within 6 months of the birth.</p> <p>Study leave: 10 days each year to sit exams with an approved UAE institution, provided the employee has more than 2 years' service.</p>	<p>Effective February 1st 2022.</p> <p>Note the changes and update work policies.</p>
<p>Salary</p>	<p>This can now be paid in a currency other than UAE dirhams if agreed in the employment contract.</p>	<p>Effective February 1st 2022.</p> <p>Update contracts if relevant.</p>
<p>Restrictive Covenants</p>	<p>These are permitted provided limited in time, place, and extent needed to protect the legitimate business interest of the employer. The maximum period is now 2 years. Unlawful employer terminations automatically nullify the covenants.</p>	<p>Effective February 1st 2022.</p> <p>Consider contract terms review if relevant.</p>
<p>Annual Leave</p>	<p>Unless told otherwise, employees must use their leave entitlement in the annual leave year.</p> <p>On termination of employment, the employee is entitled to payment in lieu of unused leave at the basic salary rate.</p>	<p>Effective February 1st 2022.</p> <p>Note the changes.</p>