

**MINISTERIAL RESOLUTION NO. (668) OF 2023  
REGARDING SUBSCRIPTION UNDER THE ALTERNATIVE END-OF-SERVICE BENEFITS  
SYSTEM  
(SAVINGS SYSTEM)**

**Minister of Human Resources & Emiratisation:**

**Having perused:**

- Federal Law No. (1) of 1972 on the competencies of the Ministries and Powers of the Ministers as amended,
- Federal Decree-Law No. (33) of 2021 concerning Regulation of Labour Relations as amended and its Executive Regulations
- Cabinet Resolution No. (96) of 2023 regarding the Alternative End-of-Service Benefits System

**Resolved**

**Article (1)  
Definitions**

This Resolution shall be construed in accordance with the definitions contained in Cabinet Resolution No. (96) of 2023, unless the context clearly dictates otherwise.

**Article (2)  
Procedures for Subscribing to the Alternative System**

According to Article (4) of Cabinet Resolution No. (96) of 2023, the following items are to be considered:

1. Employers who wish to subscribe to the alternative system must submit a voluntary subscription application through the Ministry's service delivery channels. The Ministry's rules and regulations govern this process. They must then contract with an investment fund licensed by the Securities and Commodities Authority.
2. Subscribing employers can include all employees, a specific number of employees, or specific categories or professional levels.

3. If the beneficiary transfers from the current employer to another employer, as provided in paragraph (9) of Article (10) of Cabinet Resolution No. (96) of 2023, the following is permissible:
  - a. Beneficiaries may elect to withdraw their dues from the fund established by their current employer or to maintain their investments in the fund. Furthermore, they have the right to collect their funds at any time.
  - b. Following the conclusion of a contract with the fund, the new employer may replace the previous employer in completing payment of subscriptions to the same fund. The employer may, however, register the employee with another fund manager and pay the basic subscription amounts in accordance with Cabinet Resolution No. (96) of 2023.
  - c. Under the provisions of paragraph No. (10), Article (10) of Cabinet Resolution No. (96) of 2023, employers must submit an application through the Ministry's systems to change investment funds after obtaining the authority's approval.
  - d. As stated in paragraph (11) of Article (10) of Cabinet Resolution No. (96) of 2023, the categories mentioned in this paragraph must contract directly with one of the investment funds licensed by the Securities and Commodities Authority if they wish to subscribe for the additional voluntary subscription.

### **Article (3)**

#### **Minimum Subscription Period Under the Alternative System**

1. Pursuant to paragraph (14) of Article (10), and Article (13) of the aforementioned Cabinet Resolution No. (96) of 2023, Employers who wish to participate in the alternative system must commit to participating for a minimum of one year. During this period, withdrawal from the scheme is only permitted with the approval of the Ministry and in the following exceptional circumstances:
  - a) Application for the cancellation of the establishment's card.
  - b) Acquisition or transfer of the establishment's ownership.
  - c) Evidence of bankruptcy or insolvency is provided in accordance with applicable laws.
2. As a condition of withdrawal from the alternative system under any of the circumstances outlined in this article, the establishment must comply with the

necessary withdrawal requirements contained in Cabinet Resolution No. 96 of 2023.

### Article (3) Basis for Calculating the Basic Subscription Fee

Under the provisions of Article (6) of the aforementioned Cabinet Resolution No. (96) of 2023, the basic monthly subscription amount is calculated as follows:

- a. Full-time beneficiaries: a percentage of (5.83%) of their monthly basic salary if they serve less than five (5) years, and a percentage of (8.33%) if they serve more than five (5) years.
- b. Beneficiaries under other employment patterns (part time or job sharing): The subscription percentage set out in Paragraph (A) of this article applies to the basic salary calculated in accordance with the Decree Law.
- c. According to Federal Decree Law No. (33) of 2021 and its executive regulations, the subscription percentage is calculated from the basic salary. As per the percentage provided in Paragraph (A) of this Article, the percentage of the number of working hours specified in the employment contract will be divided by the number of working hours in the full-time contract per year, multiplied by the percentage.

#### **Example:**

For a part-time contract of four hours per day, as opposed to eight hours per day for a full-time contract, the calculation is as follows:

**First** : By dividing the number of working hours included in the part-time contract by the number of working hours included in the full-time contract, we obtain 0.5 working hours.

**Second** : In this case, the percentage is calculated as  $0.5 \times 100 = 50\%$

**Third** : In this example, multiply  $50\% \times$  the percentage mentioned in paragraph (a) above as follows:

- A beneficiary whose employment does not exceed five years:  $50\% \times 5.83\% = 2.415\%$
- A beneficiary whose employment exceeds five years:  $50\% \times 8.33\% = 4.165\%$

## Article (5)

### Discontinuation of the Basic Subscription Payment Under the Alternative System- Circumstances and Controls

1. Pursuant to paragraph No. of (6) Article No. (5) of the above-mentioned Cabinet Resolution No. (96) of 2023, employers have the option of temporarily suspending the payment of the basic subscription under the alternative scheme for a period to be determined based on the approval of the Ministry, in the following circumstances:
  - a. Evidence of the establishment's financial failure.
  - b. Whenever a beneficiary is absent from work without a valid reason, provided that all necessary legal measures are taken by the employer.
  - c. If the beneficiary is imprisoned or detained pursuant to a court order, and his/ her salary is suspended as a result.
  - d. Restructuring, transferring ownership, merging, acquiring or dividing the establishment.
  - e. If the beneficiary fails to return from his/ her annual leave in a timely manner.
  - f. If the beneficiary is granted unpaid leave.
2. Employers are required to submit an application to the Ministry with the necessary proofs and documents in cases described in paragraph (1). The application must specify the period during which the basic subscription payment will be temporarily suspended.
3. After the suspension term expires or the reasons for suspension cease to exist, employers are required to pay the basic subscription amount for the suspension period, except for cases where the beneficiary is not entitled to wages as specified in Federal Decree Law No. (33) of 2021 and its executive regulations.
4. End-of-service benefits will be calculated from the date of suspension of payments in the event that the contractual relationship ends during the suspension period. The benefits will be calculated in accordance with the provisions of Federal Decree Law No. (33) of 2021 and its executive regulations.

## Article (6)

### Alternative System Grievance Procedures

Labour complaints related to the alternative scheme are subject to the same legal procedures as general labor complaints.

**Article (7)**  
**The Annexed Manual**

Registration, subscription to the alternative scheme, and disbursement of beneficiary entitlements shall be conducted according to the procedures outlined in the manual enclosed herewith.

**Article (8)**  
**Publication and Commencement Date**

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

**Dr. Abdul Rahman Abdul Manan Al Awar**  
**Minister of Human Resources and Emiratisation**

Issued on: 25<sup>th</sup> of October 2023