

## **MINISTERIAL RESOLUTION NO.(598) OF 2022 CONCERNING THE WAGES PROTECTION SYSTEM**

### **The Minister of Human Resources & Emiratisation**

#### **Having perused:**

- Federal Law No.(1) of 1972 on the competencies of the Ministries and Powers of the Ministers and amendments thereof,
- Federal Decree-Law No. (33) of 2021 concerning Regulation of Labor Relations and its Executive Regulations and its executive regulations issued pursuant to Cabinet Resolution No. (1) of 2022
- Cabinet Resolution No. (21) of 2020 concerning service fees and administrative fines at the Ministry of Human Resources and Emiratisation
- Ministerial Resolution No. (43) of 2022 concerning the Wages Protection System
- Ministerial Resolution No. (346) of 2022 concerning the amendment of certain provisions of Ministerial Resolution No. (43) of 2022 concerning the Wages Protection System
- Ministerial Resolution No. (209) of 2022 concerning the classification of establishments under the third category
- In pursuance of public interest

#### **Has Resolved:**

##### **Article (1)**

1. In accordance with Article 16 of the Executive Regulations of the Federal Decree-Law No. 33 of 2021 referred to above, all establishments registered with the Ministry are required to pay their employees' wages on the due date. Depending on the system in place, this could be accomplished through the Wages Protection System, or through any other system approved by the Ministry. Employees shall receive their wages on the first day of the month following the registered payday specified in the Employment Contract. A wage shall be paid at least once per month, if no such date is specified therein.

2. Employers who fail to pay wages to their employees within 15 days of the due date will be considered late, unless the Employment Contract provides otherwise.
3. Establishments must provide and submit all documentation required to prove the payment of wages.

**Article (2)**

Establishments in default of paying their employees' wages will be subject to the following actions:

<b>Deadline</b>	<b>Targeted Establishments</b>	<b>Action</b>
1. By the due date	All establishments	<ul style="list-style-type: none"> <li>• Electronic monitoring will be performed on establishments to ensure compliance with the payment of wages.</li> </ul>
2. In the third and tenth days following the due date		<ul style="list-style-type: none"> <li>• Reminders and notifications will be sent to defaulting establishments in regards to the payment of wages.</li> </ul>
3. By the Seventeenth day after the due date	All establishments	<ul style="list-style-type: none"> <li>• Issuance of new work permits for the establishment is suspended. A notification explaining the reasons for the suspension will be sent to the employer.</li> </ul>
	Establishment employing more than 50 employees	<ul style="list-style-type: none"> <li>• Defaulting establishments will be listed in the Electronic Monitoring and Inspection System and inspections will be scheduled. An inspector will conduct inspections and issue warnings as necessary</li> </ul>
		<ul style="list-style-type: none"> <li>• In addition to notifying the</li> </ul>

4. 45 days after the due date	Establishment employing more than 50 employees	public prosecutor, the establishment details will be forwarded to the competent authorities at the federal and local levels in order to pursue legal action as appropriate. The concerned department within the Ministry will follow up on these actions.
5. In the event that the establishment commits the violation again within six months	Establishments with wage-related labor complaints referred to the judiciary	<ul style="list-style-type: none"> <li>• Consequently, the following actions will be taken:</li> <li>• According to Cabinet Resolution No. (21) of 2020, an administrative fine will be imposed.</li> <li>• Reclassify the establishment to category (3) in accordance with the aforementioned Ministerial Resolution No.(209) of 2022.</li> </ul>

### **Article (3)**

This is without prejudice to the right of all employees to receive their agreed wages:

1. The establishment is considered compliant with wage payment requirements if more than 80 percent of the total wages of eligible employees are transferred according to their type of employment.
2. If a legal deduction has been made, the Employee is deemed to be a recipient of wage if 80 percent or more of the registered wage has been received, provided that evidence of such deduction is provided upon request.

### **Article (4)**

An Employer who grants a leave without pay to an employee must notify the Ministry in accordance with the appropriate channels and procedures, stating the duration of the leave.

#### **Article (5)**

Wages Protection System (WPS) compliance requirements are not applicable to the following categories of employees:

1. Employees with wage-related labor complaints referred to the judiciary
2. Reported absconding employees
3. New employees, within thirty (30) days of the due date
4. Employees who receive unpaid leave during their leave period shall be exempt from this requirement, provided that supporting documentation is submitted to the Ministry.
5. Sailors working on board ships. Employers are responsible for submitting an application to the Ministry.
6. Foreign employees receiving wages outside of the country while working in foreign establishments or branches within the country, provided that the employee's consent has been obtained and that the employer has submitted an application to the Ministry.

#### **Article (6)**

The following establishments are excluded from the Wage Protection System (WPS) requirements:

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

#### **Article (7)**

A guide containing the procedures for implementing the provisions of this resolution shall be issued by the Undersecretary for Human Resources Affairs.

#### **Article (8)**

Ministerial Resolutions No.(43) and (346) of 2022 referred to are hereby repealed ,  
in addition to any provisions inconsistent with those contained in this resolution.

**Article (9)**

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**

*Signature and seal appear*

Issued by us on: 25<sup>th</sup> of November 2022