



FEDERAL DECREE LAW NO. 33 OF 2021 – REGULATION OF LABOUR RELATIONS IN THE PRIVATE SECTOR



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The UAE has issued Federal Decree Law No. 33 of 2021 on 16 November to replace UAE Federal Labour Law 8 of 1980. As stated by the Minister of Human Resources and Emiratization, the new law comes as part of the UAE Government's efforts to create a flexible and competitive business environment as the nation prepares for its journey towards the next 50 years. Federal Labour Law 8 of 1980 is scheduled to end from the date the new decree-law comes into effect on 2 February 2022.

We have summarized a few of the significant changes of the new law.

Workplace harassment, bullying, and discrimination

Workplace harassment, bullying, and discrimination
The employer may not use any means that would force or threaten the worker with any penalty, force the worker to work or provide service to the employer against the worker's will. Sexual harassment, bullying or any form of verbal, physical or psychological violence against a worker by the employer, his/her superiors, and colleagues is not allowed.



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All forms of discriminations based on race, color, sex, religion, national or social origin or disability is also prohibited. The new law also gives emphasis on granting women the same wage as men if they are doing the same work or work of equal value, which will be determined by a Cabinet decision.

Part-time, Temporary, and Flexible work

Part-time work allows employees to work for a specified number of hours or days. Temporary work is whose implementation requires a specified period of time or is focused on work that ends with completion of a specified job. Flexible work is work for which working hours or work days change according to the volume of work and economic and operating variable of the employer.

Wages, Working Hours, and Gratuity

The new law allows the employer to pay wages in UAE dirhams or in any other currency as agreed by both parties in the work contract.

A worker who has worked full-time and has completed one year or more of continuous service shall be paid end-of-service benefits calculated according to the basic wage, with a wage of 21 days for each of the first five years of service and 30 days for each succeeding year.

It is prohibited for employees to work over five consecutive hours without at least one-hour break. No more than two hours of overtime are allowed in one day for workers. If the job requires more than two hours overtime, employees must receive an overtime wage equivalent to regular hour pay with a 25 per cent increase. If employees are required to work overtime between 10pm and 4am, they are entitled to an overtime wage equivalent to regular hour pay with a 50 per cent increase. This regulation does not apply on employees working in shift basis. If workers were asked to work on a day off, they must receive a one-day leave or an overtime wage equivalent to the regular day pay with a 50 per cent increase.

Leave Days

Compassionate leave shall be granted to an employee for a period of 3 to 5 days depending on the employee's relationship with the deceased.

A 5-day paternity leave shall be given to workers in the private sector. Maternity leave can extend to 60 days – 45 days with full wage, followed by 15 days on half wage. New mothers are eligible to receive additional 45 days without pay leave once they finish their initial maternity leave period in case of any post-partum complications with the newborn.

Non-compete clause

Workers are prohibited from competing with the employer or participate in any competing project in the same business. The maximum restriction period is two years from the date of the employee's contract expiry.

Determine one type of employment contract in terms of duration

One type of employment contract in terms of the duration of the contract, which is a fixed-term contract. Accordingly, the duration of the contract should not exceed 3 years, but the parties to the contract may agree to renew or extend this contract for similar periods or less once. It is not permissible for the work contract to be of unlimited duration, as was the case in the past.