

# **Cabinet Resolution No. (46) of 2019 Regarding the System of Insurance Benefits Exchange Between Retirement Funds Applicable in the State**

## **The Cabinet:**

- Having reviewed the Constitution;
- Federal Law No. (7) of 1999 On Pension and Social Security and its amendments; and
- Federal Decree by Law No. (5) of 2007 on Pensions and Benefits of Retirement of Employees of State Security Bureau; and
- Federal Decree by Law No. (9) of 2007 on pensions and Benefits of Retirement of Employees at the Ministry of Defense and Armed Forces; and
- Federal Decree by Law No. (2) of 2008 on Pensions and Benefits of Retirement of Employees of Ministry of Interior; and
- Federal Decree by Law No. (9) of 2009 on pensions and Benefits of Retirement of the Supreme Council for National Security; and
- Upon the proposal by the Minister of Finance-Chairman of General Pension and Social Security Authority, and the Cabinet’s approval,

## **Hereby Resolves:**

### **Article (1)**

#### **Definitions**

The following words and phrases, wherever stated in this Resolution, shall have the meanings assigned to each of them, unless the context requires otherwise:

- The State** : The United Arab Emirates.
- System** : The System of Insurance Benefits Exchange Between Retirement Funds Applicable in the State.
- Retirement** : Any agency managing the application of pensions and retirement benefits

**Funds Applicable in the State** : laws of the State, either federal or local.

**The insured** : Any citizen who is under any retirement system applicable in the state or any other retirement system formed in the future.

**The transferring system** : The retirement system the insured was subject to before his transfer.

**The transferee system** : The retirement system the insured is subject to after his transfer

**Competent Authority** : The competent authority to transfer the insured subject to applicable legislations.

## **Article (2)**

### **Scope of Application**

1. Provisions of this Law shall apply to the following:
  - a. Retirement funds applicable in the State.
  - b. The insured who is transferred by a resolution issued by the competent authority to work for an employer that is subject to the transferee system, including the insured who has been transferred before the application of this system.
2. Transfer cases that had been settled before the issuance of this system subject to special memorandums of understanding shall be exempted from the provisions of this system.

## **Article (3)**

### **Conditions of Application**

In order to apply the provisions of this system on the transferred insured, it is required that the resolution of his transfer shall be issued subject to legislations applicable to federal or local governmental entities.

## **Article (4)**

### **Mechanism to Exchange the Benefits and the Transfer Cost**

1. The insured subscription period in the transferring system shall be deemed continuous and complementary to the later subscription period of the transferee system. the transfer cost the transferring fund shall pay to the transferee fund shall be calculated as follows:
  - a. End of service gratuity for the previous subscription period of the transferred insured, assuming that his service has ended on the transfer date, either such period makes him eligible to pension or the end of service gratuity.
  - b. Total of amounts paid for the insured if he is not eligible to pension or the end of service gratuity.
2. The entity where the insured is transferred, in case the transfer is subject to its request, shall pay the financial differences between the cost of joining the previous service and the transfer cost stipulated in Paragraph (A) of this Article. These differences shall be calculated for the transferred subscription period subject to provisions of the transferee system.

## **Article (5)**

### **Period of Procedures to Transfer and Exchange Insurance Benefits**

Retirement funds relevant to transfer resolution shall complete the procedures of transfer and exchange of insurance benefits to the transferred insured persons within a period that shall not exceed six months from the transfer date or the date specified in the transfer resolution.

## **Article (6)**

### **Publication and Enforcement**

This Resolution shall be published in the Official Gazette and shall come into force three months after its date of publication.

**Mohammed Bin Rashid Al Maktoum**

**Prime Minister**

Issued by us on 1 Dhul Qidah 1440 AH

corresponding to 4 July 2019 A.D