

# FED LAW No. 7 of 2007

Status: Law in force

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### **Federal Law No. 7 of 2007 Amending certain Provisions of Federal Law No. 7 of 1999 Promulgating the Pension and Social Insurance Law**

#### **Article One**

Articles Nos. (1), (5), (7), (16), (21), (35), (36), (37), (50) and (63) of the pensions and social insurance referred hereto, shall be substituted by the following articles:

#### **ARTICLE (1): DEFINITIONS**

In the implementation of this law, the following words and phrases shall bear the meanings ascribed to them herein, unless otherwise stated:

- State** : The United Arab Emirates
- Authority** : The General Authority for Pensions and Social Insurance
- Board of Directors** : The Board of Directors of the Authority
- Employer** : A. In the Government Sector  
The federal government bodies, the public institutions, the general establishments, the general companies and the banks in which the federal government contributes, in addition to the local government bodies which the government of the emirate desires to subjugate to this law.  
B. In the Private Sector:  
Every normal or juridical person employs UAE employers for a salary of whatever kind.
- The Insured** : Every UAE national for whom these articles of the law are applicable.
- Subscription Period** : The duration of service for which the insured person deserves a pension or remuneration according the conditions and pursuant

to the law.

- Pensioner** : Everybody whose service has terminated and deserves a pension according to the provisions of the law
- Pensioning off age** : The age of sixty
- Pension** : The amount of money which becomes regularly payable by the Authority every month to the pensioner or to the pensioner's deserving persons as per the articles of the law
- The deserving person** : Every person who deserves a portion in the pension due the death of the insured person or the pensioner.
- The term of service** : Every term of service the insured person spent working and during which he has been subject to the pensions system, as well as the terms he may add together as per the provisions of the law.
- Work injury** The injury caused by an accident during performance of work or caused by it or infected by work related diseases, and the death caused by stress or exhaustion of work shall be considered work injury whenever the rules and requirements of the minister's decision are met by an agreement with the minister of health, and the injury shall be considered work injury when an accident takes place to the insured person while going to or coming back from work.
- Work related disease** : The disease which spreads increasingly among people of the same occupation or different occupations, as stated in table No (1) annexed to Federal Law No (8) of 1980 referred to herein. The percentage of the disability caused by work related disease shall be estimated by the concerned medical committee, and the disease shall be deemed as an occupational disease if the insured person is infected while doing his/her work or within one year from the date of leaving work.
- The Injured** : Every injured person suffering a work related injury
- The patient** : A person who gets sick or has an accident shall not be considered work related injury.
- Total disability** : Every disability which prohibits the insured person from performing any occupation or job whether totally or permanently to earn a living, and that should confirmed by a decision from the

concerned medical committee after stability of the condition, including complete loss of sight, or loss of the two arms or legs or loss of an arm and a leg and cases of mental diseases, or chronic and incurable diseases which are specified by a decision from the Minister of Health.

**Partial Disability**

: Every disability which may permanently affect the ability of the insured person to perform his/her job in his/her original occupation or earn a living generally, and the said disability should be caused by a work related injury by a decision from the concerned medical committee after stability of the condition, as stated in table No (2) annexed herein, which explains the degrees of disability in cases of organic loss, if the disability is not as stated in the table herein, then the percentage of disability of the injured person to earn a living shall then be estimated by the medical committee provided that the percentage of the injury is mentioned in the report of the medical committee referred to. And if the disability does have special effect on the ability of the injured person to earn a living in his/her original occupation, then the job which the injured person does should be mentioned in details explaining the mentioned in details explaining the effect of that with regard to increasing the degree of disability in those cases from the percentage referred to in table No (2) herein.

**Natural death:**

: the death which is not caused by work related injuries.

**The concerned medical Committee**

: The medical committee on whose report basis the decision of the Minister of Health is issued

**The Subscription Account Salary**

: A- As for the government sector:

The basic salary of the injured Person added to it the monthly allowances given to him/her as follows:

Living expense allowance, social allowance for children, social allowance for UAE nationals and accommodation allowance allocated for his/her grade, and the accommodation allowance shall be estimated on monthly basis by dividing it to the number of the months of year, provided that the **salary of the injured person should not exceed the subscription calculation salary of the Minister.**

B- As for the prime Minister, and his deputy, the Ministers and those

in their grades:

The basis salary added to it housing allowance and the other monthly and annual allowances, and the annual allowances shall be estimated by dividing them into the months of year.

C- As for the President of the Federal National Council:

The salary of the subscription calculation for the Minister, and member of the federal national council shall receive membership reward.

D- As for the Private Sector:

The wage specified by the employment contract, and if the wage is less than Dhs 1000 ( one thousand dirhams) monthly, this last limit shall be taken into consideration upon application of the rules of this law, and if the salary exceeds fifty thousand Dirham Dhs. 50,000 this limit shall be considered only.

Following the approval of the Board of Directors, the minister may amend the minimum and maximum limit depending on the financial situation of the authority.

**The pension account salary**

A. In the Government Sector: **the average subscription account salary for the three final years of the insurance subscription period or the entire subscription period if it is less than that.**

B. As for the prime Minister, his deputy, the Ministers and those at the same level: the subscription account salary.

C. As for the President of the Federal National Council: the subscription account salary of the minister, the membership gratuity for the members of the Federal National Council.

D. In the Private Sector: the average of the subscription account salary for the last five years of the insurance subscription period or the entire subscription period if it is less.

**Article (5):**

To add the terms of service referred to in the previous article, the following conditions must be met:

- 1- The insured person must express in writing his /her desire to add the said terms before the end of his service, provided that the necessary certificates and documents are attached to the application.
- 2- The required previous terms to be added must not have ended because of any reason of total deprivation of the pension or reward.
- 3- The terms to be added must not be temporary or include daily-paid work or a training

period prior to appointment.

4- The insured person must pay his own share and the share of his employer for the period to be added according to the subscription account salary on the date of addition in one installment. Payment may also be made in monthly installments of not less than one quarter of the salary, provided that the duration of payment does not exceed the date the insured person reaches the age of sixty. **In all cases, full costs for addition must be paid before the end of service.**

If the service of the insured person ends because of death, the commitment to pay the installments shall end if the amount he has paid reaches 50% of the total payable amount. If the paid amount is less than 50%, the remaining percentage shall be paid from the pensions of his beneficiaries.

### **Article (7)**

If, during his service with the bodies subject to this law, the person acquires the nationality of the State, he may add the term of his service preceding the acquisition of the nationality to the pension or reward account, provided that he bears his and the employer's share for this period in the participation referred to in Article (2) hereof on the subscription salary account on date of applying for the addition.

### **Article (16):**

The pension shall be payable in the following cases:

1- End of the service of the insured person because of death or total disability. Such disability shall be confirmed by the medical committee.

2- End of the service of the insured person in the government sector for health unfitness. Such unfitness shall be confirmed by the medical committee.

3- End of the service of the insured person in the private sector due to health reasons which shall threaten his life if he continues his job, provided that the decision of the medical committee is prior to the date of the service end.

4- End of the service of the insured person because of the company dissolution, bankruptcy or liquidation, provided that his period of subscription to this insurance is **15 years** at least.

5- End of the service of the insured person because he has reached pensioning off age if his insurance subscription period is fifteen years at least.

6- End of the service of the insured person because of termination of service or pensioning off by a disciplinary decision or judicial ruling if his insurance subscription period is fifteen years at least.

7- End of the service of the insured person because of resignation if his insurance subscription period is **twenty years** and he has reached fifty five years of age at least.

8- End of the service of the insured woman, whether she is married, divorced or a widow,

due to resignation if she has children under eighteen years of age if the period of her subscription to insurance is **twenty** years.

9- End of the service of the insured woman if her period of subscription to insurance is **twenty** years and she has reached fifty years of age or more.

10- End of the service of the insured person by a federal decree or **by a local decree provided that the treasury of the concerned Emirate government bears the actual costs incurred as a result, and the president shall issue a resolution on the methods of calculating the said costs.**

11- End of the service of the insured person for reasons other than those stated in the previous articles if the period of his subscription to insurance is twenty years at least.

**In all cases, the retirement pension shall not be paid to the insured persons whose services have ended by resignation unless they reach fifty years of age, provided that this provision applies first to those who reach forty years of age on the date of application of this law. This age shall then be increased year after year till it reaches fifty.**

**The retirement pension shall be calculated in the cases stated in article (1, 2, 3, 4, 5, 6, 10) on the basis of subscription period of fifteen years, or the actual subscription period, whichever is longer. Three considerable years or a period complementary to the age of sixty, whichever is less, shall be added to the period of subscription calculated in the insurance in the case where the service ends because of death or total disability.**

**The retirement pension shall also be calculated in the remaining cases on the basis of an actual period of subscription of not less than twenty years.**

**In the event that a pensioner pensioned off on retirement due to lack of health fitness or health disability returns to work, the pension assessed for him due to such reason shall be cancelled, and the remaining provisions of the law shall apply.**

#### **Article (17):**

The insured person may request to buy a considerable term of service to be added to the actual term of service according to the following conditions:

- The insured person must express his desire in writing to buy the said period prior to the end of his service.
- He must have spent a period of **twenty** years at least.
- The period to be bought must not exceed five years for the insured man or ten years for the insured woman.

In all cases, the insured person shall bear his share and the employer's shares for the

period to be bought, as per the subscription account salary on the date of applying for purchase, provided that payment is made in one or more installment, and that the period of installment does not exceed the date when the insured person reaches sixty years of age.

**In all cases, the full costs of purchase must be paid before the end of service.** In the event that the insured person dies, the installments shall continue to be collected from the pensions of his beneficiaries.

**Article (21):**

Without violating the provisions of article No (19) of this Law, (10%) shall be deducted from the entitlement of the insured person to whom either of clauses (6 or 11) of article (16) of this law shall be applied, provided that his term of service has not reached **twenty five years.**

**Article (35):**

The pensioner may not combine two pensions from the Authority, and in case he deserves two pensions, he shall be paid the one that is more in value. He may not either combine his pension and any salary he receives regularly from any other body in the State. If the salary is bigger than the pension, the payment of the pension shall be suspended until his subsequent service ends, but if the salary is less, the difference shall be paid to him, and the pension shall be re-paid upon the end of his service.

**Article (36):**

By way of exception from the provisions prohibiting the combination of two pensions, or the pension and the salary, combination may be permitted in following cases:

- 1- The cases of combining two pensions, or combining the pension and the salary, those are previous to application of the provisions of this law.
- 2- If the total sum of the two pensions or the pension and the salary received by the pensioner does not exceed **nine thousand** Dirhams, otherwise, his right shall be restricted within the permitted limits.
- 3- If the pensioner has spent more than twenty five years or more in the government service for which he deserves a pension, he may combine this pension and any salary regularly received from any body in the state whatever their collective amount may be, with the exception of the two cases stated in clauses 6 and 11 of article (16) of this law, to which the provision stated in clause (2) hereof shall be applied.

If the pension is payable to the widow of the pensioner, she shall have the right to combine her salary, or her pension and the pension she deserves for her husband.

**Article (37):**

- 1- In case of withholding the pension wholly or partially from one of the pensioner's children for any reason whatever, the withheld sum shall go to the rest of the sons as per their shares before raising them to the minimum limit for beneficiaries stated in Article (24)



of this law. If the reason for withholding ceases to exist, the pension of the said sons shall be reduced by the value of the sum they have received because of withholding.

2- In the absence of other beneficiaries, the unpaid pension of the children shall go to the pensioner's widow, provided in such case that the portion does not exceed three fourths of the pension. If there is more than one widow, **the whole pension shall be distributed among them equally.**

**Article (50):**

It is permissible for the president, his deputies, the observer and the member of the Federal National Council to combine the pension due to them as per the provisions of this law and any other pension paid to them by any other body in the state **other than the authority.** They may also combine their membership reward and any salary paid by anybody and the pension due under the provisions of this law.

**Article (63):**

Subject to the provisions of article (36) of this law, if the pensioner is returned to service by any employer subject to the provisions of this law, the term of his pervious service may be added to the new service and he shall be treated at the end of the new service on the basis of the two terms together. **The Minister shall issue the resolutions regulating the method of calculating the costs for the addition of this term.**

**Article Two**

A new article, with the following text, shall be added to the pensions and social insurance law referred to herein:

**Article (61) bis:**

The authority personnel designated by the resolution of the Minister of Justice by agreement with the Minister shall have the capacity of judicial officers with regard to the crimes taking place within the sphere of their competence and relating to their duties.

**Article Three**

Any provision contradictory or repugnant to the provisions of this law is hereby cancelled.

**Article Four**

This law shall be published in the official gazette and shall be effective as from the date of publication.