

# Federal Decree by Law No. (13) of 2022 Concerning Insurance Against Unemployment

**We, Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates,**

Having reviewed the Constitution; and

Federal Law No. (1) of 1972, Concerning the Competences of Ministries and Capacities of Ministers and its amendments thereof; and

Federal Law No. (2) of 2001, Concerning the Social Security and its amendments thereof; and

Federal Decree by Law No. (14) of 2018, Concerning the Central Bank and the Regulation of Financial Establishments and Activities, and its amendments thereof; and

Federal Law No. (6) of 2007, Regulating Insurance Activities and its amendments thereof; and

Federal Decree by Law No. (33) of 2021, Regulating Labour Relations and its Executive Regulations; and

Based upon the proposal submitted by the Minister of Human Resources and Emiratization, and the Cabinet's approval,

**Have promulgated the following Decree by Law:**

## **Article 1 Definitions**

In implementing the provisions of this Decree by Law, the following terms and phrases shall have the meaning assigned to each, unless the context requires otherwise:

<b>State</b>	: The United Arab Emirates.
<b>Ministry</b>	: The Ministry of Human Resources and Emiratization.
<b>Minister</b>	: The Minister of Human Resources and Emiratization.
<b>Central Bank</b>	: The Central Bank of the UAE.
<b>Scheme</b> <b>(Insurance against</b> <b>Unemployment</b> <b>Scheme)</b>	: A scheme that aims to compensate the insured with a cash amount for a limited period, in the event of unemployment, in return for a subscription fee collected from the worker/employee, in accordance with the provisions of this Decree by Law and the Cabinet Resolutions regulating the

same.

- Insured** : The worker/employee who works in the private sector in the State or in the federal government sector, who is subscribed to the scheme in accordance with the provisions of this Decree by Law and the Cabinet Resolutions regulating the same.
- Worker/Employee** : Every natural person working in the private sector in the State or in the federal government sector.
- Unemployment Insurance** : The unemployment resulting from terminating the services of the insured at the employing entity in accordance with the provisions of this Decree by Law and the Cabinet Resolutions regulating the same.
- Compensation** : The amount which the insured is entitled to in the event of unemployment in accordance with the provisions of this Decree by Law and the Cabinet Resolutions regulating the same.
- Private Sector** : Companies, institutions, establishments, or any other entities owned by individuals wholly or jointly with the federal or local government, and companies and establishments wholly owned by the federal or local government unless the laws incorporating them provide otherwise.
- Federal Government Sector** : Any Ministry established in accordance with Federal Law No. (1) of 1972 on the Competences of Ministries and Capacities of Ministers and its amendments thereof, as well as any federal authority, institution or regulatory body affiliated with the federal government.
- Service Provider** : Insurance Companies licensed by the Central Bank, and that meet the conditions for practicing the activity of the unemployment insurance service provider, which are issued by the Cabinet after consulting the Central Bank, or any other governmental entity assigned by the Cabinet to provide unemployment insurance services.

## **Article (2)**

### **Objectives of the Decree by Law**

This Decree by Law aims to achieve the following:

1. Guarantee the availability of an income, for a limited period of time, to the insured during the unemployment period until alternative job opportunities become available, in accordance with the provisions of this Decree by Law.
2. Enhance the competitiveness of the Emirati human resources within the labor market and provide them with a social protection umbrella that guarantees the duration of a decent life for them and their families until alternative job opportunities become available.
3. Attract the world's best skilled labour talents and retain it within the State's labour market to reach a competitive economy of knowledge.

## **Article (3)**

### **Scope of Application**

1. The provisions of this Decree by Law shall apply to all workers of the private and federal government sectors in the State, with exception to the following categories:
  - a. An Investor (owner of the facility in which he works).
  - b. Domestic workers.
  - c. A worker with a temporary contract.
  - d. Juveniles who are less than eighteen (18) years of age.
  - e. Retirees who receive a pension and have joined a new employment.
2. The Cabinet may, based upon the Minister's proposal, amend the scope of application of this Decree by Law.

## **Article (4)**

### **Establishment of the Unemployment Insurance Scheme**

Pursuant to the provisions of this Decree by Law, an unemployment insurance scheme shall be established in the State, which aims to compensate the insured with a cash amount – for a limited period of time – in the event of unemployment; and the Cabinet shall, based upon

the Minister's proposal, determine the scheme's mechanism, operation, and application, and the value of the insured's monthly subscription; and it shall set any conditions or procedures, or impose any penalties necessary for the implementation of the scheme.

## **Article (5)**

### **Conditions for Entitlement to Compensation and its Suspension**

The following shall be required by the insured to be eligible for compensation:

1. The insured's subscription period shall not be less than (12) twelve consecutive months in the scheme.
2. The insured should not be dismissed from his job for disciplinary reasons in accordance with the provisions of the Law Regulating of Labour Relations and the Law on Human Resources in the Federal Government, and any relevant applicable legislation.
3. The claim for compensation should not be through fraud or deception, or if it turns out that the facility within which the insured works is fictitious; in such event, the penalties and sanctions stipulated in the Law on the Regulation of Labour Relations and any other legislation in force in the State shall apply to the facility and the insured.
4. The compensation payment shall be suspended if the worker/employee joins another employer during the compensation entitlement period.
5. The Cabinet may, based upon the Minister's proposal, amend the conditions for entitlement to compensation.

## **Article (6)**

### **Value and Period of Compensation**

1. The compensation shall be on a monthly basis at the rate of (60%) of the subscription salary and capped at AED 20,000 (Twenty Thousand UAE Dirhams) per month for a period of (3) three months from the date of unemployment.
2. The maximum period for compensation shall be (3) three months for each claim, provided that the coverage period does not exceed (12) twelve months during the period of service of the insured in the labour market in the State.
3. The insured may agree on additional benefits with the private service provider.
4. Without prejudice to the provisions of this clauses (1) and (2) above, the Cabinet may,

upon the Minister's proposal and after coordinating with the concerned authorities, amend the rates, values, and periods stipulated in this article, in order to achieve more benefits for the insured.

5. The disbursement of compensation to which the insured is entitled hereunder shall be without prejudice to any other compensation or entitlements prescribed under any legislation in force in the State.

## **Article (7)**

### **Implementing Resolutions**

The Cabinet shall issue the resolutions necessary for implementing the provisions of this Decree by Law.

## **Article (8)**

### **Publication and Enforcement of the Decree by Law**

This Decree by Law shall be published in the Official Gazette and shall come into force as of the day following its date of publication.

**Mohamed bin Zayed Al-Nahyan**

**President United Arab Emirates**

Issued by us at the Presidential Palace in Abu Dhabi,

On: 19 / Safar / 1444 A.H.

Corresponding: 15 / September / 2022 AD