

Cabinet Resolution No. (97) of 2022
Concerning the Mechanisms and Controls of Implementing the
Unemployment Insurance Scheme

The Cabinet,

- Having reviewed:
- The Constitution; and
- Federal Law No. (1) of 1972 concerning the competences of Ministries and Powers of Ministers, as amended; and
- Law No. (5) of 1985 promulgating the Civil Code; and
- Federal Law No (14) of 2018 regarding the Central Bank and Organization of Financial Institutions and Activities, as amended; and
- Federal Decree-Law No. (6) of 2007 concerning the Regulation of Insurance Activities as amended; and
- Federal Decree-Law No. (33) of 2021 Regulating Labor Relations and its Executive Regulations; and
- Federal Decree-Law No. (13) of 2022 concerning Unemployment Insurance; and
- Based on the Proposal of the Minister of Human Resources and Emiratization as approved by the Cabinet,

Hereby resolves as follows:

Article (1)

Definitions

The definitions listed in the Federal Decree-Law No. (13) of 2022, referred to herein above, shall apply to this resolution. In addition, the following words and expressions shall bear the meaning ascribed thereto, unless the context requires otherwise.

Basic Insurance Package : The package that grants compensation to the insured at (60%) of the contribution salary as described in this resolution, without any additional benefits.

Subscription Salary : The basic monthly wage of the worker or the monthly basic salary of the employee, based on which the insurance premium and the compensation sum are calculated.

Article (2)

Insurance Scheme's Scope of Application

All workers/employees of the Federal Government and Private Sectors shall subscribe to the Unemployment Insurance Scheme through purchasing an insurance policy whereby the insured insures himself in the event of termination of his service in accordance with the relevant cases of eligibility, with the exception of the following categories:

1. Investor (The person owning and working at the establishment);
2. Domestic Workers;
3. Temporary contract workers;
4. Juveniles under the age of (18) eighteen;
5. Citizens who have fulfilled the conditions for superannuation, or the retirees who receive a retirement pension and have joined a new job.

Article (3)

Insurance Packages

Without prejudice to the legislation and procedures applicable by the Central Bank, it is necessary to obtain the Ministry's prior approval for the insurance packages offered by the service provider in accordance with Federal Decree-Law No. (13) of 2022 referred to hereinabove.

Article (4)

Service Provider Requirements

In order for the service provider to obtain the approval of the Ministry for providing unemployment insurance services, the service provider shall be required to:

1. Be an insurer licensed by the Central Bank;

2. Have a rating of not less than the minimum rating specified in the table below, or an equivalent rating from other international rating agencies recognized by the Central Bank, in accordance with the latest rating issued by the accrediting body.

Standard and Poor	Moody's	AM Best	Fitch Rating
BBB	Baa	B+	BBB

3. Be financially solvent according to the Central Bank's requirements;
4. Have a governance structure that satisfies the requirements of the Central Bank;
5. Provide a proof that it is providing a high-quality and efficient service; and
6. Provide a proof that it has the systems, mechanisms and digital channels required for providing the service to those insured on the Scheme.

Article (5)

Service Providers Obligations

The service provider shall conclude with the Ministry an unemployment Insurance Service Agreement that sets out the following details:

1. The service provider's obligations vis-à-vis the insured;
2. The governance mechanisms for collecting the required insurance premiums;
3. The mechanisms for compensating the eligible insured persons;
4. Maintaining data confidentiality;
5. Standards and levels of service required from the service provider; and
6. Any other obligations defined by the Ministry.

Article (6)

Insurance Premium Collection Mechanism

1. The service provider shall issue the insurance policy of the insured for a period of not less than (12) twelve months.
2. Subscription shall be done, and insurance premiums shall be collected in accordance with the mechanism to be established by a resolution of the Minister.
3. The insured may select the mechanism and the periodicity deemed appropriate for the payment of the insurance premiums specified in the approved insurance policy and according to the mechanisms specified by the Minister.

Article (7)

Subscription Values

1. The insured shall pay the value of the basic insurance package premium in accordance with the subscription salary value as follows:
 - a. The first insurance category: up to (AED 5) (five dirhams) per month, if the subscription salary is (AED 16,000) (sixteen thousand dirhams) or less; and
 - b. The second insurance category: up to (AED 10) (ten dirhams) per month, if the subscription salary exceeds (AED 16,000) (sixteen thousand dirhams).
2. The Cabinet may, based on the proposal of the Minister, amend the value of subscription and the prescribed compensation values, and introduce new categories.

Article (8)

Security for Insurance Premiums Payment

1. Should the worker/employee fail to subscribe to the unemployment insurance scheme, or should the insured fail to pay the prescribed insurance premium for (3) three months from the due date of the underlying premium, [he] shall not benefit from the Scheme, and, in which case, [he] shall subscribe or re-subscribe by purchasing a new insurance policy the becomes effective as of the date of purchase. In addition, [he] shall pay all the amounts due plus a fine to be collected by the Ministry in the amount of (AED 400) four hundred dirhams in case of the worker's/employee's failure to subscribe to the Scheme, and (AED 200) two hundred dirhams in the event of the insured's failure to pay the prescribed insurance premiums for more than (3) three months. These amounts shall be collected as follows:
 - a. By way of deduction from the insured's account designated for receiving his wage as shown the Wages Protection System or any other alternative systems;
or
 - b. By way of deduction from end of service gratuity or any other alternative schemes.
2. The Minister shall set the timeframes for the registration of the insured and his subscription to the Scheme, in addition to the controls and procedures required to

ensure his commitment to the payment of the premiums and fines related to the insurance policies and may allow the insured to pay the amount in installments or exempt him from the fines referred to in this article.

Article (9)

Conditions for Benefiting from Insurance Coverage

Without prejudice to Article (5) of Federal Decree Law No. (13) of 2022 referred to hereinabove, the insured shall be entitled to benefit from the insurance coverage if the following conditions are met:

1. That term of the contribution of the insured is not less than (12) consecutive months in the unemployment insurance scheme;
2. That the insured has paid all the insurance premiums in accordance with the periodicity he has determined;
3. That the insured has provided evidence to that he is unemployed for any reason other than his resignation.
4. That the insured has not been dismissed from work for disciplinary reasons under the provisions of the applicable legislation regulating labor relation in the Private Sector and Human Resources in the Federal Government.
5. That the claim is submitted within (30) thirty days from the date of the termination of employment relationship or the determination of the labor claim referred to the court;
6. That no pending complaint for absence from work has been filed against the insured;
7. That the claim for compensation is not based on cheating or fraud and that the establishment in which he works is not a fictitious one;
8. The loss of work is not the result of non-peaceful labor disturbances or interruptions, whether they resulted in damage or not;
9. That the insured is residing in the State legally

Article (10)

Compensation Value

1. The compensation shall be paid on monthly basis at (60%) of the subscription salary for up to (3) three months for each claim from the start date of unemployment, so that the value of compensation does not exceed (AED 10,000) ten thousand dirhams for the first category and (AED 20,000) twenty thousand for the second category.
2. The maximum period for benefiting from the compensation within the term of service of the insured within the labor market in the State shall not exceed (12) twelve months.

Article (11)

Additional Benefits

The insured may subscribe to additional benefits of the basic package through coordination with the service provider.

Article (12)

Compensation Claim Mechanism

The insured shall submit the claim to the service provider within (30) thirty days from the termination date of employment relationship, by filing an application to benefit from unemployment insurance scheme in accordance with the mechanism specified under a resolution of the Minister and accompanied by the documents evidencing the insured's eligibility for compensation.

Article (13)

Obtaining Compensation from the Service Provider

In case the insured is eligible for compensation, the service provider shall pay the compensation not later than two weeks from the date of receiving the claim that is compatible with the established standards and the eligibility conditions. In addition, the service provider shall transfer the compensation amount to the account of the insured in accordance with the method prescribed by the insured. The insurance

coverage shall be paid under this scheme in addition to any other insurance coverage by virtue of other insurance policies held by the insured.

Article (14)

Unemployment Insurance Scheme Governance Procedures

1. The service provider shall process the insurance claims in accordance with the controls and conditions set out in the insurance policy and the legislation of the Central Bank in force. The Ministry shall notify the Central Bank should the service provider violate the conditions and controls of the insurance policy, so that the disputes arising from the policy shall be settled in accordance with the mechanism established by the Central Bank.
2. The Ministry shall perform the periodic review of the Basic Agreement, the annexes of the Basic Agreement, the value of the insurance premiums and the channels to access to the service, and in line with this, it shall do the measures required to ensure the optimal implementation of this resolution.
3. The service provider shall provide the technical reports related to unemployment insurance service, update the Ministry on the movement of the premium accounts and deliver the amounts due to the insured on a monthly basis.

Article (15)

General Provisions

1. If it is established that the insured has provided incorrect data on the subscription salary, his contractual relation with his employer or the circumstance surrounding the termination of his service, the service provider shall be entitled to recover the full compensation amount disbursed to the insured, without prejudice to any penalties imposed on the insured under the legislation applicable in the State.
2. If the employer's collusion with the employee to obtain the benefits of unemployment insurance is established, without prejudice to carrying out the necessary measures to impose the penalties stipulated in the laws and resolutions in force in the State, an administrative fine shall be imposed on the establishment by the Ministry in the amount of (AED 20,000) twenty thousand dirhams per case.

3. The courts of the United Arab Emirates shall have exclusive jurisdiction to hear and adjudicate on any dispute arising from the implementation of the unemployment scheme, which shall be subject to the laws and legislation in force in the United Arab Emirates.

Article (16)

Federal Government Employees

The Federal Authority for Government Human Resources shall, in coordination with the Ministry of Finance, implement the provisions of this resolution as regards the employees of the Federal Government.

Article (17)

Subscription to the Scheme

1. The persons governed by the provisions of Federal-Law No. (13) of 2022 referred to herein above shall subscribe to the Unemployment Insurance Scheme within a 4-month period from the date of entry into force hereof.
2. The Minister of Human Resources and Emiratization is hereby authorized to extend the time limit referred to in Paragraph (1) of this article in accordance with the requirement for regulating the labor market.

Article (18)

Publication and Entry into Force

This Resolution shall be published in the official gazette and shall enter into force as of the day following the date of its Publication.

Mohammed bin Rashid Al Maktoum

Prime Minister

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