

Federal Decree-Law No. 13 of 2022
Concerning Unemployment Insurance Scheme

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

- Having perused the Constitution
- Federal Law No.(1) of 1972, concerning jurisdictions of the Ministries and powers of the Ministers and amendments thereof
- Federal Law No.(2) of 2001 concerning Social Security and amendments thereof
- Federal Decree-Law No.(14) of 2018 concerning the Central Bank and the Regulation of Financial Institutions and Activities
- Federal Law No. (6) of 2007 concerning Insurance Activities and amendments thereof
- Federal Decree-Law No.(33) of 2021 concerning Regulation of Labor Relations
- As proposed by the Minister of Human Resources and Emiratization and approved by the UAE Cabinet

Promulgated the following Decree-Law:

Article 1
Definitions

For the purposes of implementing the provisions of this Decree-law, the following terms and expressions shall have the meanings opposite thereto unless the context requires otherwise:

State : United Arab Emirates

Ministry : Ministry of Human Resources and Emiratization

- Minister** : Minister of Human Resources and Emiratization
- Central Bank** : Central Bank of United Arab Emirates
- Unemployment Insurance Scheme** : A form of insurance that provides a financial support for a limited period of time in the event of unemployment in exchange for a portion of the worker's/employee's contributions in accordance with this Decree-Law and pursuant to the decisions of the UAE Cabinet in this regard.
- Insured** : Workers / employees of the private sector, state government, or federal government who participate in the scheme in accordance with this Decree-Law and pursuant to the decisions of the UAE Cabinet in this regard
- Worker / employee** : A natural person working in the private sector or federal government sector.
- Unemployment** : A situation of unemployment resulting from the termination of employment by the insured's employer in accordance with the provisions of this Decree-Law and the decisions of the UAE Cabinet in this regard.
- Compensation** : Amount payable to the insured in the event of his unemployment in accordance with the provisions of this decree and the decisions of the UAE Cabinet in this regard.
- Private Sector** : Institutions, companies, establishments, and other entities wholly owned by individuals or owned jointly with the federal or local government. Institutions and corporations wholly owned by the federal or local

governments, unless otherwise provided by their incorporation laws

Federal Government Sector : Any ministry established in accordance with Federal Law No. 1 of 1972 regarding the competencies of ministries and powers of the Ministers and amendments thereof, also included any federal authorities, institutions or regulatory bodies affiliated with the federal government.

Service Providers : Insurers licensed by the Central Bank that comply with the requirements for the provision of unemployment insurance, released by the UAE Cabinet following consultation with the Central Bank or any other government entity assigned to provide unemployment insurance services.

Article 2 Objectives of the Decree-Law

The following objectives are intended to be achieved by this Decree-Law:

- Providing the insured with income for a limited period of time during the period of his unemployment until an alternative employment opportunity becomes available in accordance with the provisions of this decree-law.
- Enhancement of Emirati cadres' competitiveness on the labor market and the provision of social protection to ensure their continued decent living until an alternative employment opportunity become available.
- Achieving a competitive knowledge economy by attracting and retaining the best international talent from skilled workers.

Article 3 Scope of Application

1. All workers, with the exception of the following categories, are covered by this Decree-Law:
 - a) Investors (Business owners who own the entire business and manage it themselves)
 - b) Domestic Workers
 - c) Contractual workers/employees on a temporary basis
 - d) Juveniles under the age of 18
 - e) Pension-receiving retirees who have joined a new employer
2. Upon the Minister's proposal, the UAE Cabinet may amend the scope of application of this Decree-Law.

Article 4

Introduction of Unemployment Insurance Scheme

Under the provisions of this Decree-Law, unemployment insurance scheme shall be instituted in the State, which provides a limited cash benefit to the insured in the event of his/her unemployment. Upon the proposal of the Minister, the UAE Cabinet shall layout the process, function, and application of the scheme, as well as the value of the monthly subscription payable by the insured, in addition to setting any requirements, procedures or imposing penalties if necessary.

Article 5

Eligibility Requirements and Suspension of Compensation

In order to be eligible for compensation, the insured must meet the following conditions:

1. There must be a minimum subscription period of (12) twelve consecutive months for the insured in the scheme.

2. The insured may not be dismissed for disciplinary reasons under the Labor Relations Law and the Human Resources Law of the federal government in addition to any applicable legislation.
3. The insured shall not be entitled to compensation if there has been fraud or deceit involved in his/her claim or if the establishment where he/she works is fictitious. If such a situation arises, the establishment and the insured shall be subject to the penalties and fines stipulated in the Labor Relations Regulation Law and any applicable legislation.
4. During the period of compensation entitlement, the payment of compensation shall cease if a worker/employee is hired by another employer.
5. Upon the Minister's proposal, the UAE Cabinet may amend the conditions for compensation eligibility.

Article 6

Compensation Amount and Duration

1. A monthly compensation of 60 percent of the contribution salary is provided for a period of three months from the date of unemployment up to a maximum of Dhs.20,000 (twenty thousand dirhams).
2. An compensation period of 3 months is available for each claim; provided that the coverage period does not exceed (12) twelve months during the insured's employment in the UAE labor market.
3. Additional benefits may be negotiated between the insured and the service provider.
4. Without prejudice to the provisions of Clauses 1 and 2 of this Article, upon the proposal of the Minister and in consultation with the relevant authorities, the UAE Cabinet may amend the rates, values, and periods specified in this article in order to maximize the benefits to the insured.

5. Compensation payments made under this Decree-Law shall not prejudice any other statutory compensation or entitlements available to the insured.

Article 7 Executive Decisions

For the purposes of implementing the provisions of this decree-law, the UAE Cabinet shall issue the necessary decisions.

Article 8 Publication and Application of the Decree-Law

This Decree-Law shall be published in the Official Gazette and shall come into force on the date following its publication.

The original is signed by His
Highness Sheikh Mohamed bin
Zayed Al Nahyan, President of
the United Arab Emirates

Promulgated by us at the Presidential Palace - Abu Dhabi
On 19th of Safar 1444 A.H
Corresponding to 15th of September 2022 A.D