

**Decree No. (46) of 2022**  
**Concerning the End-of-Service Gratuity**  
**Management Schemes of Employees in the Emirate of Dubai<sup>1</sup>**

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**We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai,**

After perusal of:

Federal Law No. (7) of 1999 Issuing the Pensions and Social Security Law and its amendments;

Law No. (5) of 1995 Establishing the Department of Finance;

Law No. (3) of 2003 Establishing the Executive Council of the Emirate of Dubai;

Law No. (32) of 2008 Establishing the Government of Dubai Legal Affairs Department;

Law No. (31) of 2009 Establishing the Dubai Government Human Resources Department and its amendments;

Law No. (1) of 2016 Concerning the Financial Regulations of the Government of Dubai, and its Implementing Bylaw and its amendments;

Law No. (13) of 2016 Concerning the Judicial Authorities in the Emirate of Dubai and its amendments;

Law No. (8) of 2018 Concerning Management of the Government of Dubai Human Resources;

Law No. (5) of 2021 Concerning the Dubai International Financial Centre;

Decree No. (7) of 2020 Determining the Government Entities Governed by the Government of Dubai Human Resources Management Law;

Executive Council Resolution No. (6) of 2020 Approving the Financial Benefits of the Government of Dubai Employees; and

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<sup>1</sup>*Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict, the Arabic text will prevail.*

The human resources legislation applicable to the Government Entities and other entities Governed by the above-mentioned Law No. (8) of 2018 Concerning Management of the Government of Dubai Human Resources,

**Do hereby issue this Decree.**

## **Definitions**

### **Article (1)**

The following words and expressions, wherever mentioned in this Decree, will have the meaning indicated opposite each of them unless the context implies otherwise:

UAE:	The United Arab Emirates.
Emirate:	The Emirate of Dubai.
Ruler:	His Highness the Ruler of Dubai.
Government:	The Government of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
DIFC:	The Dubai International Financial Centre.
DGHR:	The Dubai Government Human Resources Department.
Department:	Any of the entities to which the provisions hereof apply, as listed in Article (3) of this Decree.
Employee:	A non-UAE National civilian employee who occupies a budgeted post in a Department, including any non-UAE National Member of a Judicial Authority or any employee who is issued with an initial approval by the Ruler to be granted the UAE nationality and who holds a valid UAE passport.
UAE National:	Any person holding the UAE nationality.
Scheme:	The scheme adopted by the DIFC for the management and investment of the Contributions and end-of-service gratuities of the DIFC Employees, or any other saving scheme for Employees to be adopted by the Executive Council upon the recommendation of the Department of Finance.

Contribution:	An amount that is owed to an Employee on account of his end-of-service gratuity, as calculated in accordance with the human resources legislation applicable to his Department; and that is transferred to a Contracted Entity as a lump sum or monthly percentage of salary in return for enrolment in a Scheme.
Enrolment Agreement:	An agreement concluded between a Department and a Contracted Entity under which the process for enrolment in a Scheme is determined.
Contracted Entity:	An establishment operating in the Emirate, including in a Special Development Zone or in a free zone, such the DIFC, to manage and operate a Scheme and to invest Contributions and end-of-service gratuities of Employees.
Voluntary Enrolment:	A voluntary enrolment of an Employee in a Scheme in order to save part of his salary. This takes effect through the deduction by the Department of a certain percentage of the Employee's monthly Total Salary, which is determined by him, as a contribution to the Scheme.

## **Objectives of the Decree**

### **Article (2)**

This Decree aims to:

1. contribute to creating an attractive environment in the Emirate for persons with talent and specialised competencies and skills, and enhancing the flexibility of work environments within the entities to which the provisions of the Decree apply;
2. enhance the social security of the Employees;
3. enhance the leading role of the Government in generating the highest possible profits for Employees through the optimum investment of their end-of-service benefits;
4. contribute to using all resources to implement the Government's initiatives aimed at achieving the employment stability and promoting the happiness of Employees; and
5. promote saving amongst Employees, and assist them in increasing and developing their financial savings.

### **Scope of Application**

#### **Article (3)**

The provisions of this Decree apply to the Employees of:

1. the entities governed by the above-mentioned Law No. (8) of 2018;
2. the entities stated in the list attached hereto; and
3. any of the Government Entities or other entities to which the application of this Decree is extended pursuant to a resolution issued in this respect by the Chairman of the Executive Council.

### **Functions of the Department of Finance**

#### **Article (4)**

For the purposes of this Decree, the Department of Finance will have the duties and powers to:

1. evaluate, in coordination with the DGHR and other competent entities in the Emirate, the impact of implementation of this Decree to verify the achievement of its intended objectives; and submit the outcomes of this evaluation to the Executive Council to take the necessary action in respect thereof;
2. select and evaluate the performance of Contracted Entities;
3. recommend to the Executive Council the approval of any saving Scheme other than the Scheme adopted by the DIFC;
4. approve, in coordination with the Government of Dubai Legal Affairs Department, the template Enrolment Agreement and any changes thereto;
5. issue instructions and guidelines stating the policies and procedures for implementing Enrolment Agreements and the requirements of Schemes;
6. supervise the scope of investment of Contributions by Contracted Entities as per the terms of Enrolment Agreements;
7. prepare, in coordination with the DGHR, periodic reports on the performance and work of Contracted Entities; and submit the same to the Executive Council to take the necessary action in respect thereof;

8. determine the scope and rules of investment of Contributions within or outside of the Emirate, and ensure that a certain percentage of these Contributions is invested within the local market of the Emirate. This percentage will be determined by a resolution of the Chairman of the Executive Council; and
9. exercise any other duties or powers conducive to the achievement of the objectives of this Decree, as assigned to it by the Chairman of the Executive Council.

### **Functions of the DGHR Article (5)**

For the purposes of this Decree, the DGHR will have the duties and powers to:

1. raise awareness of Employees on the importance of Schemes through organising introductory workshops for them in coordination with the concerned entities;
2. provide Departments or Contracted Entities, upon request and in accordance with the applicable legislation, with the data and information required for conducting financial studies;
3. measure the level of Employee satisfaction with the Schemes and services provided by Contracted Entities, and submit the relevant proposals and recommendations to the Executive Council to take the necessary action in respect thereof; and
4. exercise any other duties or powers conducive to the achievement of the objectives of this Decree, as assigned to it by the Chairman of the Executive Council.

### **Enrolment in Schemes Article (6)**

- a. A Department must enrol all its Employees in Schemes in accordance with the provisions of this Decree, the resolutions issued in pursuance hereof, and the Enrolment Agreement.
- b. Mandatory enrolment in a Scheme will terminate in either of the following cases:
  1. upon the end of the Employee's service with the Department; or
  2. where the Employee obtains the UAE nationality.

- c. The Contributions of an Employee, who is appointed by a Department after the effective date of this Decree, will become payable as from the month in which the Employee joins the employment of the Department. The Contributions of Employees who are working with the Department on the date on which this Decree comes into force will become payable as from the month in which they are registered in the Scheme.

### **Contributions Article (7)**

- a. A Department must transfer Contributions to the relevant Contracted Entity. These Contributions will be calculated as per the end-of-service gratuity calculation method stipulated in the human resources legislation applicable to the Department.
- b. For the purpose of calculating Contributions, a part of a month will be rounded up to a full month unless the human resources legislation applicable to the Department stipulates otherwise.
- c. Contributions will be transferred to the Contracted Entity in UAE dirhams.

### **Rules for Enrolling Employees in Schemes and Implementation Phases of Schemes Article (8)**

- a. An Employee will be enrolled in a Scheme subject to the following rules:
  - 1. The scheme must be approved by the Executive Council.
  - 2. The Enrolment Agreement must be consistent with the provisions of this Decree.
  - 3. Any other rules prescribed by the relevant resolutions issued by the Chairman of the Executive Council must be complied with.
- b. The Chairman of the Executive Council will, upon the recommendation of the Department of Finance, issue a resolution setting out the phases of implementation of Schemes and registration of Employees therein.

## **Enrolment Agreements**

### **Article (9)**

- a. Enrolment in a Scheme will be regulated by an Enrolment Agreement concluded between the Department and the Contracted Entity. This agreement must state:
  - 1. the obligations and rights of its parties;
  - 2. the method of calculating Contributions;
  - 3. the methods and rules of investing and managing Contributions;
  - 4. the types of investment portfolios in which Contributions may be invested;
  - 5. the method of transferring the amounts deducted from the monthly salaries of Employees to the Contracted Entity where they opt for Voluntary Enrolment;
  - 6. the procedures and rules for disbursement of Contributions to an eligible Employee upon the end of his service with the Department, and for disbursement of any other amounts transferred by the Department to the Contracted Entity on account of the end-of-service gratuity of that Employee;
  - 7. the rules and standards for maintaining the confidentiality of the data and information of Employees and for protecting and exchanging these data and information in line with the legislation in force in the Emirate;
  - 8. the term of the Enrolment Agreement; and
  - 9. any other data considered by the Department, in coordination with the Department of Finance, necessary to be included in the Enrolment Agreement.
- b. Without prejudice to the provisions of this Decree and the human resources legislation applicable to the Department for which an Employee works, the rights of the Employee and the obligations of the Department and the Contracted Entity will be determined by reference to the Enrolment Agreement and the requirements prescribed by the Scheme.
- c. The Department of Finance may sign an Enrolment Agreement on behalf of a Department. In this case, the Department will enjoy all the rights arising from the agreement concluded with the Department of Finance and will be liable for meeting all obligations related to the implementation of that agreement.

## **Entitlement to Contributions**

### **Article (10)**

Subject to the provisions of Article (12) of this Decree, the following will apply to an Employee's entitlement to Contributions:

1. Upon the end of service of the Employee with the Department, he will be entitled to receive the total Contributions transferred to the Contracted Entity. The Employee's entitlement to Contributions will be subject to completing at least one (1) year of actual service unless the human resources legislation applicable to his Department prescribes another period for entitlement to the end-of-service gratuity.
2. Without prejudice to the provisions of Article (17) of this Decree, the Contributions paid by a Department will constitute fulfilment of its obligation to pay the end-of-service gratuity prescribed by the human resources legislation applicable to the Department. The total Contributions must be equal to the amount of the end-of-service gratuity payable to the Employee at the end of his service.
3. The Contributions payable to the Employee will be disbursed, together with any Voluntary Enrolment Contributions and any profits payable to him, within no later than fourteen (14) days from the date on which the Department notifies the Contracted Entity to disburse these amounts, or within any other time frame specified in the Enrolment Agreement. Any losses incurred as a result of investing these Contributions and any fees or taxes owed by the Employee, if any, must be deducted from the Contributions.
4. The Employee must, at the end of his service, receive the total Contributions owed to him under this Decree in the UAE dirhams. The Employee will not be liable for any differences in the rates of exchange from other currencies if he is enrolled in a capital guaranteed portfolio. On the other hand, if the Employee is enrolled in a low- to moderate- risk investment portfolio, he will be liable for the differences in exchange rates.
5. The Department may request the Contracted Entity to deduct from the Contributions any amounts owed by the Employee to the Department, including any amounts transferred by mistake to the Contracted Entity. In any event, Contributions may not be paid to the Employee unless he first obtains a clearance letter from the Department for which he was working at the end of his service.
6. For the purpose of calculating and transferring Contributions to the Contracted Entity, a notice period will be deemed part of the period of service of the Employee. This period will not count towards the period of service of the Employee where he is exempt from



observing the notice period pursuant to the human resources legislation applicable to the Department.

7. The Department will recover Contributions from the Contracted Entity if the Employee does not complete one (1) year of actual service with the Department unless the human resources legislation applicable to the Department stipulates that the Employee becomes eligible for the end-of-service gratuity upon completion of a different period.

## **Obligations of Departments**

### **Article (11)**

A Department must:

1. enrol its Employees in a Scheme under an Enrolment Agreement in accordance with this Decree and the resolutions issued in pursuance hereof;
2. bear the costs of enrolling the Employees in the Scheme, if any, and not charge these costs to the Employees, or deduct them from the Contributions, except for the costs of any Voluntary Enrolment, which must be borne by the Employee;
3. transfer the Contributions to the Contracted Entity within the time frames prescribed in the Enrolment Agreement;
4. transfer, on behalf of Employees, the Voluntary Enrolment Contributions to the Contracted Entity as per the percentages agreed upon with the Employees;
5. provide the Department of Finance with a copy of the signed Enrolment Agreement if the Department's annual budget is included in the General Budget of the Government;
6. not amend the terms of the Enrolment Agreement without first obtaining the relevant approvals from the Department of Finance and the Government of Dubai Legal Affairs Department if the Department's annual budget is included in the General Budget of the Government;
7. raise, in coordination with the concerned entities, the awareness of the Employees on the benefits of the Scheme and the risks of its various investment portfolios;
8. subject to the provisions of Article (12) of this Decree, prepare and calculate, before disbursement of Contributions to any Employee by the Contracted Entity, a final settlement of the end-of-service gratuity payable to that Employee, upon the end of his service, in accordance with the relevant human resources legislation applicable to the Department; and

9. fulfil any other obligations determined pursuant to the relevant resolutions of the Chairman of the Executive Council.

### **Investment of Contributions**

#### **Article (12)**

- a. Contributions may be invested in capital guaranteed portfolios and low- to moderate-risk investment portfolios.
- b. Where the Contracted Entity invests Contributions in low- to moderate- risk investment portfolios, an Employee will be entitled to the profits generated from that investment and will be liable for the losses, fees, and taxes incurred in respect thereof.
- c. Notwithstanding the provisions of paragraph (b) of this Article, an Employee may opt for investing the Contributions transferred in his name to the Contracted Entity in a capital guaranteed portfolio. In this case, the Employee will not be entitled to any profits generated from the investment in that portfolio and will not be liable for any losses, fees, or taxes resulting from investing the Contributions by the Contracted Entity.
- d. In any event, an Employee may change the investment portfolio in which he is enrolled in accordance with the provisions of this Article to any other investment portfolio. In that case, the period of investment of Contributions in each portfolio must be taken into consideration in calculating the profits to which he is entitled or the losses, fees, and taxes for which he is liable.
- e. Employee categories, minimum salaries, and types of investment portfolios in which the automatic investment of Contributions under Schemes is allowed for each category will be determined by a resolution issued by the Chairman of the Executive Council upon the recommendation of the Department of Finance.

### **Voluntary Enrolment Contributions**

#### **Article (13)**

In addition to the Contributions transferred by a Department to a Contracted Entity under this Decree, an Employee who has completed at least one (1) year of actual service with the Department, or any other term prescribed by the human resources legislation of the Department for determining his eligibility for the end-of-service gratuity, may voluntarily enrol in a Scheme, in which case, a voluntary Enrolment Contribution will be deducted from his total monthly salary. The method of investment of the Voluntary Enrolment

Contributions and the method of their disbursement will be determined as per the Scheme rules adopted by the Contracted Entity.

### **Responsibilities of Departments**

#### **Article (14)**

- a. Except in cases of bankruptcy of a Contracted Entity or failure by a Department to transfer the Contributions to that entity, the Department will not be liable for the payment of Contributions to the Employee upon the end of his service with the Department. The Contracted Entity will be solely liable for payment of the Contributions together with any profits generated from the investment of these Contributions in accordance with the provisions of Article (12) hereof, after deducting any amounts payable to the Department from these Contributions.
- b. The Department will not be liable for any losses incurred as a result of investing Contributions or Voluntary Enrolment Contributions in accordance with this Decree.

### **Continued Enrolment in the Scheme**

#### **Article (15)**

Where the service of an Employee with a Department is terminated and he is reappointed in another Department that is governed by the provisions of this Decree, his Contributions for the period of service with the former Department may not, subject to the Employee's consent, be paid out to him, in which case he will continue to be enrolled in the Scheme by his new Department based on his new salary. Accordingly, for the purposes of calculating payable Contributions, his end-of-service gratuity for each period of service will be calculated as per the end-of-service gratuity calculation method prescribed by the human resources legislation applicable to the Department for which he has worked during that period.

### **Attachment against Contributions**

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

Notwithstanding the provisions of any other legislation and with the exception of the Department's right to deduct any amounts owed to it by an Employee, no entity may recover any debt from, or enforce any obligation against, Contributions by way of taking possession, seizure, sale by public auction, acquisition, or any other legal process, whether or not a definitive judgement in respect of such debt or obligation has been rendered.

## **Employees in Continuous Service**

### **Article (17)**

Subject to the provisions of this Decree, a Department will pay the end-of-service gratuity of an Employee in continuous service, for the period preceding his enrolment in the Scheme, as per the end-of-service gratuity calculation method stipulated in the legislation applicable to the Department.

## **Enrolment of UAE National Employees in Schemes**

### **Article (18)**

Without prejudice to the provisions of the above-mentioned Federal Law No. (7) of 1999, a UAE National Employee may, upon his request, be voluntarily enrolled in a Scheme, in which case, a Contribution will be deducted from his total monthly salary to be saved and invested. That enrolment in the Scheme will be governed by the same provisions and procedures stipulated in this Decree in respect of the Voluntary Enrolment of Employees.

## **Formation of a Special Tribunal**

### **Article (19)**

All applications, claims, or disputes arising under this Decree will be determined by a special tribunal to be formed pursuant to a resolution of the Ruler from amongst experts and specialists in the legal and financial fields. The tribunal formation resolution will provide for the method of selecting its members; its functions and powers; and the legal effect, and method of enforcement, of its awards and judgements; and for any other relevant matters.

## **Issuing Implementing Resolutions**

### **Article (20)**

The Chairman of the Executive Council will issue the resolutions required for the implementation of the provisions of this Decree.

## **Repeals**

### **Article (21)**

Any provision in any other legislation is hereby repealed to the extent that it contradicts the provisions of this Decree.

**Commencement and Publication**  
**Article (22)**

This Decree comes into force on 1 July 2022, and will be published in the Official Gazette.

**Mohammed bin Rashid Al Maktoum**  
**Ruler of Dubai**

### **Entities Governed by the Provisions of the Decree**

1. the Executive Office;
2. the Dubai Protocol Department;
3. the Government of Dubai Legal Affairs Department;
4. the General Secretariat of the Executive Council of the Emirate of Dubai;
5. the General Secretariat of the Supreme Legislation Committee in the Emirate of Dubai;
6. the Judicial Council and its affiliates;
7. the Dubai Courts and its affiliates;
8. the Public Prosecution;
9. the Rental Disputes Settlement Centre in the Emirate of Dubai;
10. the Dubai Digital Authority and its affiliates;
11. the Security Industry Regulatory Agency;
12. the Dubai Airports Corporation;
13. the Dubai Air Navigation Services Corporation;
14. the Dubai Aviation Engineering Projects Corporation;
15. the Dubai Aviation City Corporation;
16. the Mohammed bin Rashid Al Maktoum Library Foundation;
17. the Dubai Academic Health Institution;
18. the Dubai Future Foundation;
19. the Hamdan bin Rashid Al Maktoum Foundation for Distinguished Academic Performance;
20. the Dubai Economic Security Centre;
21. the Mohammed bin Rashid Space Centre;

22. the Dubai International Marine Club;
23. the Dubai Racing Club;
24. the Dubai Equestrian Club;
25. the Hamdan bin Mohammed Smart University;
26. the Mohammed bin Rashid School of Government;
27. the Imam Malik College for Sharia and Law;
28. the Rashid and Latifa Schools Establishment;
29. the Meydan City Corporation;
30. the Dubai Development Authority;
31. the Dubai World Trade Centre Authority;
32. the Dubai Integrated Economic Zones Authority;
33. the Jebel Ali Free Zone Authority;
34. the Dubai Multi Commodities Centre Authority;
35. the Dubai Healthcare City Authority; and
36. the International Humanitarian City Authority.