

Circular No. (2) of 2017

To Employers in the Government Sector (Local and Federal) Subject to Federal Law No. (7) of 1999 on Pension and Social Security; As Amended

Subject: Obligatory Registration of UAE Nationals & Timely Payment of Contributions

The General Pension & Social Security Authority (GPSSA) would like to emphasize that it is compulsory under law to provide social security for the UAE nationals employees across the Emirates. It has been recently noticed that some employers governed by the said law did not comply with registration of their UAE national employees or fail to timely pay the due contributions of their registered employees, which is considered a breach of the Federal Law No. (7) of 1999 on Pensions and Social Security, as amended, and thus such employers may subject to legal accountability according to the following provisions of law:

1. Payment of additional amounts for failure to pay the contributions on legally prescribed dates

According to Article (13) of the said Law, "Contributions shall be payable as of the first day of the month that follows the month for which such contributions are due. The said contributions shall be non-refundable."

According to Article (14) of the said Law, "The employer shall pay his share as well as the share of the insured in the subscriptions payable to the GPSSA. In the event of delay in the payment thereof, the employer shall be liable to pay an additional amount at the rate of (0.1%) of the payable contributions per day of delay without a need for a notice or notification."

GPSSA also stresses that the failure to register and subscribe for all UAE nationals working with employers governed by the said Law or failure to timely pay due contributions shall subject the insured and their families to risks, especially when it comes to settling their rights at the end of their services.

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Acting Director General

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This is a translated version of the Arabic circular

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