

FEDERAL LAW NO . 7

Issued on 16/2 / 1999

Corresponding to 1 Dhu al – Qi'dah 1419 H .

CONCERNING THE ISSUANCE OF THE LAW ON PENSIONS AND SOCIAL SECURITY

Amended by

Federal Law no . 07/1999 dated 16/02/1999 ; and

Federal Law no . 06/2006 dated 07/03/2006 ; and

Federal Law no . 07/2007 dated 15/02/2007

Abrogating

Federal Law no . 13/1974 dated 28/10/1974

and the amending decisions thereof namely :

Federal Law no . 08/1977 dated 06/09/1977 ; and

Federal Law no . 02/1982 dated 16/05/1982 ; and

Federal Law no . 03/1998 dated 02/03/1998 ; and

Federal Law no . 14/1974 dated 01/11/1974 ; and

Federal Law no . 02/1983 ; and

Federal Law no . 01/1984 dated 04/03/1984

Impliedly Abrogating

Ministerial Decision no . 19/1984 dated 02/04/1984

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

Pursuant to the perusal of the Constitution ; and

Federal Law no . 1 of 1972 concerning the Jurisdiction of the Ministries and the Powers of the Ministers and the amending laws thereof ; and

Federal Law no . 17 of 1972 concerning the Nationality and Passports and the amending laws thereof ; and

Federal Law no . 8 of 1973 concerning the Civil Service in the Federal Government and the amending laws thereof ; and

Federal Law no . 13 of 1974 concerning the Pensions and Retirement Benefits of the Civil Employees and Officials and the amending laws thereof ; and

Federal Law no . 14 of 1974 concerning the Pensions and Retirement Benefits of the Prime Minister , the Deputy Prime Minister and the Ministers and the amending laws thereof ; and

Federal Law no . 7 of 1976 concerning the Foundation of the State Audit Institution ; and

Federal Law no . 8 of 1980 concerning the Regulation of Labor Relations and the amending laws thereof ; and

Federal Law no . 2 of 1983 concerning the Determination of the Salaries of the Members of the Federal National Council and the amending laws thereof ; and

Federal Law no . 1 of 1984 concerning the Pensions and Retirement Benefits of Nationals operating in Entities , Institutions , Companies and Banks in which the Government owns shares ; and

Acting upon to the proposal of the Minister of Finance and Industry , the approval of the Cabinet and the Federal National Council and the ratification of the Federal Supreme Council ,

Have promulgated the following Law :

Article 1

The provisions of the Law annexed hereto concerning the Pensions and Social Security shall be applied .

Article 2

The present Law shall replace Federal Laws no . 13 of 1974 ,no . 14 of 1974 , no . 2 of 1983 and no . 1 of 1984 referred to herein above .

The employer in the private sector and the nationals working therefor must adhere to the Committee in conformity with the provisions hereof , and such with regards to the persons not subject to any of the other laws concerning pensions and social security in the State .

Article 3

The Committee shall set the implementing rules and conditions of the benefit by the employers , entrepreneurs and self – employed of the present Law . The Minister shall issue in this regard a decision subsequent to the approval of the Board of Directors .

Article 3 – bis

Added by Federal Law no . 6 dated 07/03/2006 :

The Committee shall set the executive rules in order to implement the provisions of " the Regulation of Expansion of the Insurance Protection to the GCC nationals outside their countries in any of the other GCC countries ". It shall also set the regulation of exchange of the benefits between the retirement funds operating in the State . A decision in this concern shall be issued by the Cabinet upon the proposal of the Minister and after the approval of the Board of Directors .

Article 4

Subject to the provisions of Article 20 of the annexed Law , the pensions of the insured persons whose service is terminated prior to the implementation of the present Law , as well as the pensions of the beneficiaries thereof shall be settled based on the actual paid pension , or the due pension in accordance with the provisions mentioned in the annexed Law , whichever is larger .

Article 5

The regulations and decisions issued for the implementation of the provisions of the laws mentioned in Article 2 hereof shall remain in force without contradicting the provisions hereof , and such until the issuance of the implementing decisions and regulations thereof .

Article 6

The Minister of Finance and Industry shall issue the necessary regulations and the decisions for the implementation of the provisions of the present Law .

Article 7

Every provision contradicting or contravening the provisions hereof shall be abrogated .

Article 8

The present Law shall be published in the Official Gazette and shall come in force two months subsequent to the date of the publication thereof .

As for the private sector , the present Law shall come in force six months subsequent to the date of the publication thereof .

Promulgated by Us at the Presidential
Palace in Abu Dhabi
On 1 Dhu al – Qi'dah 1419 H .
Corresponding to 16 February 1999

Zayed Bin Sultan Al Nahyan
President of the United Arab Emirates State

This Federal Law has been published in the Official Gazette , issue no . 331 , p . 55 .

LAW ON PENSIONS AND SOCIAL SECURITY

TITLE ONE

DEFINITIONS

Article 1

As amended by Federal Law no . 7 dated 15/2 / 2007 :

In the implementation of the provisions hereof , the following terms and phrases shall have the meanings assigned for each of them unless the context requires otherwise :

State : The United Arab Emirates State .

Committee : The General Committee for Pensions and Social Security .

Minister : The Minister of Finance and Industry .

Board of Directors : The Board of Directors of the Committee .

The Employer :

a) In the Governmental Sector :

The Federal Governmental authorities , the public institutions , agencies and companies , and banks in which the Federal Government owns shares , in addition to the local governmental authorities required to be subjected to the present Law by the government of the pertinent Emirate .

b) In the Private Sector :

Every natural or juridical person employing national workers in counterpart of a salary of whatever kind .

The Insured : Every national subject to the provisions of the present Law .

Subscription Period : The period of the service for which the insured is entitled to a pension or a benefit as the case may be and in accordance with the Law .

Pensioner : Every person whose service is terminated and who is entitled to a Pension in accordance with the provisions of the Law .

Pension Age : Sixty years .

Pension : The sum due by the Committee every month in a periodical manner to the Pensioner or the beneficiaries thereof in accordance with the provisions of the Law .

Beneficiary : Every person entitled to a share in the pension due to the death of the insured or the pensioner .

Service Period : The entire period of service spent by the insured , during which he was subject to the pension regulation , in addition to the periods that may be included therein in accordance with the provisions of the Law .

Work Injury : Injury caused by an accident occurring during or because of the work , or the contraction by a worker of an occupational illness . The death resulting from stress or exhaustion due to work shall be deemed a work injury whenever the conditions and rules issued by virtue of a decision by the Minister in agreement with the Minister of Health are fulfilled . Every accident occurring to the insured during his commute from and to work shall be deemed a work injury .

Occupational Illness : The illness sustained in an extensive manner by the persons working in one or more occupations only and such as per the list no . 1 annexed to the said Federal Law no . 8 of 1980 The extent of disability caused by the occupational illness shall be assessed with the knowledge of the pertinent medical committee . The illness shall be deemed occupational should the insured contract same during the practice of the profession or within one year from his departure from the work .

Injured : Every insured sustaining an occupational injury .

Patient : Every person sustaining an illness or an accident that is not deemed a

work injury .

Total Disability : Every disability hindering the insured in a complete and permanent manner from practicing any profession or work to make a living , and such shall be noted in the decision of the competent medical committee after the settlement of the condition . Among such cases the complete loss of eyesight , arms , legs , one arm and one leg , mental illnesses , chronic and incurable illnesses determined by virtue of a decision issued by the Minister of Health .

Partial Disability : Every disability caused by a work injury , and affecting in a permanent manner the ability of the insured to work in his original profession or make a living in general . Such shall be noted in a decision by the competent medical committee after the settlement of the condition , by virtue of the list no . 2 annexed to the present Law , clarifying the degrees of disability in the event of the loss of a body member . Should the disability not be mentioned in the said list , the percentage thereof shall be estimated as per the incapacity sustained by the insured to make a living , provided that such percentage is mentioned in the report of the said medical committee . Should the resulting disability have a special effect on the capacity of the injured to make a living from his original profession , the type of work carried out by the injured shall be mentioned in details , and the effect thereof on the increase of the disability level in such cases beyond the percentages set therefor in list no . 2 annexed to the present Law .

Natural Death : Death not deemed a work injury .

Competent Medical Committee : The medical committee established by virtue of a decision issued by the Minister of Health .

Salary of Subscription Calculation :

a – For the Governmental Sector :

The basic monthly salary of the insured , in addition to monthly bonuses and allowances granted thereto , namely :

Bonus of the living costs , social allowance for children , social allowance for nationals , living allowance decided according to the level thereof . The living allowance shall be estimated on a monthly basis with regards to persons receiving such allowance on an annual basis , and such by dividing it on the number of months per year , provided that the salary of subscription calculation of the insured does not exceed that of the Minister .

b – For the Prime Minister , the Deputy Prime – Minister , the Ministers and similar persons :

The basic salary plus the living allowance and other monthly and yearly allowances. The yearly allowances shall be estimated on a monthly basis by dividing them on the number of the months per year .

c – For the President of the Federal National Council :

The salary of subscription calculation with regards to the Minister .

For the Members of the Federal National Council : a membership allowance .

d – For the Private Sector :

The salary determined by the employment contract . Should such salary be less than 1.000 Dirhams per months , such minimum limit shall be taken into account upon the implementation of the present Law . Should the salary exceed 50.000 Dirhams per month , such amount shall not be taken into account . The Minister may , upon the approval of the Board of Directors , amend the minimum and maximum limit as the financial center of the Committee allows .

Salary of Pension Calculation :

a – In the Governmental Sector : The average of the salary of subscription calculation for the last three years of the period of the subscription in the social security , or for the entire period should it be less than three year .

b – For the Prime Minister , the Deputy Prime Minister , the Minister and other similar persons : the salary of subscription calculation .

c – For the President of the Federal National Council : the salary of subscription calculation with regards to the Minister , and for the members of the Federal National Council , the membership allowance .

d – For the Private Sector : The average salary of subscription calculation for the last five years of the period of subscription in the social security , or for the entire period should it be less than five years .

TITLE TWO

THE SUBSCRIPTIONS FOR THE INSURED

Article 2

The subscriptions of the insured shall include the following :

1 – Monthly subscriptions born by the insured , amounting to 5 % and deducted from the salary of subscription calculation .

2 – Monthly subscriptions paid by the employer , amounting to 15 % from the salary of subscription calculation of the insured working therefor . As for the employer in the private sector , the Government bears 2,5 % of his share in subscriptions paid to the Committee as a subvention to encourage him to employ nationals .

3 – Additional sums payable due to the delay in the payment of subscriptions .

TITLE THREE

CHAPTER ONE

THE CALCULATION OF THE PERIOD OF THE SUBSCRIPTION IN THE INSURANCE

Article 3

The calculation of the period of the subscription in the insurance shall include the periods of services included in the laws of pensions referred to in Article 2 of the Law of Issuance , in addition to the service period spent by the insured at an employer subject to the provisions

hereof and the periods of all types of vacations and the guaranteed periods .

Shall not be calculated in the insurance the following periods :

- 1 – The period of cessation of work without pay , or the suspension from work where it is decided to deprive the insured of his pay therefor .
- 2 – The previous periods where the insured was deprived of his pay , or the allocation therefor by virtue of a disciplinary decision or a judicial ruling .
- 3 – The periods which may not be included in accordance with the provisions hereof.

Article 4

The following periods shall be included in the current contributory service , or the allocation required to be included by the insured :

- 1 – The previous service period in the Governmental Sector .
- 2 – The previous service period in the special departments applying the pension regulations .
- 3 – The military service period .
- 4 – The previous service period before any employer subject to the provisions hereof .
- 5 – The service period referred to in the paragraphs 1,2 , 3 and 4 prior to the obtainment of the State nationality .
- 6 – The previous service period in the Development Council or the Kuwait Office .
- 7 – The previous service periods at any party decided by the Board of Directors .

Article 5

As amended by Federal Law no . 7 dated 15/2 / 2007 :

The merger of the service periods referred to in the preceding Article shall require the

following :

1 – The insured must express his desire in writing to include such periods prior to the termination of the service thereof , provided that he encloses with his request the necessary certificates and documents .

2 – The previous service durations required to be included must not have ended due to reasons of total deprivation of the pension or the allocation .

3 – The periods required to be included must not be temporary , daily or one of the probation periods that precede the appointment .

4 – The insured shall pay his share as well as the share of the employer for the period required to be included in the calculation of the salary of subscription calculation all at once at the date of the request of inclusion . The sums may be paid in monthly installments amounting to one quarter of the salary at least . The duration of the installments shall not exceed the age of sixty of the insured . In all cases , the entire expenses of inclusion shall be paid prior to the termination of the service .

The obligation of payment of installments shall abate should the service of the insured end in death and the value of the paid installment reach 50 % of the total sum due thereby . Should the value of the sums paid thereby be less than 50 % , the remainder shall be deducted from the pensions of the beneficiaries thereof .

Article 6

The previous service duration shall be included with regards to the national workers who are still in service before the local government authorities which are required to be subjected to the provisions hereof by the government of the pertinent Emirate in the subscription period in this insurance from the date of appointment and until the date of benefit from the provisions thereof , provided that such authorities bear the payment of the total share of subscriptions referred to in Article 2 hereof related to the employer , as well as the share of the insured , and such based on the salary of subscription calculation at the date of the benefit from the provisions hereof . The method of payment shall be regulated by virtue of a decision issued

by the Minister.

Article 7

As amended by Federal Law no . 7 dated 15/02/2007 :

Should a person acquire during his service at the entities subject to the provisions hereof the nationality of the State , he may include the period of service preceding his acquirement of the nationality to the pension or benefit account , provided that he bears his share as well as the share of the employer for such period with regards to subscriptions referred to in Article 2 hereof , and for the salary of subscription calculation at the date of the request of inclusion .

Article 8

The employers bounded to a better end of service benefits regulations shall bear the excess value between the sums due thereby for such regulations , and the contributory end of service benefit in accordance with the provisions hereof , as well as for the benefit payable due to the difference between the maximum salary for the subscription of the private sector in such insurance and the benefit calculation salary in their regulations , should it be higher . Such excess or difference shall be calculated for the entire service period of the insured therefor , whether such period include service periods that precede or follow the subscription in the Committee . Such sums shall be paid in full within one month from the termination of the service of the insured to the Committee , who shall in turn pay them to the insured or the beneficiaries thereof upon the termination of the service .

CHAPTER TWO

RULES OF CALCULATION OF SUBSCRIPTIONS

Article 9

Subscriptions shall be due for the following periods and such in accordance with the rules and provisions set for each thereof :

1 – Periods of external secondment without pay , or periods of special leaves : the insured shall bear his share in the subscriptions as well as the shares of the employer , and shall pay them to the Committee all at once within a year from the date of the termination of the

secondment or the leave . He may pay them in installments for a period equal to the leave or secondment period with the agreement of the Director General of the Committee .

2 – Special leaves for accompanying the spouse :

a – Should the special leave be for accompanying a Diplomat , the Governmental Sector shall bear the share thereof as well as the share of the insured .

b – Should the special leave be for accompanying the delegate in a study leave , the Governmental Sector shall bear the share thereof as well as the share of the insured .

c – Should the special leave be for accompanying the insured in the private sector , the insured shall bear his share as well as the share of the employer .

The insured shall pay the due sums all at once to the Committee within one year from the date of the termination of the leave . He may pay them in installments for a period equal to the leave period .

3 – Periods of study leaves without pay : The employer in the Governmental Sector shall pay his share in the subscriptions to be paid periodically . The insured shall pay his share and pay it as referred to in Clause (1).

As for the private sector , the insured shall bear both shares in this context .

4 – Internal secondment periods : The party to whom the employee is seconded shall bear the share of the employer in the subscription , should it bear the pay of the employer , while the insured shall pay his share to the Committee in a periodical manner based on the salary of the insured at the seconding party .

5 – Periods of sick leaves : the insured shall pay his share based on the actual salary paid thereto , whereas the employer pays his share based on the entire salary , regardless of whether the leave was with or without pay .

Article 10

a – Subscriptions paid by the employer in the private sector and subscriptions deducted from the salaries of the insured working therefor shall be calculated within a Gregorian year on the basis of the salaries paid thereto on January of every year.

b – The subscriptions of workers undertaking services in the private sector after January shall be calculated based on the salary of the month during which they have undertook the service , and such until the following January , after which they are treated based on the provisions of the preceding paragraph . Subscriptions shall be calculated in full for the month in which the service starts , and shall not be due for the part of month in which the service is terminated .

c – Subscriptions paid by the employer in the Governmental Sector , and subscriptions deducted from the salaries of the insured shall be calculated based on the monthly salary .

Article 11

1 – The employer in the private sector must submit to the Committee in January of every year all data regarding the salaries of the workers therefor for the said month as well as their monthly subscriptions . Furthermore , he must provide the Committee on a monthly basis with any changes occurring with regards to the number of workers therefor or their salaries , and such on forms set by the Committee . Such data must be in conformity with the books and records held by the employer in accordance with the Labor Law .

2 – Should the employer not submit the data set forth in the preceding paragraph within the determined terms , conditions and dates , the payable subscriptions shall be calculated based on the last statement submitted to the Committee and such until the calculation of the effectively payable subscriptions .

3 – Should the data not be submitted , should they not be in line with the actual situation , or should there not be any records and documents that must be kept by the employer in accordance with the provisions of the present Law , the calculation of the due subscriptions shall be made by virtue of a decision issued by the Committee in accordance with the

outcomes of the investigations thereof .

Article 12

The employer in the private sector must register the workers therefor , subject to the provisions of the present Law , before the Committee and such within one month at most from the date of their entry into service . The employer must provide the Committee with a statement of the names of the workers therefor whose service is terminated within one month at most from the date of the termination of such service.

Article 13

Subscriptions shall be payable as of the first day of the month that follows the month for which such subscriptions are due . Such delay may be extended till the fifteenth of the said month .

Such subscriptions shall not be returnable .

Article 14

The employer shall undertake the delivery of his share as well as the share of the insured in the due subscriptions to the Committee . In the event of a delay in the payment thereof , an additional sum amounting to 0.1 % of the due subscriptions shall be imposed thereon for every day of delay , and such without a need for a warning or notification .

The cases and conditions of exemption from such additional sum shall be determined by virtue of a decision issued by the Board of Directors .

Article 15

The employer in the private sector not having deducted the subscriptions of all or some of the workers thereof , or not having paid the subscriptions based on the real salaries , shall be enjoined to pay an additional sum amounting to 10 % of the value of the due subscriptions and such without any prior warning or notification .

CHAPTER THREE

PAYMENT OF OLD – AGE , DISABILITY AND DEATH PENSIONS

Article 16

As amended by Federal Law no . 7 dated 15/2 / 2007 :

The pension shall be paid in the following cases :

1 – The termination of the service of the insured by reason of death or total disability . Such disability shall be recorded with the knowledge of the medical committee .

2 – The termination of the service of the insured in the Governmental Sector by reason of unfitness for service . Such shall be recorded with the knowledge of the medical committee .

3 – The termination of the service of the insured in the private sector for health reasons endangering his life should he pursue his work , on condition that the decision of the medical committee precedes the date of the termination of the service .

4 – The termination of the service of the insured by reason of the winding up , bankruptcy or liquidation of the company , should he be subscribed in such insurance for a period of fifteen years at least .

5 – The termination of the service of the insured for reaching the retirement age , and such whenever the period of subscription thereof in such insurance reaches fifteen years at least .

6 – The termination of the service of the insured by reason of dismissal , removal or retirement thereof by virtue of a disciplinary decision or a judicial ruling , whenever the period of subscription thereof in such insurance reaches fifteen years at least .

7 – The termination of the service of the insured by reason of resignation , whenever the period of subscription thereof in the insurance reaches twenty years , and he reaches fifty five years at least .

8 – The termination of the service of the insured female who is married , divorced or widowed , by reason of resignation , should she have children under eighteen years of age whenever

the period of subscription thereof in the insurance reaches twenty years .

9 – The termination of the service of the insured female by reason of resignation whenever the period of subscription thereof in the insurance reaches twenty years and she reaches fifty years or more .

10 – The termination of the service of the insured by virtue of a Federal decree or a local decree , provided that the treasury of the pertinent Emirate bears the actual expenses incurred therefrom . The President shall issue a decision with regards to the method of calculation of such expenses .

11 – The termination of the service of the insured for reasons other than the ones set forth in the preceding clauses , whenever the period of subscription thereof in the insurance reaches twenty years at least .

In all cases , the pension shall not be paid to the insured whose services are terminated by reason of resignation unless they have reached fifty years of age , provided that such condition apply to the persons who have reached forty upon the date of implementation of the present Law . The age shall be increased year by year until it reaches fifty .

The pension shall be calculated with regards to situations set forth in clauses (1,2 , 3,4 , 5,6 , 10) on the basis of the subscription period of fifteen years , or the actual subscription period , whichever is longer . Three assumed years , or any number of years needed to complete sixty , whichever is shorter , shall be added to the subscription period calculated in the insurance in case of the termination of the service by reason of death or complete disability .

The pension shall be calculated in the remaining cases on the basis of the actual subscription period of twenty years at least .

In the event of the return of the pensioner suspended from work due to unfitness or health disability , the pension allocated thereto for such reason shall be cancelled , and the remaining provisions of the Law shall apply thereto .

Article 17

As amended by Federal Law no . 7 dated 15/2 / 2007 :

The insured may request the purchase of an assumed service period to be included in the actual service period under the following conditions :

The insured must express in writing his desire to purchase such period prior to the termination of his service .

The insured must have spent twenty years in service at least .

The period to be purchased must not exceed five years for the male insured , and ten years for the female insured .

In all cases , the insured shall bear his share as well as the share of the employer for the period to be purchased , and such in accordance with the salary of subscription calculation at the date of the request of purchase , provided that the payment is made all at once or in installments , and that the period of installments does not exceed the reach by the insured of the age of sixty . In all cases , the expenses of purchase must be paid in full prior to the end of the service .

In the event of the death of the insured , the collection of installments shall carry on from the pensions of the beneficiaries thereof .

Article 18

Should a judgment be issued to consider the insured missing , a temporary monthly pension equal to the due pension thereto in the event of his death while in service shall be paid to the beneficiaries thereof . Should it be proven thereafter that the missing person is alive , the payment of the said pension to the beneficiaries thereof shall cease , and his situation shall be settled in light of the outcomes of the judicial investigations . Should the situation thereof be proven unsound , the Committee shall be entitled to request the retrieval of the sums already paid thereto . However , should the situation thereof be proven sound , a clearance shall be made between the entitlements thereof and the sums paid to the beneficiaries thereof . Should the entitlements thereof exceed the sums paid to the beneficiaries , the

balance shall be paid thereto .

Article 19

Should the service of the insured be terminated by reason of death or complete disability due in both cases to a work injury , the pension shall be settled assuming that the subscription period thereof has reached thirty five years .

Article 20

The pension shall be calculated monthly on the basis of 60 % of the salary of pension calculation for the subscription periods included in the insurance reaching fifteen years . Such percentage shall increase by 2 % for every additional year and up to a maximum of 100 % of the salary of pension calculation .

Should the service period exceed thirty five years , the insured shall be granted benefit for the additional year amounting to the salary of three months for every year of the salary of pension calculation category .

With regards to the insured in the private sector , the last salary of pension calculation shall not be more or less than 20 % of the average salary of subscription calculation in the four preceding years or the actual subscription period , whichever is less .

Article 21

As amended by Federal Law no . 7 dated 15/02/2007 :

Without prejudice to the provision of Article 19 of the present Law , 10 % of the entitlements of the insured in the pension subject to clauses 6 and 11 of Article 16 hereof shall be deducted , provided that the period of the service thereof has not reached twenty five years .

Article 22

In the calculation of the subscription period , the part of the month shall be deemed a full month .

Article 23

In the Governmental Sector , the pension of the insured of the fourth degree in the third circle and above , or any degree similar thereto , must not be less than 3.750 Dirhams per month . And the pension of the insured of the remaining degrees or any degree similar thereto must not be less than 2.500 Dirhams per month .

Article 24

The minimum share of the beneficiaries of the insured shall be as follows :

- 800 Dirhams for the widow or the benefiting husband .
- 600 Dirhams for each of the parents .
- 400 Dirhams for each of the remaining beneficiaries .

Should the share of any of the beneficiaries be less than the minimum amount , such share shall be calculated on the basis of the salary of pension calculation , provided that the sum of the shares does not exceed such salary . In the event of the transfer of the pension of a beneficiary to the other , such transfer shall be made based on the share thereof before increasing to the minimum amount .

CHAPTER FOUR

BENEFICIARIES AND CONDITIONS OF BENEFIT

Article 25

The entitlement of the insured to the pension shall commence on the day that follows the termination of the service thereof , and shall cease upon the death thereof should there be no beneficiaries thereof . In such case , the entitlement to the pension shall be transferred in accordance with the provisions of the present Law .

The entitlement of the beneficiaries of the insured or the pensioner shall commence as of the month that follows the date of death .

Article 26

Subject to the provisions of the following Articles , the entitlement to the pension shall be transferred subsequent to the death of the insured or the pensioner to the persons referred to in list no . 1 enclosed herewith .

Article 27

Should the wife pass away upon the death of the insured or pensioner or thereafter , or should she remarry , her share shall be transferred to her children from him who benefit from the pension in equal shares among them . Should she have no children from him , her share shall be transferred to the widows of the insured or pensioner living at the time of her death , in equal shares among them . Should there be no widows , her share shall be transferred to the Committee .

Article 28

Should the father of the children die during the life of his father , and should they have no pension from their father , the share of their father shall be transferred thereto as if he were alive .

Should the father of the children die after having collected the pension for his father, the share of their father in the pension shall be transferred thereto .

In both preceding cases , the provisions related to the suspension of the pension of the benefiting children shall apply .

Article 29

The pension of the son shall be discontinued whenever he reaches 21 years of age. However , the payment of the pension thereto shall be carried on after having reached such age in the following cases :

1 – Should he be incapable of making a living and until the remedy of his disability .

Such disability shall be proven by virtue of a report from the competent medical committee , provided that the condition is reexamined every two years , unless the competent medical committee decides the improbability of his remedy .

2 – Should he be a student and until the employment thereof , or the practice thereby of a profession , or until he reaches twenty eight years of age , whichever is closer .

The payment of the pension to the student having reached the age of twenty eight shall be made during the academic year and until the end thereof .

Article 30

The pension of the widow shall be discontinued upon her marriage . The pension of the daughter or sister shall be discontinued upon her marriage , employment or practice of a profession . The pension shall be repaid to the daughter or sister should she be divorced , widowed and has no other salary , pension or job .

Article 31

Should the daughter , sister , or mother be widowed or divorced , and should the son or brother be incapable of making a living after the death of the pensioner , and should they have no other salary or pension , each thereof shall be entitled to the same amount entitled thereto at the time of death of the pensioner , without prejudice to the rights of the remaining beneficiaries in the pension . In the event of the suspension or cessation of the pension of any thereof , it shall not be transferred to any other .

Article 32

The father shall be entitled to a share of the pension of his deceased son should he depend thereon for his living . Such shall be proven in accordance with the rules set by the Committee .

Article 33

The siblings shall be entitled to a share of the pension of the deceased should they depend thereon for their living . Such shall be proven in accordance with the rules set by the Committee . The entitlement to the pension shall be subject to the conditions and limits referred to in Articles 29 and 30 hereof .

Article 34

The mother shall be entitled to a share of the pension of her deceased son should she be widowed , divorced , should her husband depend on her deceased son for his living , and should she have no salary or pension .

Article 35

As amended by Federal Law no . 7 dated 15/2 / 2007 :

The pensioner may not combine two pensions from the Committee . Should he be entitled to two pensions , he shall receive the larger of the pensions . Furthermore , he may not combine between the pension and any other salary paid thereto in a periodical manner from any other party in the State . Should the salary be higher than the pension , the pension shall be suspended until the end of his second service . However , should the salary be less than the pension , he shall be granted the difference between the salary and the pension . The pension shall be repaid upon the end of the service thereof .

Article 36

As amended by Federal Law no . 7 dated 15/2 / 2007 :

With exception to the provisions related to the prohibition of combination of two pensions , or a pension and a salary , such combination may take place in the following cases :

1 – Cases of combination between two pensions or between a pension and a salary prior to the enforcement of the provisions hereof .

2 – If the sum of the two pensions or of the pension and the salary paid to the pensioner does not exceed 9.000 Dirhams , otherwise , should the sum exceed the said amount , his

right shall be limited to the sum not exceeding such amount .

3 – If the pensioner had spent in the Governmental work for which he is entitled to a pension twenty five years or more , he may combine between such pension and any salary paid thereto from any party in the State in a periodical manner , regardless of their combined value , with the exception of the cases set forth in Clauses (6 and 11) of Article 16 herein , where the provision of Clause (2) of the present Article shall apply .

If the pension is entitled to the widow of the pensioner , she shall be entitled to combine her salary from her work , or her pension with the pension entitled thereto from her husband .

Article 37

As amended by Federal Law no . 7 dated 15/2 / 2007 :

1 – Should the payment of all the pension or a part thereof be discontinued with regards to one of the children of the pensioner for whatever reason , the sum thereof shall be transferred to the remaining children within the limits of the shares thereof prior to the increase thereof to the minimum amount due to the beneficiaries set forth in Article 24 herein . Should the reason of discontinuation cease , the pension of the said children shall be decreased by the value transferred thereto by reason of the said discontinuation .

2 – In the event of the inexistence of other beneficiaries , the unpaid sums of the children pension shall be transferred to the widow of the pensioner provided that the share in such case does not exceed three quarters of the pension , and the entire amount of the pension should there be several widows . Such sums shall be transferred in equal shares among them .

TITLE FOUR END OF SERVICE BENEFITS

Article 38

The insured who is not entitled upon the termination of his service to a pension in accordance with the preceding provisions shall be granted a benefit in accordance with the provisions of the following Articles .

Article 39

The insured shall be entitled to a benefit amounting to the salary of one and a half months for every year of the first five years of subscription , provided that the subscription thereof is not less than one year . Such benefit amount shall increase to become equivalent to the salary of two months for every year of the following five years , and to the salary of three months for every year additional thereto .

Article 40

In the calculation of the subscription period in the insurance , the part of the month shall be deemed a full month .

Article 41

The benefit shall be calculated on the basis of the salary of pension calculation .

With regards to the insured in the private sector , the last salary of pension calculation shall not be more or less than 20 % of the average salary of subscription calculation in the four preceding years or the actual subscription period , whichever is less .

Article 42

Should the insured pass away , the benefit entitled thereto for the period of service thereof shall be paid to the beneficiaries thereof in accordance with the provisions set forth in the present Law with regards to the pension , and in pursuance of the distribution mentioned therein . Should there be no beneficiaries , such benefit shall be distributed as per the provisions of inheritance in the Islamic Sharia'a .

TITLE FIVE PENSIONS OF THE PRIME MINISTER , DEPUTY PRIME MINISTER AND MINISTERS

Article 43

The Prime Minister , the Deputy Prime Minister and the Ministers shall be entitled upon the

termination of the service thereof in the ministerial position a monthly salary in accordance with the provisions of the following Articles .

Article 44

Should the Prime Minister , the Deputy Prime Minister or the Minister spend two years in the ministerial position , the monthly pension due thereto shall be calculated , assuming that the period of service thereof reaches thirty five years , provided that the Treasury of the Government bears the difference in subscriptions between the actual service period and the assumed service period .

Article 45

Should a former Minister be appointed in one of the positions subject to the provisions hereof , he may combine between his salary based on which the pension subscriptions are calculated and the pension due thereto .

Article 46

Without prejudice to the provisions mentioned in the present Title , the provisions of the present Law shall apply with regards to the Prime Minister , the Deputy Prime Minister and the Ministers .

TITLE SIX PENSIONS OF MEMBERS OF THE FEDERAL NATIONAL COUNCIL

Article 47

The President , Vice – Presidents , observers and members of the Federal National Council , upon the termination of their membership in the council , shall be entitled to a monthly pension in accordance with the provisions of the following Articles .

Article 48

Should a president , vice – presidents , observers , or member of the Federal National Council spend in the membership thereof an entire legislative chapter , the insured shall be entitled to a calculated pension assuming that the period of membership reached thirty five

years , provided that the Treasury of the Government bears the difference in subscriptions between the actual membership period and the assumed membership period .

Article 49

Should the membership be terminated due to unfitness or death , the insured or the beneficiaries thereof , as the case may be , shall be entitled to a pension equal to the membership benefit .

Article 50

As amended by Federal Law no . 7 dated 15/2 / 2007 :

The President , Vice – Presidents , observers or member of the Federal National Council may combine between the pension entitled thereto in accordance with the provisions hereof and any other pension paid thereto from any party in the State other than the Committee . They may also combine between the membership benefit or any salary paid thereto from any party and the pension entitled thereto in accordance with the provisions of the present Law .

Article 51

The salary of subscription calculation determined for each of the President , Vice – Presidents , observers and members of the Federal National Council shall be used as basis for the calculation of the pension . The percentage referred to in Article 2 of the present Law shall be deducted from such salary .

Article 52

Without prejudice to the provisions mentioned in the present Title , the provisions of the present Law shall apply with regards to the President , Vice – Presidents , observers and members of the Federal National Council .

Article 53

The provisions of the present Title shall apply to the former President and members of the

Federal National Council .

**TITLE SEVEN THE ABATEMENT OR CESSATION OF THE RIGHT IN THE
PENSION OR BENEFIT**

Article 54

The insured or the pensioner may not be deprived of the pension or benefit unless by virtue of a disciplinary decision , provided that such deprivation does not exceed one quarter of the pension or benefit .

A judgment may not be passed to deprive the pensioner of the pension in accordance with the preceding paragraph unless for the actions carried out thereby prior to the termination of the service thereof .

No deduction or attachment of the due sums may occur in application of the provisions hereof against the pensioner or the beneficiaries thereof , unless for the payment of a judicially ordered alimony , for the payment of the sums due to the Government by the insured for reasons related to his job performance , or for the retrieval of the sums paid thereto without any right .

The sums deducted in such cases may not exceed one quarter of the pension . In case of competition , the priority shall be given to the alimony debt .

Article 55

The beneficiaries of the insured or pensioner subject to a disciplinary judgment depriving him of a part of the pension thereof shall be entitled upon the death of the insured or pensioner to their complete shares of the complete pension set forth in the present Law .

Article 56

The insured or pensioner whose State nationality is cancelled or withdrawn shall be deprived of the pension entitled thereto . Upon death , the beneficiaries shall be entitled to the

complete shares thereof should they hold the State nationality .

However , should the State nationality be withdrawn from the beneficiaries , or should they not be holders thereof in the first place , they shall be entitled to half their shares .

Article 57

No claim shall be heard with regards to every pension or benefit whose owner or beneficiary does not request the collection thereof after the elapse of ten years from the due date thereof , or from the date of the last payment of the pension . The said date shall not apply whenever the beneficiary is hindered from claiming the right thereof , provided that such hindrance is accepted by the Director General of the Committee .

TITLE EIGHT SANCTIONS

Article 58

Without prejudice to any severer sanction set forth in any other law , the sanctions referred to in the following Articles shall be inflicted with regards to the crimes referred to therein :

Article 59

Whoever intentionally submits untrue data or refrains from giving the data set forth in the present Law , decisions or regulations issued in implementation thereof in view of obtaining money from the Committee without any right shall be sentenced to imprisonment and to a fine not exceeding 5.000 Dirhams , or to either penalties .

Whoever intentionally gives false data in order not to pay the entire entitlements of the Committee shall be subject to the same sentence .

In all cases , the court shall rule to return the sums paid without any right or to retrieve the sums due to the Committee .

Article 60

Each employer in the private sector subject to the provisions of the present Law shall be sentenced to a fine amounting to 5.000 Dirhams for every worker not subscribed thereby in the Committee . Each employer imposing on his workers any share in the insurance expenses not mentioned in the provisions of the present Law shall be subject to the same sentence . The court shall by itself rule to enjoin the infringing employer to pay to the workers the sums born thereby from the insurance expenses .

Article 61

All fines and sums ordered by the court for the breach of the provisions of the present Law shall be transferred to the Committee .

Article 61 – bis

Added by Federal Law no . 7 dated 15/02/2007 :

The officials of the Committee determined by virtue of a decision issued by the Minister of Justice in agreement with the Minister shall have the capacity of judicial investigation officers with regards to the crimes occurring within their jurisdictions and related to the tasks thereof .

TITLE NINE

GENERAL PROVISIONS

Article 62

The Cabinet may grant exceptional pensions , increases to pensions or exceptional benefits for the insured whose service is terminated for any reason whatsoever , for pensioners or for beneficiaries thereof .

The Cabinet may also grant exceptional pensions or benefits to persons other than the ones mentioned in the preceding paragraph from among the nationals who have presented great services to the country , or to the families of the deceased in an accident deemed as a general catastrophe .

Such exceptional pensions and benefits shall be subject to the provisions of the present Law without prejudice to the special provisions stipulated by the Cabinet .

The Government shall bear the value of the exceptional pensions .

Article 63

As amended by Federal Law no . 7 dated 15/2 / 2007 :

Subject to the provision of Article 36 of the present Law , should the pensioner return to the service at any employer subject to the provisions of the present Law , he may include the previous service period to his new service , and shall be treated at the end thereof based on both periods , provided that the Minister issues the decisions regulating the method of calculation of the expenses of the inclusion of such period .

Article 64

Upon the death of the pensioner , a sum amounting to the entitled pension for the month of the death and the following three month shall be paid in one installment to whoever depended thereon at the time of death . Such sum shall be deemed a grant not to be retrieved or attached for the payment of any debt . Furthermore , such grant shall be exempt from all types of taxes and fees .

Article 65

Should the service of the insured be terminated due to natural death , the inheritors thereof shall be paid a bonus to the due monthly pension in accordance with the provisions of the present Law as a compensation of death . Such sum shall be paid in one installment and shall amount to 60.000 Dirhams distributed among them in accordance with the provisions of inheritance in the Islamic Shari'a .

Article 66

Should the insured pass away by reason of a work injury , his inheritors shall be entitled to a compensation amounting to 75.000 Dirhams distributed among them in accordance with the

provisions of inheritance in the Islamic Sharia'a . Furthermore , the insured shall be entitled to such compensation should the work injury result in a complete disability . However , should the injury cause partial disability , the injured insured shall be entitled to a compensation estimated with regards to the disability and multiplied by the value of the compensation .

The insured shall be deprived of the injury compensation in the following cases :

1 – Should the insured intentionally injure himself .

2 – Should the injury occur by reason of an obscene and intentional misbehavior by the injured , for example :

a – Any act carried out by the injured under the influence of alcohol , narcotics or psychotropic substances .

b – Any intentional breach of the safety instructions displayed in clear locations at the work place .

The cases set forth in Clauses (1) and (2) shall not be adopted unless such is proven by the investigation carried out in this regard with the knowledge of the pertinent parties .

Article 67

1 – The provisions of Article 66 of the present Law shall not prejudice the right of the insured or the inheritors thereof to claim the entire right thereof to the compensation prior to any third party .

2 – Should the injury be caused by a mistake , a default or a work injury from the employer , the injured or the inheritors thereof may refer to the employer and claim the entire compensation in this regard .

Article 68

Should the pension be discontinued or ceased , the pension due for the month during which the cause of discontinuation or cessation occurs shall be paid on the basis of a full month . In

case of the return of the pension of the beneficiary , or the return thereof to other beneficiaries , the pension of the first month following the due date shall be repaid .

Article 69

The insured with regard to whom Federal decrees are issued to treat them the same as Ministers , and every person equal in position to the Ministers shall be subject to the provisions of Title Five of the present Law .

Article 70

Every employer shall keep books and registers and shall submit to the Committee statements , data , notifications and applications required for the implementation of the present Law , and such in accordance with the terms , conditions and dates set by the Board of Directors .

Article 71

Every employer shall establish for every insured a special retirement file in which he deposits the documents determined by the decisions referred to in Article 70 of the present Law .

Article 72

The employer in the private sector shall pay the end of service benefit due to the nationals working therefor to the Committee in accordance with the laws and regulations governing their employment contract , and such for the ones wishing to include their service period from the date of their appointment and until the date of benefit from the provisions of the present Law in the inclusion expenses account , and such without prejudice to their right to continue their work , and the entitlement to the benefit for such period upon the termination of the actual service for the ones who do not request such inclusion .

Article 73

The age of the insured must be eighteen years at least and sixty years at most . He must be fit for work upon the appointment thereof by virtue of a medical report from the medical

authority approved by the Committee .

The employer shall submit such report upon the subscription therefor before the Committee .

Article 74

The Committee shall be entitled to deduct the sums paid without any right to the beneficiary whose part is suspended or discontinued from the frozen sum entitled to the remaining beneficiaries by reason of discontinuation or termination from the date of the knowledge of the cause thereof and for the value entitled to each thereof .

Such shall not prejudice the right of the remaining beneficiaries in referring to the party paying such sums , each in accordance with the share thereof .

Article 75

The winding up , liquidation , shutdown , bankruptcy , merger or transfer of the party subject to the insurance either by inheritance , will , grant , sale , transfer or other disposals shall not hinder the payment of all entitlements of the Committee .

The successor shall be jointly responsible with the former employers for the implementation of all obligations due thereby to the Committee .

However , should the party subject to insurance be transferred by inheritance or will, the joint responsibility of the inheritors or legatees shall be within the limits of the estate transferred thereto .

Article 76

The pensions , compensations and benefits paid in accordance with the present Law shall be exempt from all taxes and fees .

Article 77

The sums due to the Committee by virtue of the provisions of the present Law shall have the

right of privilege on the entire debtor's money , and shall have priority over all debts after judicial expenditures and alimony debt . The Committee shall be entitled to collect them in accordance with the applicable regulations of collection of Governmental money . Such entire sums or parts thereof may be paid in installments in accordance with the conditions determined by the Board of Directors.

Article 78

All lawsuits filed by the Committee , the insured or the beneficiaries thereof in accordance with the provisions of the present Law shall be exempt from judicial fees in all degrees of litigation . Such lawsuits shall be seen in summary and the court may in all cases rule summary execution without bail . In the event of the rejection of the lawsuit , the court may rule that the applicant pays all or some of the expenses thereof .

Article 79

The calculation of the periods set forth in the present Law shall be in conformity with the Gregorian calendar .

LIST NO . 1

Due Shares of the pension				Beneficiaries of the Pension	I
Siblings	Parents	Children	Entitled Widow (s) or Husband		
1/8	1/8	3/8	3/8	Entitles widow (s) or husband , a child or more , a father , a mother or both , a 7 or more	1
-	1/8	4/8	3/8	Entitles widow (s) or husband , a child or more , a father , a mother or both	2
1/8	-	4/8	3/8	Entitles widow (s) or husband , a child or more , a sibling or more	3
1/4	1/4	-	1/2	Entitles widow (s) or husband , a father , a mother or both , a sibling or more	4
-	-	5/8	3/8	Entitles widow (s) or husband , a child or more	5
-	1/2	-	1/2	Entitles widow (s) or husband , a father , a mother or both	6
1/2	-	-	1/2	Entitles widow (s) or husband , a sibling or more	7
-	-	-	3/4	Entitles widow (s) or husband	8
1/8	1/8	6/8	-	A child or more , a father , a mother or both , a sibling or more	9
-	1/4	3/4	-	A child or more , a father , a mother or both	10
1/4	-	3/4	-	A child or more , a sibling or more	11
-	-	The Entire Pension	-	More than a child	12
-	-	3/4	-	One child	13
1/2	1/2	-	-	A father , a mother or both , a sibling or more	14
-	3/4	-	-	A father , a mother or both	15
1/2	-	-	-	A sibling or more	16

ANNEX TO LIST NO . 1

- 1 – The term child or sibling in the list shall comprise the male and female genders.
- 2 – Should more than one partake in the share of the pension , it shall be distributed among them in equal parts .
- 3 – The husband shall not be entitled to the pension of his wife unless he was at the time of the death of his wife inflicted with a disability hindering him from making a living . Such disability shall be proven by virtue of a decision from the medical Committee , and shall be verified every two years unless the medical committee decides the improbability of his remedy.
- 4 – Should one of the parents pass away , his share shall be transferred to the other . Should they both pass away , their share shall be transferred to the children of the pensioner.
- 5 – Should the pension of a sibling be discontinued , his share shall be transferred to the remaining siblings . In case of the inexistence of other siblings , such share shall be transferred to the children of the pensioner .
- 6 – Should the pension of the siblings be discontinued , and should there be no beneficiaries other than the parents , the share of the siblings shall be transferred to the parents provided that such share does not exceed the share determined for the parents in the case no . 15 (i . e . $\frac{3}{4}$).
- 7 – Should the pension of the parents be discontinued , and should there be no beneficiaries other than the siblings , the share of the parents shall be transferred to the siblings provided that such share does not exceed the share determined for the siblings in the case no . 16 (i . e . $\frac{1}{2}$).
- 8 – Should the pension of the siblings be discontinued , and should there be no beneficiaries other than the widow , the share of the siblings shall be transferred to the widow provided that such share does not exceed the share determined for the widow in the case no . 8 (i . e . $\frac{3}{4}$).
- 9 – Should the pension of the parents be discontinued , and should there be no beneficiaries other than the widow , the share of the parents shall be transferred to the widow provided that such share does not exceed the share determined for the widow in the case no . 8 (i . e . $\frac{3}{4}$).
- 10 – The share of one beneficiary of the pensioner may not exceed $\frac{3}{4}$ of the pension .
- 11 – Should the cause of suspension of the entire pension or a part thereof cease , the shares shall be returned to the way they were prior to such suspension .
- 12 – The share belonging to no one shall be transferred to the Committee .

THE ASSESSMENT OF THE DISABILITY DEGREES IN CASES OF ORGAN LOSS

Percentage of Disability Level		Disability	I
80 %		Amputation of the right arm from the shoulder	1
75 %		Amputation of the right arm from above the elbow	2
65 %		Amputation of the right arm from under the elbow	3
70 %		Amputation of the left arm from the shoulder	4
65 %		Amputation of the left arm from above the elbow	5
55 %		Amputation of the left arm from under the elbow	6
65 %		Amputation of the leg above the knee	7
55 %		Amputation of the leg under the knee	8
55 %		Complete loss of hearing	9
35 %		Loss of one eye	10
Right	Left	Amputation of the thumb Amputation of the distal	11
30%	25%		
18%	15%		

12%	10%	phalanx of the thumb	
30%	5%	Amputation of the forefinger	12
18%	8%	Amputation of the distal phalanx of the forefinger	
12%	8%	Amputation of the distal and second phalanxes of the forefinger	
5%	4%	Amputation of the distal phalanx of the middle finger	13
8%	6%	Amputation of the second and the distal phalanxes	
6%	5%	Amputation of other than the forefinger , the thumb , and the middle finger .	