

Employment Contracts

Employment contracts are contracts between the employer and the employee. These are mandatory to establish the legal boundaries for the work. The details of work contracts depend on whether you're employed in the private or the public sector.

Private-sector employment contracts

An employment contract can be either full-time or part-time.

The latest Federal Decree Law No. 33 of 2021 on the Regulation of Labour Relations in the Private Sector, the UAE Labour Law, established fixed-term contracts as the norm in the country. The new law came into effect on 2 February 2022.

The fixed-term contract means an employee is hired on a fixed term that may be extended or renewed for a similar or shorter period. Suppose the contract is not renewed or extended upon expiry, but the parties continue to perform the obligations. In that case, the contract is automatically considered renewed under the same terms.

Current unlimited employment contracts need to be converted into fixed-term employment contracts.

Types of work arrangements

You can have different types of work arrangements. The available models are:

Full-time – you work for a single employer only on a full-time basis.

Part-time – you work for one or more employers for specific hours or days.

Temporary work – you work on a particular assignment, with the contract ending upon completion.

Flexible work – your working hours or days can change depending on the employer's needs.

Remote work – all or part of the work is performed outside the workplace.

Job sharing – the tasks and duties are shared and divided amongst employees as agreed. The rules of part-time work apply to these contracts.

Probation period in the private sector

The probation period in the UAE can't exceed six months or be extended. When the employee finishes the probation and continues working for the company, the probation period will amount as part of their service.

If the employer wants to terminate the contract during probation, they must give 14 days prior notice. Suppose the employee resigns during the probation period with the intention of leaving the UAE. In that case, they must provide a 14-day prior notice in writing.

Suppose the employee wants to change jobs to join another UAE company. In that case, they must provide a written notice of a minimum of one month. The new employer must also compensate the current employee's recruitment costs unless otherwise agreed.

Public sector employment contracts

Contracts for the public sector are available as follows:

Full-time contracts – employees work full working days or hours.

Part-time contracts – employee works limited hours of the total working days or hours.

Temporary contracts – employee works full working days or hours through the contract for three months, renewable at similar periods.

Special contracts – a minister appoints the employee for a high position in the ministry or entity on a contract of two years, which can be renewed for another two years.

MaxHR's employee management module enables the creation and secure storage of digital employment contracts, fully aligned with UAE labor laws. Seamlessly manage critical documents like work visas and Emirates IDs in a single, cloud-based platform. With MaxHR, you ensure your contracts and employee information are consistently accurate, updated, and ready for audits.