

Administrative Circular No. 4 / 2013

Mechanism of Implementation of H.H. the Board Chairman's Resolution No. (4) / 2012

Rules regarding merging previous employment years for insured individuals who have received pension

First: Applicability

- This Resolution applies to every civil pensioner who has received his / her pension from the Authority under the federal civil pension law, then decides to return back to work while contributing with the Authority.
- This Resolution does not apply to civil pensioners of the Abu Dhabi Pension Fund even if they decide to return back to work under the Authority. Furthermore, it does not apply to military pensioners.

Second: Conditions regarding merging employment years

1. A pensioner who returns back to work and contributes with the Authority, is required to show his/her interest in merging employment years in form of written agreement via the employer or through filing the merge request and application directly to the Authority.
2. The written desire to merge service periods must be submitted within one year from the date of returning back to work for those retiring from 1/1/2013 or within one year from the date of enforcement of this Resolution for pensioners who return to work before 1/1/2013.
3. The applicant's age should not exceed 55 years when returning back to work.
4. The service period that may be merged includes:
 - a. The actual service period calculated in the pension
 - b. The considerable service period bought according to the provisions of Article 17 of the Federal Law No. 7 of 1999 of Pension and Social Security, as amended
 - c. The actual service period calculated in the exceptional pension
5. Return of the paid pensions in one payment from the date the pensioner returns to work till the date of suspension of the pension subject to the following:
 - The pensioner requesting to merge service years may be granted the right to combine the pension and salary if he/she has more than 25 years' work experience in the government sector. Therefore, the condition of refunding paid pensions do not apply in this case
 - A pensioner may be entitled to receive the difference between the pension and salary from the employer/entity by which he/she returns. In such case, the refund of paid pension is limited to such difference.

Third:

1. Cost of merging an employment period:
2. The cost of merging a service period may be covered in one payment. In such case, the applicant must provide a letter from the Authority to merge the previous service period in respect to which the pension was paid.
3. If the applicant chooses to pay the merge costs in installments, the monthly installment should not be less than a quarter of the salary on the basis of which the contribution is calculated on the date of filing the merge request. In all cases, installments must be paid before the applicant's end of service period or prior to reaching the age of sixty, whichever comes first.
4. The insured's service period in respect to which he/she is entitled to a pension, is automatically merged without any additional cost, given that the calculated contributions equal to, or are less than, the pension amount on the date of filing the merge request.

Fourth: Cost of merging previous service years for employees working in the federal government who have received pension upon retiring from the Ministry of Finance prior to 1st May 1999:

1. Cost of merging service years are detailed in the "Third" point of this mechanism.
2. The Ministry of Finance pays 20% of the amount from the date the employee was employed till his/her date of retirement, based on the contribution calculation salary on the date the pension was settled on 1st May 1999. The pension amount is disbursed from the Ministry of Finance, and the Authority bears the due pension amount after the end-of-service.

Fifth: Conditions underlining an applicant's failure to pay the merge request installments:

1. The retirement pension shall be settled on the basis of previous service periods and the subsequent service period if the employee is entitled to the pension, according to the legal provisions.
2. According to legal provisions, if proven that the subsequent employment period does not entitle individuals to receive a retirement pension, the following applies:
 - a. Resumption of payment of retirement pension from the beginning of the month following failure to pay installments for the merged period
 - b. End-of-service gratuity payment in respect to the subsequent service period
 - c. The paid merged installments will not be refunded

Sixth: Applicant's decease without full payment of merge installments:

- a. 1- If the amount paid before the decease reaches 50% of the total merge cost, the commitment to pay the remaining installments shall be forfeited and the full included period shall be calculated in his/her insurance entitlements.
- b. 2- If the paid amounts are less than 50% of the total merge cost, the remaining amounts are deducted from the entitled pension within the amount required to reach such percentage.