

Qatar

1. Government requirements

Qatar Labour Law

The majority of employer-employee relationships in Qatar are regulated by the Law No.14 of 2004 (Labour Law) except those individuals and entities which are expressly excluded. The employees and workers in the ministries and other governmental bodies, public authorities and corporations, companies which the Government establishes or participates in their establishment that are engaged in petroleum fields and in marketing and sale of the petroleum, chemical and petrochemical products and their derivatives, companies which Qatar Petroleum establishes or participates in their establishment or has shares in, workers of existing companies executing exploration agreements and sharing the production, and agreements for the development of the fields and sharing the production, and the joint venture agreements in the field of petroleum operations and petrochemical industries are specifically excluded from Law No. 14 of 2004, and also those whose employment affairs are regulated by special laws.

Employment contract

A written employment contract attested by the Labour Department of the Ministry of Labour and Social Affairs (MOLSA) should be executed for each employee. The employment contract must comprise of three copies with one copy delivered to each of the parties and the third copy to be deposited with the Labour Department. It must specify terms including:

- a. Name of the employer and place of work
- b. Details regarding the employee e.g., name, nationality, profession, residence, and proof of identification
- c. Nature and type of assignment
- d. The employee's start date
- e. Contract period
- f. Agreed salary information

Language

Arabic language must be the language used in employment contracts (Labour Law No. 14, 2004). However, a secondary language may be used for the benefit of non-Arabic speakers with the understanding that the Arabic version is the only legally valid document.

Probation period

The Labour Law states that an employer can subject the employee to a single probation period of not more than six months. During this period, the employer may terminate the employment contract if it is determined that the employee is incapable of carrying out the work by giving three days' written notice.

Restrictive covenants

The Qatar Labor Law permits the inclusion of restrictive covenants in the employment contract; however, the period of restriction cannot be longer than two years.

Termination of employment with notice

If the term of the employment contract is unlimited, each party may terminate it, once probation has been successfully completed, without giving reasons. The notice period shall be not less than

one month if the period of service is five years or less. If the period of service exceeds five years, the period of service shall be at least two months.

Termination of employment - without notice

The Qatar Labour Law highlights instances for which an employer may dismiss an employee for gross misconduct without notice and without the payment of end of service gratuity.

Some of these instances include:

- False identity
- Acts that cause gross financial loss to the employer
- Violation of safety of workers
- Failure to carry out essential duties
- Disclosure of trade secrets

QFC Employment Regulations

The QFC employment provisions set out in the QFC Employment Regulations No.10 of 2006 (QFC Employment Regulations) shall apply to:

- a. Employees of the QFC Authority, the Regulatory Authority, the Civil and Commercial Court, and the Regulatory Tribunal
- b. Employees of QFC Institutions
- c. Employees of QFC Entities

Employment contract

The employer shall give each employee a written employment contract which shall include at a minimum:

- a. Name of the employer and the employee
- b. Date of commencement of employment
- c. Employee's salary or calculation method of salary
- d. Intervals at which the salary is paid
- e. Job title or job description
- f. Whether the employment is for a specified fixed term or of unlimited duration
- g. Place of work
- h. Any terms or conditions relating to hours of work, and annual and sick leave
- i. Reference to any disciplinary rules and/or grievance procedures applicable to the employee
- j. Any other matter that may be prescribed in any rule, policy or order issued under these Regulations.

Employment contracts may be for a fixed term or for an unlimited duration.

Language

All contracts, other documents and written instruments provided for in these Regulations shall be made in the English language.

Probation period

The employment contract may contain a provision subjecting the employee to a probation period, provided that the probation period shall not exceed six months.

The employee shall not be subjected to more than one probation period with the same employer except for cause. If such a probation period exists, the employer may terminate the employment

contract within the terms of the probation period if it is determined that the employee is not capable of carrying out the work for which he has been employed. In such a case, the employer shall give the employee no less than two weeks written notice.

Restrictive covenants

Any provision in an employee's employment contract that provides that the employee may not work on any similar projects or for a company which is in competition with the employer must be reasonable, must not constitute an unreasonable restraint on trade, and must be appropriate to the circumstances of the employee's employment with the employer.

Termination of employment with notice

The notice required to be given by an employer or employee to terminate an employee's employment, where the employee has been continuously employed for one month or more, shall not be less than:

- Two weeks if the continuous period of employment is less than three months
- One month if the period of continuous employment is three months or more but less than five years
- Three months if the period of continuous employment is five years or more

Termination of employment without notice

The QFC Regulations highlight instances under which an employer may terminate an employee's contract of employment without notice. Some of these instances include:

- Material breach of contract by employee
- Submission of false documentation by employee
- Acts that cause gross financial loss to the employer
- Divulgence of trade secrets
- Physical assault of other employees

Ongoing compliance requirements

Qatar Labour Law

There are no personal income tax regulations in Qatar. However, monthly pension contributions apply in relation to Qatari citizens that are employed by the government.

QFC Employment Regulations

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2. Pension requirements

Registration requirements

Qatar Labour Law

The employer maintaining a retirement system or any similar system which secures for the employee a greater benefit than the end of service gratuity to which the employee is entitled shall not be obligated to pay the end of service gratuity in addition to the benefit he offers under the system referred to. If the net benefit accruing to the employee is less than the end of service gratuity, the employer must pay to the employee the end of service gratuity and must return to him any amount whereby the employee might have contributed to the system referred to, and

the employee may choose between the end of service gratuity and any pension he is entitled to under such system.

End of service benefits

Upon completion of one year's continuous service with the employer, each employee is entitled upon termination, to an end of service gratuity payment which is calculated based on an employee's final basic wage. At minimum standard, the method of calculation is three weeks of the employee's final basic wage for every completed year of service. Fractions of service, i.e., parts of years, are to be paid to the employee pro-rata.

Government pension system

Qatar's government pension system is administrated by the General Retirement and Social Insurance Authority (GRSIA) in accordance with the provisions of the Retirement and Pension Law No. 24 of 2002 and supervised by the Ministry of Administrative Development, Labor and Social Affairs.

Qatari citizens, employed by the government, and who have made a total of 15 years' worth of contributions, receive a state pension when they reach 60 or 55, respectively. An option for early retirement at 40 is available, however 15 years of contributions are still required. The size of the pension is based on the final salary of the employee at the time of retirement (the salary in the last year of employment). Additional social allowance benefits are designated according to an individual's final salary and time of service. The Qatar's government pension system is open to Qatari citizens employed in ministries, public institutions, agencies, joint stock companies and others as determined by the Council of Ministers at the GRSIA. Pensions are also issued to civilian and military retirees, or to their eligible beneficiaries in the event of death.

Qataris who work in the private sector are not eligible under the government pension system. It is the responsibility of the individual to negotiate a pension arrangement with their employer.

Expatriates are not eligible for pension from the Qatari government. However, they are entitled for end of service benefits from their employers in Qatar.

QFC Employment Regulations

The Retirement and Pensions Law shall apply to all employees of Qatari nationality employed by the QFC Authority, the Regulatory Authority and any other employer which may be determined by resolution of the Council of Ministers and notified by that Council in writing of the determination.

End of service benefits

There is no corresponding obligation in the QFC to provide any form of end of service gratuity, the provision of any such payment would be a contractual arrangement between the parties.

Ongoing compliance requirements

Qatar Labour Law

- The Qatari (citizen) employee bears monthly contribution equivalent to 5% of salary, the employer bears the monthly contribution rate by 10% of the employee's gross salary.
- Contributions by Qatari (citizen) employees in other GCC countries may be higher, ranging from 5.5%-8% of salary, in order to make up the required 15% total pension contribution
- Qataris (citizens) who work in other countries within the GCC and who are eligible for a government pension system are included under Law No.4 of 2007.

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3. Employment obligations

Qatar Labour Law

Working hours

The maximum limit of the normal working hours shall be 48 hours per week, and of 8 hours a day in all the months of the year, except during the month of Ramadan where the maximum working hours shall be 36 hours per week of six hours per day and is applicable to both fasting and non-fasting employees. The Labour Law also details how overtime should be paid.

Overtime

The employees may be employed for extra hours in addition to the working hours, provided that the total actual working hours per day shall not exceed 10 hours, unless the work is necessary to prevent a gross loss or dangerous accident or to repair or mitigate the effects resulting from such loss or accident.

Annual leave

An employee who has completed one continuous year in the service of the employer shall be entitled to an annual leave. This leave shall not be less than three weeks for the employee whose service is less than five years, and four weeks for the employee whose service is five years or more.

Sick leave

An employee is entitled to a period of 12 weeks of sick leave for every year of service. The sick leave shall not be granted until the completion of at least three months service and is subject also to the production of a medical certificate from a physician approved by the employer. The employee should receive full pay for the first two weeks of the sickness absence; half pay for the next four weeks with the final six weeks being unpaid. An employer is entitled to terminate an employee after the 12th week of sickness absence if it has been proved by a report issued by a competent physician that the employee is unable to resume work.

Holidays

Each employee shall be entitled to the following paid holidays each year:

- Three working days on the occasion of Eid Al-Fitr
- Three working days on the occasion Eid Al-Adha
- One working day on the occasion the Independence Day
- Three working days, their dates to be specified by the Employer

If the work conditions require the employment of the worker during any such leaves, the employer shall pay the employees for the additional working hours a payment that shall not be less than the payable basic wage for the normal working hours plus an extra pay not less than 25% thereof.

The employer shall also pay the workers working between 9 p.m. and 6 a.m. the payable basic wage plus a payment not less than 50% thereof, except workers working on shift schedules.

Maternity leave

A female employee who has been employed by an employer for a complete year shall be entitled to maternity leave with full pay for a period of 50 days. Such maternity leave shall include the period before and after the delivery provided that the period following the delivery shall not be less than 35 days.

QFC Employment Regulations

Working hours

The maximum working hours per week is 48 hours. In Ramadan, an employee who is observing the fast shall not be required to work in excess of six hours per day. There is no provision for the calculation of overtime in the QFC Employment Regulations.

Overtime

Employees may be required to work additional hours to the working hours provided that the actual working hours per day shall not exceed 10 hours unless the work is necessary for the prevention of gross loss or dangerous accident or for the repair or alleviation of the consequences of the above loss or accident. In the event of overtime, the employer shall pay the employee for the additional working hours at the rate of not less than the basic wage plus any additional amount agreed with the employee, or provide the employee compensatory time, as provided for under the terms of his employment.

Annual leave

An employee is entitled to not less than 20 working days to be accrued pro rata if the employee has been employed for at least three months. Annual leave is exclusive of national holidays to which an employee is entitled. An employee is not entitled to payment in lieu of accrued annual leave except where the employee's employment is terminated, or the employer agrees otherwise.

Sick leave

The maximum annual sick leave entitlement without a medical opinion certifying an appropriate medical condition is 30 days and up to 90 days with such certified medical opinion. If an employee takes an aggregate of 90 days in any 12-month period, the employer may terminate the employee immediately with written notice

Holidays

Each employee shall be entitled to the following paid holidays each year:

- Three working days for Eid El-Fitr
- Three working days for Eid Al-Adha
- One working day for the National Day
- Three working days to be specified by the Employer
- One working day for National Sport Day
- Any other day declared by the State as a public holiday and announced by the QFC Authority as applicable to the QFC

If the circumstances of the work require the employee to work during any such holidays, the employee shall be compensated for the rest day by another day, or as otherwise agreed by the employer and employee.

Maternity leave

A female employee who has been employed for a complete year preceding the eighth week before the expected week of childbirth is entitled to be paid maternity leave for a period of three months. Such paid maternity leave shall include the period before and after the delivery.

4. Payroll requirements

Qatar Labour Law

Salary payments for employees must be processed through the Wages Protection System (WPS). Payroll records will need to be converted into a predefined structured Salary Information File (SIF). The structure of the SIF is governed by the Ministry of Labour and Social Affairs (MOLSA) and has been communicated to local banks by the Qatar Central Bank as a mandatory file format to be adhered to for processing the WPS to monitor the documents and process of employees salary payments. Employees appointed on an annual or monthly basis shall be paid their salaries at least once in a month. Employees who are not appointed on an annual or monthly basis shall be paid at least every two weeks. All companies must pay their employees through WPS within seven days of the due date.

Penalties for non-compliance:

- A sentence of not more than a month in prison; and
- A fine of not less than QR2,000 and not more than QR6,000 per employee

QFC Employment Regulations

There is no corresponding obligation to comply with WPS in the QFC. The employer shall pay the employee his salary at least monthly.

5. Banking requirements related to payroll

Qatar Labour Law

All salary payments must be transferred electronically directly from an employer's local Qatari bank account into the employee's Qatari local bank account. The salary payment must be made in Qatari Riyals.

QFC Employment Regulations

Salary and other payments due to the employee should be paid in the currency stated in the employment contract or any currency agreed between the employer and employee.