



Labour Culture for Important Rights & Duties at Saudi Labour Law

(Third edition)

Employment Contract Of Labour and Employer



What is the employment contract?

The employment contract is a contract entered between an employer and an amanagement of the employer or under his supervision against a wage.
(Article 50)

- The employment contract should be written in two versions and each party maintained its copy.
- It should be a definite period (for non-Saudi), otherwise the work permit doesn't limit the period of the contract.
- The contract deemed valid, even not written, and in this case, the employee alone may prove the contract and its arise rights by all proof means. Either party may request to write the contract at any time. But regarding the employees of government or public institutions, a decision or order of appointment issued by the competent department, shall be considered a contract. (Article 51)

The employment contract contains:

The employment contract must be in accordance with the unified form of the employment contract identified by the Ministry and both parties of the contract, may add other articles without conflict with the provisions of the Labor Law and its regulations and issued decisions in implementation thereof. It mainly contains the following information: (Article 52)

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|---|--|
| • The name and place of the employer | • Name and nationality of the employee |
| • The necessary procedures to prove his identity | • Agreed wage, benefits and allowances |
| • Residence address | • Type and place of work |
| • Duration of the contract (if the contract is for a definite period) | • Hiring date |

The ministry based to his decisions, issued a form or forms of the regulations to organize work in order to be applied by the employers

Mechanism of attestation the employment contract electronically

The electronic attestation of contracts aim to maintain the rights of the stakeholders (the employer and the employee) and providing a work environment that helps the employee's stability and increase his productivity, in addition to verifying the compliance of facilities with the laws and provisions of the labor law, ensuring the validity of contract data and reducing labor disputes and issues.



Barcode of
Template of
(QIWA) for
contracts
attestation

Probationary Period

- If the employee is under a probationary period, it should mentioned frankly at the employment contract and be identified clearly, whereas not exceed than ninety days. Through a written agreement between the employee and employer, it shall expand the probationary period, while not exceed than ninety days and Eids of Al Fitr, Adha and sick leaves, shall not be accounted within the probationary period. Both parties have the right to terminate the contract during this period, unless the contract includes a text giving the right to terminate one of them. (Article 53)
- The employee may not be governed by a probationary period more than once with one employer. As an exception to this, it is permissible, with the written consent of both parties to the contract to be governed by other probationary period, provided that:
 1. Being in another profession.
 2. other work
 3. a period of no less than six months has passed since the termination of the relationship of the employee with the employer.
- If the contract expires during the probationary period, neither party is entitled to compensation, nor is the employee not entitled to an end of service gratuity. (Article 54)

Employment Contract Renewal

- The contract expires for a specified period, and if both parties continue to implement it, it is considered renewed for an indefinite period. (Taking into consideration of the stipulation in Article (37) of the labor law for non-Sau-dis).
- If the definite period contract includes a condition requiring its renewal for a similar period or for an identified period, it shall be renewed for the agreed period. If the renewal is three times frequently, or the original contract period with the renewal period, is four years, whichever is less, and both parties continued to implement it; the contract was transformed into an indefinite contract. (Article 55)

Duties of Employee

- Performance and proficiency of work
- Obedience to superiors
- Respect the rules and regulations
- Non-disclosure of job secrets
- Compliance to working hours

(Article 55)

General Rights at Employment Contract

- The employee shall not be assigned to other different work essentially for the agreed work, unless a written consent, unless at the necessary cases based to emergency circumstances and for a period not exceed than thirty days a year. (Article 60)
- The employer, in cases of necessity of emergency circumstances and for a period not exceeding thirty days per year, may assign work to the employee in other place different than the agreed place, without the consent of the employee, however the employee shall bear the costs of transferring the employee, and his residence during this period.
- The employer may not transfer the employee without his written consent from his original place of work to another place that requires a change of residence. (Article 58)
- If the contract is for a specific work, it expires with the completion of the work agreed upon. (Article 57)
- The employee with a monthly wage, may not be transferred to the daily category of workers or weekly wage workers or by part or by hour, unless the employees agree to this in writing, without prejudice to the acquired rights by the employee during the period he spent on the monthly wage. (Article 59)

Contract Termination

- At the indefinite contract, it may notify the other party of termination the contract pursuant to a notification according to the contract, however not less than 60 days, if the employee wage is paid monthly, and not less than 30 days to others. (Article 75)
- If the notification is from the employer, the employer has the right to be absent during the notification period for a full day per week or eight hours during the week, in order to search for another job with payable wage for this day or hours of absence. The Employee has the right to identify the day and hours of absence, provided that he informs the employer at least on the day preceding the absence. The employer may exempt the employees from work during the notification period, while calculating his continuous service period, until the expiry of that period, and the employer shall be liable for the arise effects, especially the employee entitlement to wages for the notification period. (Article 78)
- The employee has the right to leave work without notification, while retaining all his statutory rights in certain cases (based to Article (810) of the Labor Law).
- The employer may not terminate the contract without remunerating the employee, notifying him, or compensating him; except in the explained cases in Article (80) of the Labor Law and provided that, he is given a chance to identify the reasons for his rejection of termination.
- The employer may not terminate the service of the employee, because of illness before the identified period of leave as stipulated in Article (117) of the law, and the employee has the right to request to join his sick annual leave. (Article 82)

Rights at Expiration Employment Contract



If the employee terminated the contract:

- The employee should notify the employer before terminating the contract, if it is for an indefinite period, with a period of not less than 60 days, if the employee wage is paid monthly, and not less than thirty days to others. (Article 75)
- If the employee does not observe the notice period, he shall pay the employer for the notice period. (Article 76)
- Compensating the employer an equal amount to the employee wages during the notice period, if he did not comply with the notice period in the indefinite contract. (Article 77)
- Compensating the employer an amount not less than his wages for a period of two months, if the employee terminates the contract for an illegal reason.
- The employer pays the employee an end-of-service gratuity, which is calculated based on the years of service and the last wage received by the employee. (Article 85)

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- Compensating the employee an amount equal to his wages during the notice period, if he does not comply with the notice period in the indefinite contract. (Article 76)
- Compensating the employee an amount not less than wage of two months, if the employer terminates the contract for an illegal reason. (Article 77)
- Permit the employee to be absent during the notice period for one full day per week or eight hours during the week. (Article 78)
- The employer pays the employee an end-of-service gratuity, which is calculated based on the years of service and the last wage received by the employee. (Article 84)

What is the end of service gratuity?



It is a material amount paid by the employer to the employee at the end of the contractual relationship and is calculated based on the last wage received by the employee

The end of service gratuity is calculated as follows:

At expiration of business relationship ends

- **Half a monthly wage:** for each of the first five years.
- **Monthly wage:** for each of the years following the first five years.

(Article 84)

At Resignation

- **One-third of the gratuity:** for a service of no less than two consecutive years
- **Two-thirds of the gratuity:** for a service of not less than five consecutive years
- **Full remuneration:** for service of more than ten years

(Article 85)

Exceptional cases that deserve the full gratuity:

- Whoever leaves work as a result of a force majeure beyond his control
- The female employee who terminated the contract within 6 months from the date of her marriage or three months from the date of giving birth.

(Article 87)

When the Employment Contract is expired

- If both parties agreed for termination (provided a written consent of the employee)
- If the identified period in the specified contract expires.
- Based on the desire of one of the parties in contracts of indefinite duration, in accordance with Article (75) of this law.
- The employee has reached the retirement age in accordance with the provisions of the Social Insurance Law, unless both parties agree to continue working after this age.
- Force Majeure.
- Completely closing the facility.
- Termination of the activity where the employee works, unless agreed upon.
- Any other case provided for by another law.

(Article 74)

The cases whereas the employer may terminate the contract without gratuity or notification or remuneration to the employee

- If the employee assaults the employer, the manager in charge, or one of his superiors or subordinates during or because of the work.
- If the employee did not perform his essential obligations arising from the work contract or did not obey the legitimate orders despite being warned in writing.
- If it is proven that the employee has engaged in bad behavior violates honor and honesty.
- If the employee intends to cause a material loss to the employer, provided that the employer informs the competent authorities of the accident within twenty-four hours from the time of his aware of its occurrence.
- If it is proven that the employee resorted to fraud to get the job.
- If the employee is under probationary period.
- If the employee is absent without a legitimate reason for more than thirty days during one contractual year or fifteen consecutive days, provided that the dismissal is preceded by a written warning.
- If the employee used his position illegally.
- If the worker employee the secrets of the work.

(Article 80)

Cases in which the employee may leave work without notice while retaining all his statutory rights

- If the employer does not fulfill his obligations towards the employee.
- If the employer or his representative cheated at the time of contracting with regard to the terms and conditions of work.
- If the employee is assigned without his consent a work that is fundamentally different from the work agreed upon.
- If the employer commits a violent assault or immoral behavior towards the employee.
- If the employer treats the employee with cruelty, injustice or insult.
- If there is a serious danger in the workplace that threatens the safety and health of the employee, and the employer has not taken the appropriate action despite his knowledge.
- If the employer treats the employee with unfair behavior in order to pay him, on the condition that he is apparently the one who terminated the contract.

(Article 81)

Lawsuits of Labour Disputes between the employer and the employee

In case arise disputes, God forbidden, between the employer and the employee, the stakeholders can recourse to (WIDI) platform, which is an electronic platform affiliated with the Ministry of Human Resources and Social Development, however the platform provides a amicable settlement service, which is the first stage of the case consideration.

It is not permissible for the employer, during the consideration of the case before the labor courts, to change the valid conditions of employment before the start of the procedures, in a change that would harm the position of the employee in the case.



Platform Website

<https://www.mol.gov.sa/securessl/login.aspx>

Wages



- The employee wage and every amount due to him shall be paid in the official currency of the country.
- The employer is obligated to pay wages through the banks on their identified dates.

Types of Wages

- **Monthly:** It is paid once a month.
- **Daily:** It is paid once a week.
- **By Part:** if needs a period of more than two weeks, the employee gets a payment every week that is proportional to the completed part, and he takes the rest of the wage during the second week of delivering the work.

(Article 90)

Working Hours

- The employee may not actually work for more than eight hours per day, if the employer adopts the daily standard, or more than forty-eight hours per week, if he adopts the weekly criteria and the actual working hours during the month of Ramadan for Muslims shall be reduced to no more than six hours per day, or thirty-six hours per week. (Article 98)
- Working hours may be increased to nine hours for some categories of employees or in some industries and dangerous or harmful work. The categories of employees, industries and businesses referred to are identified by a decision of the Minister. (Article 99)
- Actual working hours for guards and cleaners = twelve hours a day and reduced to ten hours during the month of Ramadan, so that the weekly working hours do not exceed forty-eight hours, and thirty-six hours during the month of Ramadan for Muslims, with the exception of those who work in civil and industrial security guards.
- The identified periods for rest, prayer and food are not included in the actual working hours. (Article 102)

If the employee causes any damages

The Employer may:

- Deduction from his wages, provided that it does not exceed the wages of five days in each month.
- The employer has the right to file a grievance when necessary, by requesting more than that if the employee owes other money from which he can be collected.
- The grievance of either party shall be within fifteen business days, otherwise the right to it shall be forfeited, and the date of grievance shall start for the employer from the date of the discovery of the incident and for the worker from the date of his employer. (Article 91)

No amount may be deducted from the wages of the employee for special rights without his written consent, except in the following cases:

- Refunding the employer's loans, provided that the deduction does not exceed 10% of the wage.
- Social insurance contributions and any legally due contributions.
- The contributions of the employee to the investment fund, and the owed loans to the fund.
- Premiums for any project by the employer to build houses with the intent to own them for workers or any other benefits.
- The imposed fines on the employee due to the violations he committed, as well as the deducted amount from his caused damages.
- Paying a debt in order to enforce any court ruling, provided that, the deducted monthly in return for that does not exceed a quarter of the payable wage to the employee, unless the judgment includes other debts and the expenses that are paid before the debt. (Article 92)

In all cases, it is not permissible for the percentage of the deducted amounts to exceed half the wage of the employee, unless it is proven by the labor courts that it is possible to increase this percentage, or it is proven that the employee needs more than half of his wage, and in this last case the employee is not given more than three quarters of his wages, whatever. (Article 93)

Leave of Feasts & Occasions



Eid Al Fiter Leave

4 days

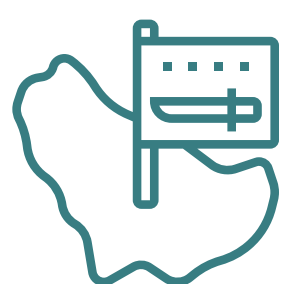
It starts from the next day of 29th day of Ramadan, according to Umm Al-Qura calendar



Eid al-Adha holiday

4 days

Starting from the day of standing in Arafah



National Day holiday

one day

It starts on the first day of the Mezyan Tower, according to Umm Al-Qura calendar



Association day vacation

one day

On 22 February of every year

Articles: 112
(Article in Regulation 24)

Leaves – Employee

- Annual leave with full pay for a period of not less than 21 days, and it increases to a period of not less than thirty days, if he spends five consecutive years in the service of the employer.
- The employee must take his leave in the year of its entitlement, and he may not waive it or receive a cash allowance in lieu of it. (Article 109)
- He has the right to postpone his leave or days thereof for the next year with the approval of the employer.
- He is entitled to receive a wage for the days of payable leave, if he leaves work before enjoying it. (Article 110)
- He is entitled to the vacation wages for the parts of the year in proportion to what he spent of it at work. (Article 111)
- Every employee has the right to leave with full pay on specified holidays and occasions. (Article 112)
- He may enjoy a leave without pay with the consent of the employer, and the employment contract is considered suspended during the leave period, if it exceeds 20 days, unless both parties agree otherwise. (Article 116)
- The employee during the leave period, may not work for another employer. (Article 118)
- The employee has the right to leave with full pay for a period of 3 days in the case of a new born child.
- He has the right to five days of his marriage leave.
- As well as five days in the event of the death of his spouse, or one of his ascendants or descendants. (Article 113)
- The employee - if the employer agrees to his affiliation with an educational institution or before continuing in it - has the right to a leave with full pay to sit the exam for a non-repeated year, the identified duration by the actual number of the exam. But if the exam is for a repeat year, the employee has the right to unpaid leave for the number of actual exam days. The employee shall be deprived of the leave wage, if it is proven that he has not performed the examination, without prejudice to the right of the employer to be held accountable for disciplinary action.
- If the employee does not obtain the employer's approval of his affiliation with an educational institution, he may obtain a leave to do the exam for the number of actual exam days. (Article 115)

The employer has the right to request supporting documents for the above mentioned cases

Payable Leaves to working women

- A working woman has the right to a maternity leave with full pay for a period of 10 weeks, which she distributes as she likes, starting with a maximum of four weeks before the date of delivery and she has the right to extend one month without pay.
- In case she has given birth to a sick child or a person with special needs, and whose condition requires her to accompany him, she is entitled to a one-month leave with full pay starting after the maternity leave, and she has the right to expand its leave for another month without wage.
- She has the right to a leave of four months and ten days for the death waiting period (Udah) with full pay and she has the right to extend this leave without pay, if she is pregnant until she gives birth. (Article 151)
- A non-Muslim working woman whose husband dies, has the right to leave with full pay for a period of fifteen days. (Article 160)

Sick Leave

- The employee is entitled to a sick leave with full pay for the first (30) days and three-quarters of the wage for the next (60) days and without pay for the next (30) days during the same year, whether these leaves are continuous or intermittent, and the year is calculated from the date of the first sick leave. (Article 117)
- The employee is injured because of his work, if he is disabled temporarily, has the right to a financial aid equivalent to his full wage for a period of sixty days. He is not entitled to a financial consideration equivalent to (75%) of his wages for the duration of his treatment.

If the treatment period reaches one year, or if it is medically identified that his recovery, or his health status doesn't does not enable him to work, the injury shall be considered a total disability, and the work contract shall be identified and the injury shall be compensated. The employer shall not have the right to recover what he paid to the injured during that year. (Article 137)

Leaves - Employer

- The employer may identify the dates of annual vacations in accordance with the requirements of work.
- Notifying the employee of the date of his annual leave, not less than 30 days. (Article 109)
- The employer has the right to postpone the work leave after the end of the year of its entitlement if work conditions need, and for a period not exceeding 90 days. (Article 110)
- The employer has the right to request the supporting documents at cases of delivery, death, or marriage. (Article 113)
- The employer has the right to request from the employee, the supporting documents of examination and proof of having an examination. (Article 115)
- If the employer proves that the employee worked for another employer during one of the stipulated leaves, he may deprive him of the wages for the period of the leave, or to refund the payments during this leave. (Article 118)

Important Rights and General Duties of Female Employee



- The employer should provide the female employees with seats for their rest. (Article 158)
- Every employer who employs fifty female employees or more, must provide a suitable place where there are a sufficient number of nannies, to take care of the children of working women, under six years of age, if there are ten children, or more.
- The Minister may require the employer who employs one hundred female employees or more, in one city, to establish a nursery on his own or in partnership with other employers in the same city, or contract with an existing nursery to take care for the children of female employees under the age of six years, during work periods. In this case, the Minister identifies the terms and conditions regulating this home, and also identifies the percentage of costs that are imposed on female employees who benefit from this service. (Article 109)

Pregnancy and Birth

- The employer should ensure necessary medical care for employee during the period of pregnancy and delivery. (Article 153)
- The employer may not dismiss a female employee or warn her of dismissal while she is pregnant or on maternity leave, and this includes the period of her illness resulting from either of them, provided that the disease is proven by an approved medical certificate, and the period of her absence does not exceed (one hundred and eighty) days per year, whether continuous or intermittent. (Article 155)
- The working woman, when she returns to work after the maternity leave, has the right to enjoy a period or periods of rest, with the intention of breastfeeding her newborn, the total of which does not exceed an hour per day, in addition to the rest periods granted to all workers, and this period or periods shall be calculated from the actual working hours. It does not a reduction in wages.
- It is prohibited to employ a working woman after childbirth in any way during the six weeks following it, and she has the right to expand the leave for an additional month without pay. (Article 154)

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