**Work Hours & Overtime — Detailed Policy (Kingdom of Saudi Arabia)**

**1. Purpose**

To define the Company’s rules, calculations, controls and workflows for working hours, shifts, rest periods, night work and overtime — consistent with Saudi Labor Law and HRSD guidance — so staff, managers and payroll operate consistently and compliantly.

**2. Legal & regulatory basis (must-know)**

* Maximum ordinary hours: **8 hours/day** or **48 hours/week** (unless special rules apply). [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/articles/312?utm_source=chatgpt.com)
* Ramadan reduction for Muslim employees: **6 hours/day** or **36 hours/week** during Ramadan. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/articles/312?utm_source=chatgpt.com)
* Overtime pay entitlement: additional amount equal to the hourly wage **plus 50%** (i.e., 150% of hourly). All holiday/Eid/weekly-rest-day work counts as overtime. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/articles/313?utm_source=chatgpt.com)
* Electronic documentation: employers must enter contract and working-hours data into **Qiwa** (contract management). [Ministry of Human Resources](https://www.hrsd.gov.sa/en/ministry-services/services/%D8%A5%D8%AF%D8%A7%D8%B1%D8%A9-%D8%A7%D9%84%D8%B9%D9%82%D9%88%D8%AF?utm_source=chatgpt.com)
* Salary payment compliance: wages must be paid via the **Wage Protection System (WPS)** and on-time. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/initiatives/national-transformation-initiatives-bank/108808?utm_source=chatgpt.com)

HR should keep this policy aligned with HRSD updates and any ministerial decisions (e.g., night-work rules).

**3. Scope**

Applies to all employees in all KSA establishments of the Company (permanent, fixed-term, part-time, temporary, seasonal), unless a specific labour law or ministerial exemption applies (e.g., seafarers, armed services).

**4. Key definitions (for policy clarity)**

* **Standard hours** — the daily/weekly baseline (8/48).
* **Overtime** — any time worked beyond the applicable statutory daily/weekly baseline, or any work on weekly rest days/public holidays/Eids. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/articles/313?utm_source=chatgpt.com)
* **Night work** — work during hours designated by ministerial decision (commonly 23:00–06:00). Night workers receive special protections and rotation rules. [Arab News](https://www.arabnews.com/node/1577761/saudi-arabia?utm_source=chatgpt.com)[The Library of Congress](https://www.loc.gov/item/global-legal-monitor/2019-12-13/saudi-arabia-minister-issues-resolution-regulating-workers-rights-during-night-shifts/?utm_source=chatgpt.com)
* **Compensatory Time Off (CTO)** — paid time off granted instead of cash overtime, by mutual agreement and documented.

**5. Normal Working Hours & Schedules**

* **Default standard**: 8 hours/day OR 48 hours/week (choose daily or weekly basis per contract). Managers must publish rosters with start and finish times. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/articles/312?utm_source=chatgpt.com)
* **Ramadan**: Muslim employees receive reduced hours — 6 hrs/day or 36 hrs/week — for the month; payroll and roster must reflect this. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/articles/312?utm_source=chatgpt.com)
* **Rest Breaks**: minimum breaks after consecutive working time (e.g., 30–60 minutes after ~5 hours) and allowed prayer breaks — set in local operating procedure and displayed at the workplace. The Company will ensure compliance with the Labor Law display requirements. [Ministry of Human Resources](https://www.hrsd.gov.sa/sites/default/files/2023-02/Labor.pdf?utm_source=chatgpt.com)
* **Weekly rest day**: Friday by default; substitutes allowed with notification and scheduling so employees receive one full rest day per week.
* **Shift work**: shifts must respect minimum rest between shifts and rotation rules; avoid continuous night assignment without rotation.

**6. Night Work — rules & protections**

* **Definition**: The ministerial practice commonly defines night work as work between **23:00–06:00**; a night worker is one who works at least 3 hours in night period. Employers must ensure health checks and cannot assign continuous night work indefinitely. [Arab News](https://www.arabnews.com/node/1577761/saudi-arabia?utm_source=chatgpt.com)[The Library of Congress](https://www.loc.gov/item/global-legal-monitor/2019-12-13/saudi-arabia-minister-issues-resolution-regulating-workers-rights-during-night-shifts/?utm_source=chatgpt.com)
* **Rotation**: employers should rotate night assignments (e.g., max 3 months continuous night work per worker) and ensure a 12-hour minimum break between night shifts per ministerial guidance. [The Library of Congress](https://www.loc.gov/item/global-legal-monitor/2019-12-13/saudi-arabia-minister-issues-resolution-regulating-workers-rights-during-night-shifts/?utm_source=chatgpt.com)
* **Medical**: provide occupational health screening for night workers and reasonable adjustments where medically required.

**7. Overtime — when it applies**

* **Applies** when: (a) hours beyond the contract/ statutory daily or weekly baseline are worked; (b) work on weekly rest day or public holiday/Eid; (c) emergency operational needs where manager authorizes overtime. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/articles/313?utm_source=chatgpt.com)
* **Overtime Rate**: standard rule is **hourly wage + 50%** (i.e., ×1.5). Work on holidays/Eids is treated as overtime. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/articles/313?utm_source=chatgpt.com)
* **Compensatory Time Off (CTO)**: the Company may, by mutual agreement, offer CTO instead of cash overtime; CTO must be scheduled and recorded and be equivalent in value. Document employee consent.

**8. How to calculate hourly & overtime pay — recommended company methods**

There is no single mandated payroll formula in a public HRSD page; payroll providers use accepted approaches. Pick one method and be consistent. Two accepted approaches:

**Method A — “Daily-based” (common, easy to explain)**

1. Hourly rate = (Monthly salary ÷ 30) ÷ Daily hours
   * Example: Monthly SAR 9,000 → 9,000 ÷ 30 = SAR 300 per day. If daily hours = 8 → hourly = 300 ÷ 8 = **SAR 37.50/hr**.
   * Overtime hourly = 37.50 × 1.5 = **SAR 56.25/hr**. (10 hours OT = SAR 562.50).
   * This approach is widely used in HR/payroll guides. [ZenHR Blog](https://blog.zenhr.com/en/overtime-calculation-in-saudi-arabia-a-complete-guide-2025-update?utm_source=chatgpt.com)[Playroll](https://www.playroll.com/working-hours/saudi-arabia?utm_source=chatgpt.com)

**Method B — “Monthly-hours” (accurate for weekly-hour contracts)**

1. Monthly working hours = (Weekly hours × 52) ÷ 12 → e.g., 48 × 52 ÷ 12 = **208 hours**.
2. Hourly rate = Monthly salary ÷ Monthly working hours → 9,000 ÷ 208 = **SAR 43.26923077/hr**.
3. Overtime hourly = 43.26923 × 1.5 = **SAR 64.90385/hr**. (10 hours OT ≈ SAR 649.04).
   * This method matches “real” monthly hours and is preferred where precision for weekly-hour roles matters. [Playroll](https://www.playroll.com/working-hours/saudi-arabia?utm_source=chatgpt.com)[ZenHR Blog](https://blog.zenhr.com/en/overtime-calculation-in-saudi-arabia-a-complete-guide-2025-update?utm_source=chatgpt.com)

**Recommendation:** adopt **one** official method (A or B) in the payroll policy and show sample calculations on payslips. Document the method in the Employment Contract and Payroll SOP so employees and auditors see exactly how OT is computed.

*(I computed the sample numbers above precisely — e.g., 9,000 ÷30 ÷8 = 37.5; 37.5×1.5=56.25. For method B: 48×52/12=208; 9,000/208≈43.26923077; ×1.5≈64.90384615.)*

**9. Overtime approval workflow (practical control)**

1. **Pre-approval**: manager must pre-authorize OT in the time & attendance system except in emergencies. Unauthorized OT is usually unpaid unless retro-approved.
2. **Recording**: employee records clock-in/out (biometric, badge, web timesheet). Manager validates weekly.
3. **Validation**: HR runs weekly exception reports; manager must justify unusual OT (reasons, business case).
4. **Payroll timing**: validated OT must be submitted to payroll by the payroll cut-off (e.g., 3rd working day before payroll run) for inclusion in next WPS cycle.
5. **Documentation retention**: keep OT approvals, timesheets & exception notes for **minimum 5 years**.

**10. Overtime on holidays & rest days**

* Any work on a designated rest day or public holiday is overtime and paid at overtime rate. If the Company gives a substitute paid day off, HR must document the substitute and ensure the employee is not doubly penalized.

**11. Exemptions & special categories**

* **Exempt staff / executives**: employees with managerial responsibilities may be excluded from OT, in which case the contract should specify that compensation is by salary grade and not OT. Exemption must be justifiable and documented.
* **On-call / standby**: the Company will distinguish between “standby” pay (flat allowance) and actual overtime (when work is performed). The contract or policy must specify the arrangement.

**12. Health, fatigue & shift safety (operational rules)**

* **Max reasonable OT**: avoid excessive OT; HR will set monthly maximums (e.g., no more than X OT hours/month without CEO approval).
* **Shift rest**: minimum break between shifts (recommendation: 12 hours for night shift turnaround per ministerial guidance). [The Library of Congress](https://www.loc.gov/item/global-legal-monitor/2019-12-13/saudi-arabia-minister-issues-resolution-regulating-workers-rights-during-night-shifts/?utm_source=chatgpt.com)
* **Fatigue management**: rotate night workers, provide medical checks, limit consecutive night blocks. Document medical exemptions.

**13. Manager & HR responsibilities (operational)**

* **Managers**: plan rosters, authorize OT, monitor team workload, approve timesheets.
* **HR**: maintain policy, run audit reports, enforce compliance, provide payroll with validated OT files, manage WPS submissions. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/initiatives/national-transformation-initiatives-bank/108808?utm_source=chatgpt.com)
* **Payroll**: apply the company’s selected calculation method, include OT in payslip detail, submit payments through WPS on schedule.

**14. Disputes, complaints & discipline**

* **Employee complaints**: use grievance procedure; HR must respond within **10 business days** and escalate if needed.
* **Discipline**: unauthorized OT or falsified timesheets will trigger investigation and potential disciplinary action (up to dismissal for fraud).
* **Ministry**: unresolved matters can be taken to HRSD — cooperate with ministry investigations. [Ministry of Human Resources](https://www.hrsd.gov.sa/sites/default/files/2023-02/Labor.pdf?utm_source=chatgpt.com)

**15. Sample contract clause (copy/paste ready — English)**

**Working Hours & Overtime:** The Employee’s normal working hours are **8 hours per day / 48 hours per week**. During Ramadan, Muslim employees will work **6 hours per day / 36 hours per week**. Any work performed beyond the standard daily or weekly hours, or on weekly rest days or public holidays, will be treated as overtime and compensated at **one hundred and fifty percent (150%)** of the Employee’s hourly wage, unless the Company and Employee agree in writing to equivalent paid time off (Compensatory Time Off). Overtime must be approved in advance by the Employee’s manager and will be calculated according to the Company’s payroll method [specify Method A or Method B]. The Employer will maintain records of hours worked and overtime and pay wages through the Wage Protection System (WPS). (Arabic version to prevail.)

*(Note: translate to Arabic for the controlling copy; Qiwa will store the official Arabic contract.)* [Ministry of Human Resources+1](https://www.hrsd.gov.sa/en/ministry-services/services/%D8%A5%D8%AF%D8%A7%D8%B1%D8%A9-%D8%A7%D9%84%D8%B9%D9%82%D9%88%D8%AF?utm_source=chatgpt.com)

**16. Sample operational templates (text you can copy)**

**Overtime Authorization (electronic):**

* Employee name / ID / job title
* Date of OT / start time / end time / total OT hours
* Business reason (brief)
* Manager name & signature (electronic)
* HR validation (yes/no) / payroll batch ID

**Timesheet (weekly):** table with Date / Scheduled hours / Actual start / Actual end / Breaks / OT hours / Manager approval.

**Payroll OT submission file:** Employee ID, pay element (OT hours), OT rate used, amount, payroll period, manager approval ID.

**17. Examples (worked numbers)**

Using **Method A** (Monthly ÷ 30 ÷ 8):

* Monthly salary SAR 9,000 → Daily = 9,000 ÷ 30 = SAR 300 → Hourly = 300 ÷ 8 = **SAR 37.50** → Overtime hourly = **SAR 56.25**. 10 hrs OT = **SAR 562.50**. [ZenHR Blog](https://blog.zenhr.com/en/overtime-calculation-in-saudi-arabia-a-complete-guide-2025-update?utm_source=chatgpt.com)

Using **Method B** (Monthly ÷ monthly hours based on weekly hours):

* Monthly hours = (48 × 52) ÷ 12 = **208** → Hourly = 9,000 ÷ 208 ≈ **SAR 43.26923077** → OT hourly ≈ **SAR 64.90384615** → 10 hrs OT ≈ **SAR 649.04**. [Playroll](https://www.playroll.com/working-hours/saudi-arabia?utm_source=chatgpt.com)

(We computed these step-by-step and you can include the exact formula on your payslip.)

**18. Payroll & WPS integration notes**

* Ensure payroll cycle and cut-offs allow OT validation before WPS submission (late OT may roll into next payroll). Use an automated time & attendance system integrated with payroll to reduce manual errors. WPS requires salaries to be paid via bank transfer and supports compliance reporting; keep records for the ministry. [Ministry of Human Resources](https://www.hrsd.gov.sa/en/knowledge-centre/initiatives/national-transformation-initiatives-bank/108808?utm_source=chatgpt.com)[Cercli](https://www.cercli.com/resources/wage-protection-system?utm_source=chatgpt.com)

**19. Record retention & audit**

* Keep timesheets, OT approvals, rosters and payroll records for **minimum 5 years** for audit and labour inspection needs. (Policy can require longer retention for high-risk operations.)

**20. Policy review & change control**

* Review annually or when HRSD/ministry guidance changes. HR to propose updates; Legal to approve. Ensure Qiwa contract templates and handbook text are synchronized with any amendment.