

## Annual Leave

### ARTICLE (75)

The employee must be granted an annual leave during each year of service which may not be less than:

- (a) Two days per month in respect of any employee with more than six months and less than one year of service.
- (b) Thirty days per annum in respect of any employee whose period of service exceeds one year.

In the event of termination of an employee's service he shall be entitled to an annual leave for the fractions of the last year of service.

### **Areas of Concern :**

#### **1. Calculation of Leave Pay during Employment**

During employment, leave pay is calculated to be basic salary and housing allowance only although the market trend is to provide full remuneration for leave pay.

As per **Article 80** of the UAE Labour law, remuneration due to an employee plus that of the approved leave under this Law shall be paid in full by the employer to the employee before the latter's departure on annual leave.

#### **2. Calculation of Accrued Leave Pay upon Termination**

The employee is entitled to payment for the annual leave period not taken if the employment is terminated either by way of resignation or termination. Such payment is calculated on basis of the basic wage received at the time the leave was due.

Dubai Civil Case no. **90 of 2003** states that for accrued leave pay, only basic salary is included and it does not include housing or transportation allowances. Usually employers use the basic plus housing formula which is discretionary.

#### **3. General**

An employee cannot work for another employer during the annual leave, if however, if the employer has established that the employee has done this, he shall have the right to terminate the service of employee without notice and deprive him of the leave pay due to him.

Upon completion of the annual leave, every employee must report to work, failing report to duty immediately after expiry of the annual leave, the employee shall be

deprived of his pay for the period of absence commencing from the day following to the date on which the leave has expired.

The employer may not dismiss an employee or serve him with a notice of dismissal during his annual leave.

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