

## Monthly Contribution Employer Guideline

according to the Pension Law No. (57) for the months of (October, November and December 2023) and subsequent months

## Monthly Contribution Employer

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In view of the requirements to implement the new Law No. (57) of 2023, which applies to first-time contributors with the Authority as of October 31, 2023 onwards, and in light of the joint collaboration between the General Pension and Social Security Authority (GPSSA) and employers in offering them support and sufficient time to amend their system in line with the new law, we would like to highlight the following:

### First: New contribution scheme:

The total new contribution due is **26%**, distributed as follows:

- **11%** is the contribution account salary (the insured's share in the government and private sector)
- **15%** is the contribution account salary (the employer's share in the government and private sector)

The government bears **2.5%** on behalf of the employer in the private sector for Emiratis whose contribution account salaries are less than Dh20,000 (twenty thousand dirhams) as a form of support and motivation for employers to hire Emiratis.

### Second: Contribution account salary:

**In the Government sector:** The contribution rate is paid according to the contribution account salary of the insured, with a maximum of Dh100,000 (one hundred thousand dirhams)

**In the Private sector:** The contribution rate is paid according to the contribution account salary of the insured, provided that it is not less than Dh3,000 (three thousand dirhams) and does not exceed Dh70,000 (seventy thousand dirhams)

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### Third: Payment of the contribution amount due to the General Pension and Social Security Authority

**A - The employer in the government sector:** The employer in the government sector is mandated to pay the monthly contribution salary on behalf of the entity and the insured, in one of the following ways:

- Continuing to pay contributions for the months of October, November and December 2023 at the current rate of (20%), provided that the difference from the **(6%)** rate, as stipulated in the new law, will be paid on the **January 1, 2024** for three of the months
- Payment of monthly contributions at a rate of **(26%)** in accordance to the new Law No. (57) of 2023 in full, starting from the date the insured has joined his/her job in October 2023, regardless of the date of joining, since contributions are paid in full for the part of the month in which the insured joins the service or ends his/her service

### **B- The employer in the private sector:**

The employer in the private sector is mandated to pay the monthly contribution salary on behalf of the entity and the insured, in one of the following ways:

- Continuing to pay contributions for the months of October, November and December 2023 at the current rates (20%), provided that the difference is paid according to the new rates on January 1, 2024 as follows:
  - Pay at a rate of **(23.5%)** to Emiratis whose contribution account salaries are less than Dh20,000 (twenty thousand dirhams), considering the fact that the government bears a rate of **2.5%** to encourage the employment of Emiratis in the private sector
  - Pay at a rate of **(26%)** to Emiratis whose salaries exceed Dh20,000 (twenty thousand dirhams)
- Pay monthly contributions at a rate of **(26%)** in accordance to the new Law No. (57) of 2023 in full, starting from the date the insured joins work in October 2023, regardless of the date of joining, since contributions are paid in full for part of the month by which the insured joins the workforce.

Otherwise, his/her service will end as follows:

- Pay at a rate of **(23.5%)** for Emiratis whose contribution account salaries are less than Dh20,000 (twenty thousand dirhams), considering the fact that the government bears a rate of 2.5% to encourage the employment of Emiratis in the private sector
- Pay at a rate of 26% for Emiratis whose salaries exceed Dh20,000 (twenty thousand dirhams)

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### **Fourth: Additional amounts:**

The employer will not bear any additional amounts as a result of a delay in paying the contribution differences for the three months until **December 31, 2023**.

### **Fifth: Data accuracy:**

The employer is committed to accuracy in all the statements, data or documents submitted, including details of the insured's salaries and all the necessary documents for the purpose of calculating the arranged contributions in accordance with the provisions of this legal decree, since this will affect balance statements created at a later stage by the General Pension and Social Security Authority.

