

The UAE's Wages Protection System (WPS) explained

How WPS ensures timely payment of salaries and what you can do in case of delays

Published: December 02, 2020 17:11

Huda Tabrez, Living in UAE Editor



A worker withdraws money using his ATM.

Image Credit: Gulf News archives

ALSO IN THIS PACKAGE

[UAE: Unpaid salary or visa complaints against your employer? Twa-fouq centres can help](#)

[UAE: Do I need to pay for my employment visa?](#)

[COVID-19: Can I relocate, work remotely and continue getting paid in the UAE?](#)

[UAE: Salary delayed? These are the penalties on companies according to the Labour Law](#)

This website stores cookies on your computer. These cookies are used to improve your experience and provide more personalized service to you. Both on your website and other media. To find out more about the cookies and data we use, please check out our [Privacy Policy](#).

OK

The system, developed by the Central Bank of UAE, allows the Ministry of Human Resources and Emiratisation (MOHRE) to create a database that records wage payments in the private sector to guarantee the payment of agreed-upon wages.

WPS covers all institutions registered with MOHRE across all sectors and industries and is aimed at benefitting different categories of workers.

How does the system work?



The WPS system connects employers payment system with the UAE Central Bank and Ministry of Human Resources and Emiratisation (MOHRE) to ensure employees are paid fully and on time.

Process for employers to register with WPS

MOHRE provides companies with a tool to create salary files, which needs to be sent by companies to their respective banks to distribute salaries to employees. This file contains salary information of employees, based on the agreed-upon contracts and helps MOHRE ensure that workers are paid.

The system is available online on www.mohre.gov.ae, where employers can log into their account, using their company card details, which are provided by the Ministry. Within each employer's account, employee lists need to be updated with details of the bank or agent the company deals with, the bank or agent each employee has an account with, as well as the date at which salary is paid.

The guidelines from MOHRE clearly state: "Salary month cannot have a difference of more than one month from the dates chosen to pay the salary."

The guidelines add: "Whenever an employee joins or leaves a company, you will need to download a new employee list and attach to the application."

The payment process

This website stores cookies on your computer. These cookies are used to improve your experience and provide more personalized service to you. Both on your website and other media. To find out more about the cookies and data we use, please check out our Privacy Policy.

OK

Step 2: The company enters into a WPS agreement with the bank or agent.

Step 3: The company issues salary transfer instructions to the bank or agent.

Step 4: The bank or agent notifies WPS, which sends workers' details and wages as well as the salary transfer instructions electronically to the UAE Central Bank.

Step 5: The UAE Central Bank then forwards those details to MOHRE, for the Ministry to cross-check their database in order to make sure that the details received correspond with those registered with the Ministry.

Step 6: WPS authorises the employer's bank or agent to make payment to employee.

Step 7: The bank or agent transfers the salary to the employee's account.

ALSO READ

- [UAE: Do I need to pay for my employment visa?](#)
- [Salary delayed? Here is how you can register a complaint in the UAE](#)

How can I withdraw the amount?

ATM card

For employees who have a bank account, which has issued an ATM card, the process is relatively simple. The salary transfer notification is sent by the bank with which you have a personal account. This could be through an SMS, if you have registered for SMS notification services, or via email.

WPS card

In case a number of employees do not have a bank account, and setting one up would be a costly exercise, companies can tie up with money exchanges in the UAE, which provide cost-effective WPS-compliant payroll solutions. The exchanges allow employers to transfer funds for salary disbursement to the exchange. The exchange also provides WPS cards to employees, which they can then use to access their salary. This can be done at any of the registered exchange houses or through WPS machines set up in different locations, the details of which are provided to employees.

What can I do if my employer doesn't pay me on time?



According to MOHRE's regulations, the employer is considered as late in paying wages if the wage is not paid to the employee within 10 days from the due date, which is the next day of the end of the salary period.

Failing to abide by the requirements of MOHRE's WPS can have serious repercussions for companies in the UAE. According to Ministerial Resolution No. 15 of 2017, these fines apply for actions involving fraudulent use of the WPS:

- Entry of incorrect data in the WPS for the purposes of evasion or circumvention – Dh5,000 for each worker and a maximum limit of Dh50,000 in case of multiple workers.
- Failure to pay on due dates through the WPS – Dh1,000 per employee.
- Forcing employees to sign fake pay slips showing that they received their salaries – Dh5,000 per employee.

Late payment of salaries and non-payment

According to MOHRE's regulations, the employer is considered as late in paying wages if the wage is not paid to the employee within 10 days from the due date, which is the next day of the end of the salary period.

The employer is considered as refusing to pay wages if the wage is not paid to the employee within one month of the due date.

Penalties on companies failing to pay salaries

On companies employing over 100 workers

Here are the consequences of companies employing over 100 workers failing to pay wages within a period not exceeding 10 days:

This website stores cookies on your computer. These cookies are used to improve your experience and provide more personalized service to you. Both on your website and other media. To find out more about the cookies and data we use, please check out our Privacy Policy.

OK

- Such companies delaying wages a month from the due date will be referred to judicial authorities for punitive measures.
- Action would be taken against all companies owned by the same owner.
- The owner/s will not be able to register any new company.
- Employees' bank guarantees will be liquidated.
- The company will be downgraded to the third category.
- Workers will be allowed to move to other companies.

In case a company employing over 100 workers delays wages over 60 days, a fine of Dh5,000 per worker whose wage is delayed will be levied with a maximum fine of Dh50,000 in cases of multiple workers' delayed wages.

On companies employing less than 100 workers

If a company employing less than 100 workers fails to pay the salary within 60 days from due date, penalties will include:

- Work permits ban
- Fines
- Referral to court

If the company commits such violations more than once in one year, MOHRE will apply penalties stated for companies that employ over 100 workers.

Search the site

Browse by Categories

[Visa + Immigration](#)
[Housing](#)
[Telephone + Internet](#)
[Banking](#)
[Transport](#)
[Health](#)
[Education](#)
[Relocate](#)
[Ask Us](#)

TRENDING

This website stores cookies on your computer. These cookies are used to improve your experience and provide more personalized service to you. Both on your website and other media. To find out more about the cookies and data we use, please check out our Privacy Policy.

OK