

# Why employers fire workers without notice



## LEGAL VIEW

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**One of our employees joined seven months back on a limited period contract and is frequently taking leave without permission. We had issued one or two warning letters regarding this to him. We would like to terminate his contract. Kindly clear my doubts: a) How many months' notice period has to be given? b) Details of entitlement, gratuity etc c) Do we have to pay any compensation? d) Other relevant information.**

It is presumed that employment relations at your entity are subject to the provisions of the Federal Law No 8 of 1980 on the Regulation of Labour Relations (the "Labour Law").

Pursuant to the first part of your question, it may be noted that the employer in this matter may not be required to issue to a notice prior to the termination of the employment contract. This is primarily owing to two reasons. First, the employment contract is of limited duration; and secondly, the employee has been repeatedly failing to perform his basic duties. A limited period contract as such may be terminated

upon completion of its period, or the same may be terminated at any time by mutual agreement between the employer and the employee.

This is in accordance with the provisions of Article 113 of the Labour Law which states: "A contract of employment shall terminate in any of the following cases: (i) If both parties agree to its termination, condition that the worker's consent is given in writing; (ii) On the expiry of the period prescribed in the contract, unless the contract is expressly or tacitly extended....."

Apart from the foregoing, reference may also be made to clause 'e' of Article 120 of the Labour Law: "An employer may dismiss a worker without notice in if the worker does not perform his basic duties under the contract of employment and persists in violating them despite the fact that he has been the subject of a written investigation for this reason and that he has been warned that he will be dismissed if such behavior continues."

Whereas, it is noted that letters of caution have already been issued to the concerned employee, the employer may therefore be within its

rights to terminate the employment contract without providing a notice prior to termination of the contract.

Pursuant to the second part of your question, it may be advised that the employee shall not be entitled to receive any 'severance pay' even if his employment is terminated by the employer as he has not completed one year of service which is the basic requirement for calculation of gratuity or severance pay. And in this regard, we may refer Article 132 of the Labour Law which states: "A worker who has completed one or more years of service shall be entitled to severance pay at the end of his employment. The days of absence from work without pay shall not be included in calculating the period of service.

The severance pay shall be calculated as: a) 21 days' wage for each of the first five years of service. b) 30 days' wage for each additional year of service provided always that the aggregate amount of severance pay should not exceed two year's wage."

Apart from this, the employee is entitled to get his leave salaries for the number of the days of leave that he was entitled to, but has not taken. In consideration of his period of service, he is entitled to two days of leave, considering he has completed

## Know the law

If the employer revokes contract for reasons other than those specified in Article (120) he shall be required to compensate the worker for any damage the latter sustains, provided that the amount of compensation shall in no case exceed the aggregate wage due for a period of three months or the remaining period of the contract, whichever is shorter.

seven months of service, however, if he has already availed such leaves then no further leave salary may be payable to him.

This is in accordance with the provisions of Article 79 of the Labour Law which states: "A worker who is dismissed or who leaves his job after the period of notice prescribed by law shall be paid for any accrued annual leave days. Such payment shall be calculated on the basis of the worker's wage as on the date when the leave became due."

Further to the above, the employee shall, however, be entitled to receive three months of salary as compensation, if the employment contract is terminated by the employer.

This is in accordance with the provisions of Article 115 of the Labour

Law which states: "Where an employment contract is for a definite term and the employer revokes it for reasons other than those specified in Article (120) he shall be required to compensate the worker for any damage the latter sustains, provided that the amount of compensation shall in no case exceed the aggregate wage due for a period of three months or the remaining period of the contract, whichever is shorter, unless otherwise stipulated in the contract."

In this regard, it may be noted that the employer may cite the application of clause 'e' of Article 120 of the Labour Law pursuant to which the employer may not be obligated to pay any compensation. However, the employee shall reserve the right to challenge employer's argument.

It may further be noted that in the event of any disputes pertaining to the termination the employer may approach the Ministry of Labour.

## Rules are same for all types of visas

**I have been working in the hospitality sector for seven years under unlimited contract on a visa issued by the General Directorate of Residency and Foreigners' Affairs. My basic salary is Dh1,250 plus accommodation and duty meal. I would like to know about my**

**rights as an employee holding immigration visa, and the difference between immigration and labour visas.**

Pursuant to your question, it may be noted that holding a visa as such does not imply the application of a different set of labour regulations for you. Your employment shall still be subject to the provisions of the Federal Law No 8 of 1980 on the Regulation of Labour Relations (the "Labour Law").

Pursuant to the foregoing, the only difference in this regard, is that the competent authority regulating your employment shall be the General Directorate of Residency and Foreigners' Affairs for all purposes. This would imply that in the event of any labour dispute between you and your employer, it must first be referred to the General Directorate of Residency and Foreigners' Affairs.

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