

Firm can't cut your pay without your consent



LEGAL VIEW Ashish Mehta

I have been working for an LLC company since August 2015. I was informed recently by the CEO that salaries would be reduced and designations changed as the company is updating its grading system. Is it legal to reduce salaries across the board like this? Do I have any legal recourse? My contract noted a certain position with a certain salary.

Pursuant to your queries, your employer cannot reduce your salary and your designation without your written consent. In the event the employer wants to reduce the salary and change the designation of an employee, they should enter into a fresh employment contract signed by both the parties and the same needs to be submitted to the Ministry of Human Resources and Emiritisation (the 'Ministry') for their approval. Article 60 of federal law no. 8 of 1980 regulating employment relations in the UAE (the 'Employment Law') states: "No amount of money may be deducted from an employee's remuneration in respect of private claims, except in the following cases:

- > The recovery of advances or amount of money paid to the employee in excess of his entitlements, on condition that the amount deducted in this case does not exceed 10 per cent of his periodic remuneration;
- > Contributions which the employee is required by law to pay from his remuneration, for example towards social security and insurance schemes;
- > The employee's contributions to a savings fund or repayment of advances repayable thereto;
- > Contributions towards any welfare scheme or in respect of any other privileges or services provided by the employer and approved by the Ministry;
- > Fines imposed upon the em-



Know the law

If employers want to reduce the salary and change the designation of an employee, they should enter into a fresh employment contract signed by both the parties, which then needs to be submitted to Ministry of Human Resources and Emiritisation.

ployee for any offence he has committed;

> Any debt payable in execution of the judgement of a court of law provided that the deduction shall not exceed one-quarter of the employee's remuneration. Where two or more debts are payable, the maximum shall be half the employee's remuneration and the sums of money attached shall be divided pro rata among the beneficiaries, after payment of any legal alimony at the rate of one-quarter of the worker's remuneration."

Can I take paid leave during notice period?

I am planning to resign from my job on July 1. I did, however, have a week and a half worth of leave previously planned for that month. Now my employer is saying I cannot go and that I must serve each day of my one-month notice period in office. Is this legal, or can I still go?

Pursuant to your queries, it is assumed that the leave approved

by your employer is annual leave. However, the employer may cancel your annual leave or change the dates of your annual leave. You are required to serve your notice period if your employer so desires. This is in accordance with article 118 of the federal law no. 8 regulating employment relations in the UAE (the 'Employment Law') which states: "A contract shall continue to be valid throughout the period of notice referred to in the preceding article and shall terminate on the expiry of the notice period. The employee shall be entitled in respect of the period of notice to full pay calculated on the basis of his last remuneration and he shall be required to perform his work during that period if the employer so requests.

The parties may not agree to dispense with the requirement as to notice or to reduce the period of notice, but may agree to increase it."

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