



# WORK CONTRACT FOR WORKER & EMPLOYER



Ministry of Labor &  
Social Development  
Kingdom of Saudi Arabia

**A well-informed  
labor market**

## Work Contract?

### A contract concluded between an employer and a worker in order to complete or perform a job for an agreed wage.



- The work contract shall be in duplicates, one copy to be retained by each of the two parties.



- The work contract for non-Saudis shall be written and of a specified period. If the contract does not specify the duration, the duration of the work permit shall be deemed as the duration of the contract.



- A contract shall be deemed to exist even if not written and either party is entitled to ask for draft the contract at any time.

### The work contract shall primarily include as follows:



- ▶ • The name of the employer and his venue.
- ▶ • The name of the worker and his nationality.
- ▶ • Paperwork proving identification.
- ▶ • Place of residence.
- ▶ • Wage agreed upon, privileges and allowances.
- ▶ • Type and location of work.
- ▶ • Date of employment.
- ▶ • Duration of the contract.

## Probation Period

- The probation period shall be clearly indicated if stated in the work contract. Such probation period shall not exceed ninety (90) days, and may be extended a maximum of one hundred and eighty (180) days subject to the written consent of the worker.
- A worker may not be placed on probation more than once by the same employer.
- The worker may, with the approval of the contract parties, be subjected to another probation period on the condition that:
  - This period involves another profession.
  - Or another work.
  - A period at least six (6) months elapsed since the termination of the work relation between the worker and the employer.



- If the contract is terminated during the probation period, neither party shall be entitled to compensation nor shall the worker be entitled to an end-of-service award.
- Probation period does not include Eid al-Fitr and Eid al-Adha holidays and sick leaves.

## Renewal of Work Contract



- The contract shall terminate upon expiration of its term. If the two parties continue to implement it, it shall be deemed renewed for an indefinite period of time, subject to the provisions of Article (37) of the Labor Law for non-Saudi workers.
- If the fixed-term contract incorporates a clause providing for its renewal for a similar term or a specified term, the contract shall be renewed for the period agreed upon.
- If the contract is renewed for three (3) consecutive terms or if the original contract term and the renewal period amount to four (4) years, and the two parties continue to implement it, the contract shall become an indefinite term contract.

## General Rights in the Work Contract



- A worker may not be assigned duties which are essentially different from the work agreed upon without his written consent, except in cases of necessity dictated by transient circumstances and for a period not exceeding thirty (30) days a year.



- In cases of extreme necessity, the employer may assign the worker, without his consent, to perform a work which is essentially different from the work agreed upon for a period not exceeding thirty (30) days a year.



- The employer shall bear the costs of transportation and accommodation of the work throughout this period.



- The employer may not transfer the worker from his original workplace to another place that entails a change in his place of residence without the written consent of the worker.



- If the contract involves performance of a specific work, it shall terminate with the completion of the work agreed upon.



- A monthly-paid worker may not be reclassified as a daily-paid, a weekly-paid or an hourly-paid worker nor as a worker paid by piecework, unless the worker agrees thereto in writing and without prejudice to the rights he has acquired during the period he spent as a monthly-paid worker.

## Termination of Contract



- If the contract is of an indefinite term, either party shall notify the other party of the termination of the contract by a written notice to be served to the other party at least sixty (60) days prior to the termination date if the worker is paid monthly and not less than thirty (30) days for others.
- If the employer desires to terminate the work contract, the worker is entitled to be absent during the notice period for an entire day a week or eight (8) hours during the week in order to search for another work and, however, is entitled to the wage of this day or the absence hours.
- A worker may leave his job without notice without prejudice to all of his statutory rights in any of the cases specified in the Article (81) of the Labor Law.
- Prior to the termination of the contract without an award, the worker shall be given a chance to state his reasons for objecting to the termination.
- An employer may not terminate the worker's services on account of illness prior to availing him of the period designated for sick leave as provided for in the Article (117) of the Labor Law. The worker may request that his sick leave be combined with his annual leave.

## Cases of Termination of Contract



- ▶ • If both parties agree to terminate it (provided that the worker's consent be in writing).
- ▶ • If the term specified in the contract expires.
- ▶ • At the discretion of either party.
- ▶ • The worker attains the age of retirement (which is sixty (60) years for males and fifty-five (55) years for females) unless the two parties agree upon continuing work after this age.
- ▶ • Force majeure.
- ▶ • Closing down the firm permanently.
- ▶ • Termination of the activity in which the worker works unless both parties agree to continue working.

(Saudi Labor Law – Articles from 50 to 60, Articles from 74 to 75, Article 81 and Article 117)

