

Are you planning to [resign](#) from your current job? Terminated, or leaving the UAE for good? As per the UAE Labour Law, all employees who have finished a full term of their [employment contract](#) are entitled to receive [Gratuity](#) or end-of-service benefit.

Your total gratuity depends on the following factors:

- Type of contract
- Total number of years served in the company
- Reason for [termination](#) of contract
- Basic salary

### Which are the types of contracts?

There are two types of contracts in the UAE (Dubai, Abu Dhabi, Sharjah) – a limited or fixed term, or unlimited contract.

#### Limited contract

- This means the employee agrees to stay with the company for the set date and number of years
- Resigning before the end of this period can result in a [labour ban](#), loss of labour rights or payment of compensation to the employer.

#### Unlimited Contract

- No number of years and no end date.
- One to three months of notice period is required

Below is a sample **gratuity calculator UAE**

. Please note that these calculations are just for references purposes. For more accurate information, visit the UAE [Ministry of Human Resources and Emiratization \(MOHRE\)](#).

### **Limited Contract – Gratuity Pay Calculator UAE**

#### **Duration of Service**

##### **Less than 1 year of service**

If you leave work before you complete one year of service, you are not entitled to any gratuity pay or final settlement.

##### **1 year – 5 years of service**

The employee will receive full gratuity based on 21 days of salary

##### **5 or more years of service**

Employees are entitled with full gratuity pay based on 30 days salary for every year of work.

### Example:

Basic [salary](#) example: **AED 10,000**

- Identify your daily wage =  $10,000 \div 30 = 333.30$   
. Your daily wage is **AED 333.30**
- Multiply daily wage by 21 or 30 (depending on duration of service in the company) =  $333.30 \times 21 = 6,999.30$   
. So 21-days salary is **AED 6,999.30**  
will be received for every year of service.
- For those who have rendered more than 5 years of service, gratuity entitlement for each year of service is acceptable as long as the total figure does not exceed two years total salary figure.

### Unlimited Contract – Gratuity Pay Calculator UAE

#### Duration of Service

##### Less than 1 year of service

Not entitled to any gratuity pay.

##### 1 year – 3 years of service

Employee is entitled to one third (1/3) of the 21-days gratuity pay.

### **3 years – 5 years of service**

Employee is entitled to two thirds (2/3) of the 21-days gratuity pay.

### **5 or more years of service**

Employee is entitled to full 21-days gratuity pay.

### **Example:**

Basic salary example: **AED 10,000**

- Identify your daily wage =  $10,000 \div 30 = 333.30$ . Your daily wage is **AED 333.30**
- Multiply it by 21 =  $\text{AED } 333.30 \times 21 = \textbf{6,999.30}$   
. So 21-days salary is **AED 6,999.30**
- Get the 1/3 of this figure (1-3 years); 2/3 of the figure (3-5 years) to get the total gratuity pay.
- For those who have worked 5 years or more, the full **AED 6,999.30**

is payable for each year if you have completed 5 years or more.

You can also refer to the [MOHRE](#) Gratuity [Calculator online](#).

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