White Paper

WAGES PROTECTION SYSTEM (WPS)
in the UAE

ZenHR

ALL YOU NEED TO KNOW ABOUT WPS

Setting up a business in Abu Dhabi, Dubai or the wider UAE can be quite demanding. It is vital that you fulfill all legal requirements, especially when it comes to your company's most valuable resource – your employees.
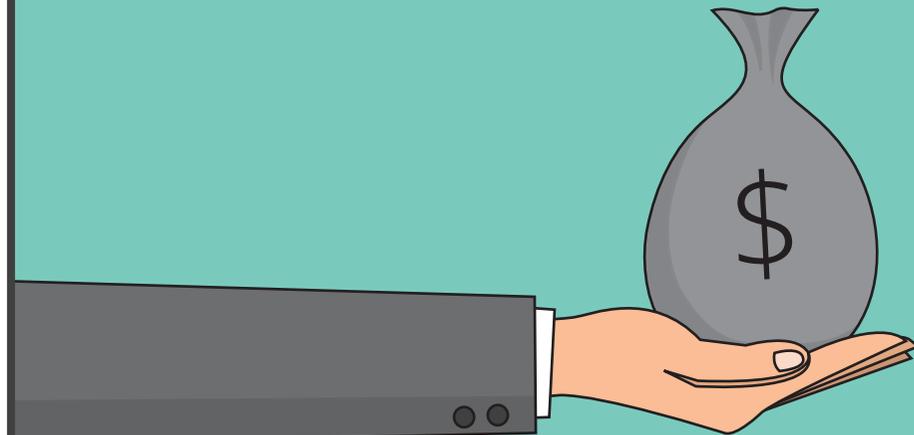
WHAT IS WAGES PROTECTION SYSTEM (WPS)?

Wage Protection System (WPS) is an electronic salary transfer system that was approved by the UAE Government in 2009, allowing institutions to pay the wages of their workers via banks, bureaus de exchange, and financial institutions. UAE businesses must adhere to timely wage payments that match the initial offer letter and local labor contract. For all companies that have staff in the UAE, it is a mandatory legal requirement to register and pay staff through WPS.

THE RATIONALE BEHIND THE INITIATIVE:

WPS system is an innovative electronic mechanism conducted by both MoL (Ministry of Labor) and the Central Bank of the UAE. With WPS, the Ministry of Labor (MoL) can now track whether salaries have been paid on time or not at real time, which will allow the ministry to immediately penalize non-compliant employers. This initiative has contributed to providing labor social protection and safe work environments because it protects the employees' right to receive their wages on time, especially for low-skilled workers who may be likely exposed to illegal and unfair practices.

1

WPS TARGETS THE FOLLOWING PARTIES:

WORKERS

Each and every individual who works in the private sector in return for agreed-upon wages and who has a labor card issued by the Ministry.

EMPLOYERS

Whoever owns a company or an institution registered under the Ministry and hires one (or more) workers in return for agreed-upon wages.

BANKS

The financial institution which the employer has a bank account with, which is used to transfer the wages through WPS to the appointed agent to distribute to the workers.
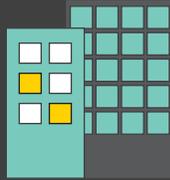
AGENTS

Any bank, bureau de change, or financial institution approved and authorized by the Central Bank of the UAE to offer wages payment services via WPS. The Central Bank of the UAE will issue a regularly updated list showing the names of approved and authorized agents.

REQUIREMENTS FOR JOINING WPS

1. Employee submits list of employees along with their salary details to MoL through Central Bank of the UAE.

2. Employer chooses one of the registered agents approved by Central Bank of the UAE for disbursement of salary.

3. Salary files received are uploaded by registered agents and transmitted to Central Bank of the UAE and MoL.

4. Employee receives his/her salary from the registered agent.

CONSEQUENCES OF FAILING TO JOIN OR ADHERE TO WPS

Companies that do not enroll in the WPS or do not transfer the wages on time are not allowed to renew work permits until all outstanding payments have been proven as settled. If a company's delayed payment exceeds one month, their right to renew their work permits will be cancelled.

HOW DOES ZENHR HRMS FACILITATE THE PROCESS OF IMPLEMENTING WPS?

ZenHR HRMS is a cloud-based Human Resources Management System designed to serve everyone from SME to Enterprise customers in the MENA market. ZenHR is completely localized to the MENA market, including all labor laws, expat regulations, and social security & tax laws.

HOW CAN YOU EXPORT WPS FILES FROM ZENHR?

1 First and foremost, employers or HR personnel should make sure that all their employees' labor cards and bank account numbers are added to their profiles on ZenHR, as shown in the Screenshot below.

2 After that, ZenHR HRMS will automatically calculate the accurate salary of your selected employee.

4

3 Finally, go to WPS report from the main menu, select the company bank account that you want to transfer your salaries from, select the salary month, and then click export to save the file in "SIF" format on your desktop.

WPS Export Report

	View ▾
	Excel file
	txt file
	SIF
Bank Account *	Dubai Islamic Bank - Main Branch - 423534632233
Bank Export *	Wages Protection System (WPS) - UAE
Work Location	All Work Locations ▾
Date of Month *	2018-05 🗓
Only Associated With Bank Account	☐

4 *And this is your final WPS File*

00123412341231805201110000.sif - Notepad — ☐ ✕

File Edit Format View Help

```
EDR,00000896576456,000910101,DE893704004405320130000,2018-05-01,2018-05-31,31,25000.00,0.00,0
EDR,00000009987554,104251001,DE893704004405320130000,2018-05-01,2018-05-31,31,50000.00,0.00,0
EDR,00000009998877,802420101,AE07033123456789012345,2018-05-01,2018-05-31,31,10300.00,592.60,0
SCR,0012341234123,802420101,2018-05-20,1100,052018,3,85892.60,AED,Salary of May 2018
```

ZenHR

Claim Your Free Trial

It's good to talk

sales@zenhr.com

Jordan: +962 65 777 500
UAE: +971 (0)4 453 4700
KSA: +966 54 259 6566

www.zenhr.com