

## **Circular No (07) for 2018**

### **The mechanism for payment of Periodic Allowance for the category of employees who were paid in July each year**

#### **To: All Ministries & Federal Entities**

The Federal Authority for Government Human Resources (FAHR) would like to send you kind regards, wishing you all the success in your endeavors.

Pursuant to Article (35) of Cabinet Resolution No. (1) of 2018 on the Executive Regulations of Human Resources Law in the Federal Government which reads:

“An employee shall be entitled to a periodical annual allowance as a lump sum amount included in the Grade and Salary Scale. The Allowance, which shall not exceed AED 1000, is added to the employee’s basic salary on the basis of his performance appraisal outcome during the year as per the Performance Management System and shall be paid on January 1 of subsequent year, or after a minimum of one year from the date of his appointment”;

As the said annual allowance was already approved as per the Cabinet Resolution No (23) for 2912 on Grade & Salaries Scale for Federal Government employees and was being paid to entitled employees previously before the issuance of the Executive Regulations on the first day of January and the first day of July every year; the allowance must be paid according to the provisions of the Executive Regulations, in a manner

that does not affect the rights of the category of employees who were receiving it in July, which requires following a mechanism to settle allowance entitlement during the period July 2018 to December 2018.

Accordingly, and in coordination with the Ministry of Finance, FAHR would like to request all ministries and federal entities to calculate the periodic allowance for entitled category of employees who used to receive the allowance in July every year, for the period July 2018 to December 2018 according to their annual performance review in 2017, to pay the allowance with the salary on 31<sup>st</sup> December 2018.

The attached table illustrates the allowance payment mechanism with an example at the end of this circular.

It should be noted that FAHR will make arrangements, in collaboration with the Ministry of Finance, to reengineer BAYANATI System to cater to the above measures.

**Thank you for your cooperation**

**Dr. Abdurrahman Al Awar,**  
**Director General,**

**Federal Authority for Government Human Resources**

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**Example how to calculate Periodic Allowance 2018 for employees who were receiving it in July every year.**

Nationality	UAE National
Date of Appointment	01.03.2015
Grade	Grade 3
Allowance assigned to grade	AED 200
Date of entitlement according to previous legislation	1 <sup>st</sup> July
Date of entitlement at present, according to Cabinet Resolution No. (1) of 2018 on the Executive Regulations of Human Resources Law in the Federal Government	1 <sup>st</sup> January
Basic Salary in June 2018	AED 13,450
Annual Performance Review for 2017	Meets Expectations

**Implementation Mechanism**

Period	Basic salary plus increase	Remarks
July 2018	EAD 13,450 Basic salary	No increase to salary
August 2018	EAD 13,450 Basic salary	No increase to salary
September 2018	EAD 13,450 Basic salary	No increase to salary
October 2018	EAD 13,450 Basic salary	No increase to salary
November 2018	EAD 13,450 Basic salary	No increase to salary
December 2018	EAD 13,450 Basic salary	+ 1200 on basic salary (The sum represents the employee's entitlement of annual allowance calculated for the period July 2018 to December 2018)
<u>January 2019</u>	<u>EAD 13,650</u>	Employee will receive annual allowance in January 2019, subject to attaining a rating of at least "Meets Expectations" in performance appraisal