

## The work contract shall contain the following:

The Ministry sets a standard form for a work contract.



The name of the employer along with their address and venue.



The name of the worker, nationality and identification.



The type and location of work, date of employment



The duration of the contract if fixed (for non-Saudis).



The wage agreed upon, including benefits and allowances

**Article 52 of the Labor Law**

## Work Contract Renewal



The fixed-term 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, for non-Saudis.



If the fixed-term contract contains 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 terms in a row or if the original contract term and the renewal period amount to four years, whichever is less, and the two parties continue to implement it, the contract shall become an indefinite term contract.

**Article 55 of the Labor Law**



In all cases where the contract term is renewed for a specific period of time, the contract renewal period shall be an extension of the original term in determining the worker's rights which takes into account the worker's period of service.

**Article 56 of the Labor Law**



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

**Article 57 of the Labor Law**

## General rights in employment contract



The employer shall incur the fees pertaining to recruitment of non-Saudi workers, the fees of the residence permit (IQAMA) and work permit together with their renewal and the fines resulting from their delay, as well as the fees pertaining to change of profession, exit and re-entry visas and return tickets to the worker's home country at the end of the relation between the two parties.



The worker shall incur the costs of returning to their home country if such a worker is unfit for work or if they wish to return to their home country without a valid reason.



The employer shall bear the fees of transferring the services of the worker who wishes to transfer their service to them.



The employer shall be responsible for the cost of preparing the body of a deceased worker and transporting it to the location where the contract was concluded, or where the worker was recruited unless the worker is interred in the Kingdom with the approval of their family. The employer shall be relieved if the General Organization for Social Insurance (GOSI) undertakes to carry out the same.

**Article 40 of the Labor Law**



Human Resources and  
Social Development

# Work Contract Employer & Employee

## Work Contract

A work contract is a contract concluded between an employer and a worker, whereby the latter undertakes to work under the management or supervision of the former for a wage.

Article 50 of the Labor Law



The work contract shall be in duplicates.



One copy to be retained by each of the two parties.



Either party may at any time demand that the contract be in writing.



A contract shall be deemed to exist even if not written. In this case the worker alone may establish the contract and their entitlements arising therein by all methods of proof.

Article 51 of the Labor Law

## Probation Period

If the worker is subject to a probation period, the same shall be expressly stated and clearly indicated in the work contract:



Such probation period shall be clearly stated and shall not exceed ninety days.



By a written agreement between the worker and the employer, the probation period may be extended, provided that it shall not exceed 180 days.



EID AL-FITR and EID AL-ADHA holidays and sick leaves shall be excluded.



Each party shall have the right to terminate the contract during this period, unless the contract contains a clause giving the right to terminate the contract to only one of them.

Article 53 of the Labor Law



The worker may not be placed on probation more than once by the same employer.



The worker may with the approval of the contract parties - in writing - be subjected to another probation period of not more than ninety days on the condition that this period involves another profession or work.



Or that a period of no less than six months has passed since the end of the worker's relationship with 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 end-of-service benefits thereof.

Article 54 of the Labor Law

## General rights in employment contract



The employer may not transfer the worker without their approval - in writing - from their original place of work to another place that requires changing their place of residence.



The employer - except in cases of necessity that may be necessitated by occasional circumstances and for a period not exceeding thirty days per year - may assign the worker to work in a place different from the place agreed upon without requiring their approval, provided that the employer bears the costs of the worker's transportation and residence during that period.

Article 58 of the Labor Law



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 which such a worker has acquired during the period they spent as a monthly-paid worker.

Article 59 of the Labor Law



The worker may not be assigned duties which are essentially different from the work agreed upon without their written approval, except in cases of necessity dictated by transient circumstances and for a period not exceeding thirty days a year.

Article 60 of the Labor Law

## Termination of Work Contract

A work contract shall terminate in the following cases:



If both parties agree to terminate it, provided that the worker's approval be in writing.



If the term specified in the contract expires, unless the contract has been explicitly renewed in accordance with the provisions of this Law in which case it shall remain in force until the expiry of its term.



At the discretion of either party in indefinite term contracts.



The Full Retirement Age (FRA) shall be reached, which is (60) years for both genders, as stated in the social security system.



If it is a fixed-term work contract which extends beyond the retirement age, it shall terminate at the end of its term.



Force majeure.



Closing the facility permanently.



Termination of the activity in which the worker works, unless agreed otherwise.

Article 74 of the Labor Law

## Termination of Work Contract



If the contract is of an indefinite term, either party may terminate it for a valid reason to be specified in a written notice to be served to the other party for a period specified in the contract, prior to the termination date if the worker is paid monthly and not less than thirty days for others.

Article 75 of the Labor Law



If the notice is on the part of the employer, the worker shall have the right to be absent during the notice period for a full day per week or eight hours during the week to search for another job with their entitlement to this day's wage or hours of absence.



The worker may specify the day and hours of absence, provided that the employer is notified of that at least the day before the absence.



The employer shall have the right to exempt the worker from work during the notice period, with the calculation of the period of their service continuing until the end of that period, and the employer's commitment to the consequences resulting from that, especially the worker's entitlement to their wages for the notice period.

Article 78 of the Labor Law



The employer may not terminate the contract without an award, advance notice or indemnity and gives the worker a chance to state their reasons for objecting to the termination.

Article 80 of the Labor Law



The employer may not terminate the worker's services on account of illness prior to availing them of the period designated for sick leave as provided for in this Law. The worker may request that their sick leave be combined with their annual leave.

Article 82 of the Labor Law



Without prejudice to all of their statutory rights, the worker may leave their job without notice in any of the following cases:

- If the employer fails to fulfil their essential contractual or statutory obligations towards the worker.
- If the employer or their representative resorts to fraud at the time of contracting with respect to the work conditions and circumstances.
- If the employer assigns the worker, without their approval to perform a work which is essentially different from the work agreed upon
- If the employer, a family member or the manager in-charge commits a violent assault or an immoral act against the worker or any of their family members.
- If the treatment by the employer or the manager in-charge is characterized by cruelty, injustice or insult.
- If there exists in the workplace a serious hazard threatening the safety or health of the worker, provided that the employer is aware thereof but fails to take measures indicating its removal.
- If the employer or their representative, through his actions and particularly their unfair treatment or violation of the terms of the contract, has caused the worker to appear as the party terminating the contract.

Article 81 of the Labor Law