Regional Social Security & Employment Regulatory Updates | GCC

News alert Updates

In brief

Social Security and Labor Ministries across the GCC are continuously advancing their regulatory and administrative frameworks to enhance employee protection and strengthen employer compliance. These efforts reflect a wider regional emphasis on safeguarding employees, promoting transparency, and accelerating the digitalization of government services.

This alert provides a detailed overview of key regulatory and administrative updates relevant to employers operating in KSA, Bahrain, Oman, and the United Arab Emirates.

KSA

- Social insurance contributions for Saudi nationals will increase by 1% from 1 July 2026.
- Premium Residency holders now require a work permit via Qiwa.
- Continued rollout of the Unified Employment Contract initiative.
- Effective April 2026, Qiwa compliance became mandatory for Nitaqat ratio

Oman

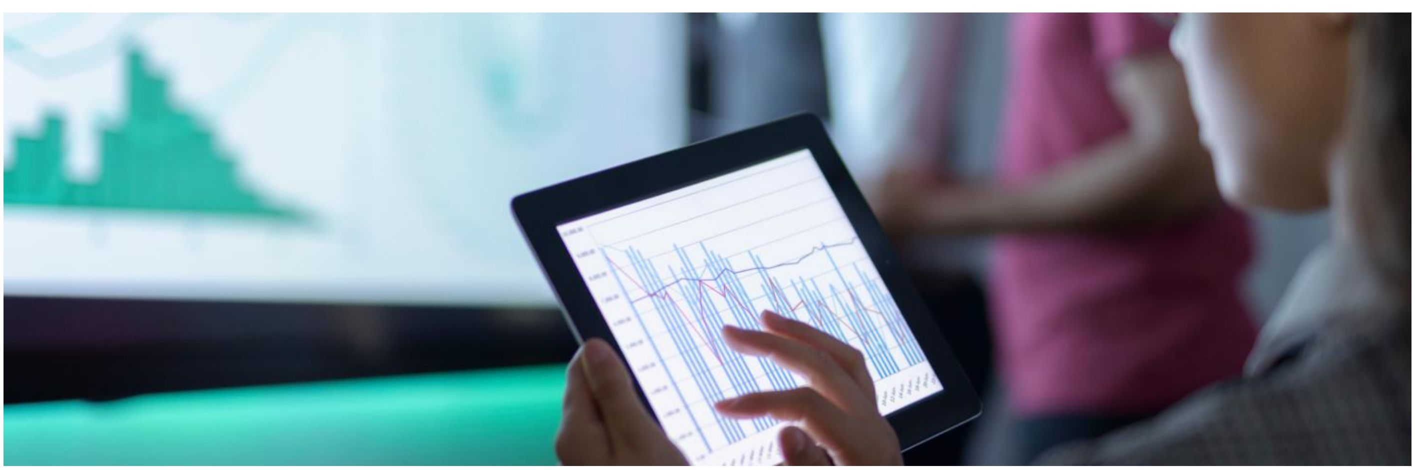
- Effective 19 July 2026, Royal Decree 52/2023 implemented the additional 1% Sick Leave and Extraordinary Leave Insurance branch under the Social Protection Law.
- Effective June 2026, Royal Decree No. 65/2026 introduces a 0.5% Job Security contribution from both employers and employees for eligible Omani nationals working in GCC countries.

Bahrain

Bahrain's LMRA has introduced a new EMS service enabling non-resident employers without a Bahraini ID or eKey to authorise a representative to act as their Wage Responsible Person (WRP) under the Wage Protection System (WPS), ensuring continued payroll compliance.

UAE

Upcoming Nafis related updates expected to take effect from September 2026, aimed at supporting Emiratization and increasing private sector participation.



In detail

Recent developments in GCC countries reflect a broader shift towards enhanced regulatory oversight, increased digitalization of government services, and greater alignment between employment administration and social protection frameworks.

During Q2 2026, authorities across the region announced and implemented several measures impacting payroll operations, employment administration, and social insurance compliance. These developments include enhanced wage protection mechanisms, phased employment contract reforms, updates supporting workforce localization initiatives, and the continued rollout of social protection measures.

KSA | Saudi Arabia's "Documented Employment Contract as an Enforceable Instrument" Initiative

The Ministry of Human Resources and Social Development (MHRSD), in partnership with the Ministry of Justice, has introduced a new initiative titled "Documented Employment Contract as an Enforceable Instrument" ("Unified Employment Contract") as part of Saudi Vision 2030. The initiative aims to strengthen the reliability of contractual employment relationships, safeguard the rights of both employers and employees, and expedite the resolution of wage-related disputes by enabling delayed wage claims to be referred directly for enforcement. Employment contracts documented on the Qiwa platform will now carry enforceable status through automated technical integration with the Ministry of Justice

Where are we in the phased implementation?

1	2	3
Phase One 6 October 2025 Applies to newly signed contracts and updates to existing contracts	Phase Two 6 March 2026 Applies to fixed-term contracts upon renewal or extension	Phase Three 6 August 2026 Applies to all indefinite (open-ended) contracts

Key attributes of the Unified Employment Contract initiative:

- Enforceable contracts via Qiwa: All employment contracts documented on the Qiwa platform — using the Executive Employment Contract template and assigned an Execution Number by the Ministry of Justice — will now carry enforceable status, allowing wage disputes to be referred directly for enforcement without court proceedings.
- Phased rollout: The initiative will be implemented in three phases — starting with new contracts and contract updates, followed by fixed-term contracts upon renewal, and finally covering indefinite contracts.
- Wages covered: The enforceable wage clause encompasses basic salary, housing allowance, transportation allowance, and other cash allowances (where applicable).
- Enforcement timelines: Employees may enforce against the employer after 30 days of full non-payment or 90 days of partial payment from the wage due date, with enforcement requests submitted through the Najiz platform.
- Employer's right to object: Employers are notified of enforcement requests and have 5 days to either file an objection or settle the payment via the Najiz platform; wage verification is conducted electronically through the Wage Protection Programme (Madd platform).

KSA | GOSI contribution Rate changes

GOSI continues the phased implementation of the New Social Insurance Law introduced in July 2024. As a part of this reform, GOSI contribution rates will increase effective 1 July 2026 for Saudi nationals registered under the new Social insurance system (employees first registered with GOSI on or after 3 July 2024).

This includes a gradual increase in pension contributions, starting from the second year of the law's implementation until the fifth year. The increase will be 1% annually.

The table below provides a comparison of the applicable contribution rates under the existing and new social Insurance system effective 1 July 2026:

Category	Old system (Employees registered before 3 July 2024)	New system (Employees registered on or after 3 July 2024)
Effective Date	No Change	1 July 2026
Combined Contribution	21.5%	Increases from 22.5% to 23.5%
Employee contribution	9.75%	Increases by 0.5%
Employer contribution	11.75%	Increases by 0.5%
Applicability	Existing insured Saudi employees	Saudi employees first registered on or after 3 July 2024)
Future Changes	No announced changes	Further annual 1% increases planned through 2028

Key Considerations for employers

- Update Payroll systems and GOSI contribution calculations effective 1 July 2026.
- Note that employees registered with GOSI before 3 July 2024 remain subject to the existing contribution rates.
- Be aware that the new system includes further phased contribution increase planned through 2028.

KSA | Work Permit for Premium Residency Holders

Effective June 2026, Premium Residency holders are required to obtain a dedicated work permit through the Qiwa platform before commencing employment. This change aligns their employment procedures with those applicable to other expatriate employees working in the Kingdom.

The work permit is issued electronically through Qiwa for a fee of SAR 100, and employers remain responsible for completing employment contract documentation and registering employees with GOSI, where applicable.

Key Considerations for employers

- Identify employees and candidates holding Premium Residency status.
- Update onboarding processes to include obtaining a work permit through Qiwa before the employee commences work.
- Ensure employment contracts and GOSI registrations are completed following the issuance of the work permit.
- Consider the additional work permit requirement when planning recruitment and mobilization timelines.

Bahrain | Introduction of WRP Access for Non-Residents

The LMRA has introduced a new service through its Expat Management System (EMS) that enables non-resident employers in Bahrain — who do not possess a Bahraini ID number or an eKey — to appoint a Wage Responsible Person (WRP) via an electronic authorisation request.

The designated Wage Responsible Person (WRP) may be a Bahraini national, a Bahrain resident, or a GCC national. The WRP will be responsible for processing and reviewing the required payroll files, managing wage-related data, and ensuring the employer's compliance with the Wage Protection System (WPS) requirements.

To initiate the process, the employer must submit an electronic ticket via the eSupport function on EMS, select the WRP Authorization Service, and provide the completed "Adding Wage Responsible Person" form along with a signed copy of the employer's passport and the authorised person's national ID card. Once approved, the assigned WRP receives a notification and activates the assignment by logging into EMS using their own eKey, after which they can access the WPS to begin managing the establishment's payroll obligations.

Oman | Job Security Contributions for Omanis Working in GCC Countries

Under Royal Decree No. 65/2026, the Job Security Insurance Branch, effective from June 2026, has been extended to Omani nationals working in GCC countries under the Unified System for Extending Social Insurance Protection Coverage.

Previously, Omani nationals working in other GCC countries were covered only under the Old Age, Disability and Death Insurance Branch. Following this change, an additional 0.5% contribution applies to both the employee and employer, covering the Job Security Insurance Branch.

Oman | Additional 1% Social Protection Fund

As part of the phased implementation of Oman's Social Protection Law (Royal Decree 52/2023), the Sick Leave and Extraordinary Leave Insurance branch will become effective on 19 July 2026, following the previously announced implementation postponement. As a result, employers will be required to pay an additional 1% Social Protection Fund (SPF) contribution, fully borne by the employer.

The new insurance branch applies to both Omani and non-Omani employees covered under the Social Protection Law and provides insurance benefits for periods of sick leave and other qualifying exceptional leave, including marriage leave, bereavement leave and caregiver/accompanying-patient leave. The additional 1% contribution is calculated on the employee's monthly contribution wage and is not subject to a contribution ceiling.

The contribution increase will have the following impact:

Employee Category	Previous Employer contribution	New Employer Contribution
Omani Employees	13.5%	14.5%
Non-Omani Employees	1%	2%

Accordingly, the total Social Protection Fund contribution increases from 21.5% to 22.5% for Omani employees, while the contribution applicable to non-Omani employees increases from 1% to 2%, with the additional 1% fully funded by the employer.

UAE | NAFIS Program – Operational Enhancements Announced

Following the extension of the NAFIS program until 2040, the Emirates Talent Competitiveness Council (ETCC) announced several enhancements to the program aimed at expanding family support, revising eligibility requirements and introducing a new implementation framework for salary support.

Expanded Family Support

The Child Allowance Scheme has been enhanced by removing the previous limit on the number of eligible children, allowing eligible Emirati employees in the private sector to receive support for all qualifying children.

The scope of the program has also been expanded to include:

- Children of Emirati mothers employed in the private sector.
- Wives of Emirati nationals working in the private sector, subject to the applicable eligibility criteria.

For eligible beneficiaries under both schemes, financial support of up to AED 3,000 per month may be available.

Eligibility Criteria
The ETCC has published the eligibility requirements for the new support schemes.

Children of Emirati Mothers Salary Support Scheme

1. Receive a monthly salary between AED 6,000 and AED 20,000.
2. Hold at least a bachelor's degree accredited by the Ministry of Higher Education and Scientific Research.

Wives of Emirati Nationals Salary Support Scheme

- Receive a monthly salary between AED 6,000 and AED 15,000.
- Hold at least a bachelor's degree accredited by the Ministry of Higher Education and Scientific Research.
- Have at least two children or have been married for five years or more, unless exempt under the program's

special provisions

- Be married to an Emirati national employed in either the public or private sector, or who is retired or unable to work for certified medical reasons.

Exempt from the conditions related to the number of children and 5 years of marriage if two years of marriage have passed, are Medical professionals (with medical degrees), teaching staff, and female PhD holders provided that their degree is accredited by the Ministry of Higher Education and Scientific Research from a top 500 global university in their specialization, or if they possess practical experience in vital labor market roles.

Standardized Salary Support Framework

To align with the UAE Cabinet's minimum salary decision, the minimum salary required to qualify for NAFIS salary support has been standardized at AED 6,000 per month across all eligible categories.

Under the updated framework, the maximum monthly financial support for Emirati salaries in the private sector will be:

- **AED 6,000** for bachelor's degree holders,
- **AED 5,000** for diploma holders,
- **AED 4,000** for secondary school graduates
- For those with below secondary education, support will be set at **AED 4,000** for married individuals or those with dependents, and **AED 3,000** for unmarried individuals or those without dependents, provided that the monthly salary does not exceed **AED 20,000**.

Implementation Framework

The new framework of benefits is scheduled to take effect from **September 2026 for new beneficiaries**, while existing recipients of the private sector Salary Support Scheme for Emirati nationals will be transitioned gradually, ensuring a phased implementation that considers the different eligible categories and safeguards a smooth adjustment process.

Support payments for existing beneficiaries will be adjusted automatically from September 2026, reducing by AED 500 every six months until reaching the revised support level.

For private sector employees outside the scope of the Ministry of Human Resources and Emiratization (MOHRE) and the Central Bank of the UAE, including employees working in free zones, a transitional mechanism will apply where salaries are below the approved minimum. Eligible individuals who adjust their salaries to the minimum threshold of AED 6,000 will continue receiving support under a phased reduction model.

Pension Contribution Support Scheme for Emirati Nationals

The ETCC also confirmed that the Nafis Program will continue to cover pension fund contributions for Emiratis employed in the private sector registered under the "Subscription" scheme. From September 2026 onwards, private sector employers will also assume responsibility for paying their share of pension contributions for Emirati employees enrolled in the program.

Key Actions

- Review the workforce to identify potentially eligible employees.
- Communicate the new Nafis support initiatives to Emirati employees.
- Prepare HR and payroll processes for the pension contribution changes effective September 2026.

GCC Country Regulatory Updates – Q2 2026 Summary

Country	Previous position	New update
KSA	1. GOSI combined contribution fixed at 21.5%. 2. No separate work permit required for Premium Residency holders. 3. Employment contracts followed varied, non-standardized templates.	1. Social insurance (GOSI) contributions for Saudi nationals rising 1% yearly, reaching a combined rate of 23.5% from 1 Jul 2026. 2. Premium Residency holders now require a dedicated work permit via Qiwa (SAR 100). 3. Continued rollout of the Unified Employment Contract initiative (Phases 2–3).
Bahrain	Companies were not required to officially delegate a specific, verified Wage Responsible Person (WRP) through the LMRA Expat Management System to manage their monthly pay files.	LMRA has introduced a new EMS service allowing non-resident employers without a Bahraini ID or eKey to appoint a Wage Responsible Person (WRP) through an electronic authorization request with the required supporting documents. Once approved, the designated WRP activates the authorization through their eKey and manages the employer's payroll and WPS compliance requirements through EMS.
Oman	Total SPF contribution of 21.5% (Omani; employer share 13.5%) and employer contribution of 1% (non-Omani). SPF Contribution for Omani national working in GCC was applicable on only Old Age, Disability and Death Insurance Branch	Additional 1% employer-funded SPF for the new Sick & Extraordinary Leave branch from 19 Jul 2026. Total SPF: 21.5% to 22.5% (Omani); Employer share: 13.5% to 14.5% (Omani), 1% to 2% (non-Omani). Additional 0.5% employer and employee contributions under the Job Security insurance branch were added effective from June 2026 for eligible Omani nationals working in GCC countries.
UAE	1. NAFIS scoped to its 2021 launch. 2. Emirati private-sector minimum salary of AED 5,000. 3. Pension contributions for enrolled Emiratis covered under the Nafis program.	1. NAFIS extended to 2040, with expanded family and standardized salary support from September 2026. 2. Minimum salary raised to AED 6,000 (effective January 2026). 3. Pension contributions no longer covered by the program – from September 2026 private-sector employers pay their share (about 2.5%) for enrolled Emiratis.

Contact us

For further assistance, you can connect with your dedicated PwC tax contact or the below listed

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Thank you

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