



# Regional Social Security & Employment Regulatory Updates | GCC



News alert Updates

# In brief

Social Security and Employment authorities across the GCC are continuously advancing their regulatory and administrative frameworks to enhance employee protection, increase payroll transparency, 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 Bahrain, Oman, and the United Arab Emirates.

## Bahrain

- The LMRA announced mandatory implementation of the enhanced WPS 2.0 for all private sector employers, effective Q1 - 2026.

## Oman

- Amendments were implemented to the social security framework expanding the salary components, social security contributions and introducing temporary adjustment periods to support employer compliance.
- Introduction of a mandatory saving scheme for foreign employees to replace the end-of-service gratuity system once implemented.

## UAE

- GPSSA has further streamlined the registration of UAE nationals through enhanced digital processes, reducing bureaucracy and manual employer intervention.
- MOHRE has issued labor law updates aimed at strengthening employee protections and reinforcing employer compliance requirements.
- The UAE government announced that the Nafis initiative would be extended until 2040, reinforcing its long-term commitment to strengthening national workforce participation in the private sector.

# In Detail

## Bahrain | Mandatory Wage Protection System (WPS)

From January 2026, the Labor Market Regulatory Authority (LMRA) has mandated the implementation of the enhanced Wage Protection System (WPS 2.0) for all private sector employers in Bahrain.

The EMS (Expat Management System) has been developed by the LMRA as an electronic platform to enhance transparency, accountability, and the timely payment of wages. It also enables effective monitoring and enforcement of compliance with labor regulations.

Under this framework, employers are required to pay workers' wages through licensed banks and financial institutions that are approved by the Central Bank of Bahrain (CBB) and registered with the LMRA.

Employers must appoint a Wage Responsible Person (WRP) with eKey authentication, submit all salary files exclusively through the WPS portal, and comply with applicable validation and reporting requirements.



Under the WPS framework, employers are required to upload employees' salary details through the EMS. Salary payments must be processed exclusively through LMRA-approved financial institutions. Following validation of the salary file, the payment file is submitted to the bank portal and executed accordingly.

Failure to comply with WPS requirements constitutes a violation of applicable regulations and may result in administrative penalties, as well as restrictions on LMRA-related services, including work permit processing and other employee-related transactions. Employers are therefore advised to upload employee details, review banking arrangements, and assess internal governance processes to ensure full compliance.



## Oman | Social Protection Law – Key Regulatory Updates and Implementation Timeline

Oman has introduced significant reforms to its social protection framework under Royal Decree No. 52/2023 ("Decree") issuing the Social Protection Law. Subsequently, a new Royal Decree 60/2025 issued on 13 July 2025 ("Amendment") amended certain provisions of the law and clarified the phased implementation of specific insurance branches and provisions applicable to non-Omani workers.

### Under the Amendment:

Work injury and occupational disease insurance coverage for non-Omani workers will become effective five years from the date of issuance of the Decree (effective 2028)

Provisions related to the sick and extraordinary leave (Chapter Six of the law) will become effective three years from the date of issuance of the Decree (2026).

Article 139(1) concerning the savings scheme contribution mechanism will become effective on a date determined by the Board of Directors of the Social Protection Fund, provided that the implementation does not exceed four years from the issuance of the Decree (2027).

### Upcoming Timeline

- The new mandatory Saving scheme for foreign workers will be effective from or before July 2027
- Under the Social protection Law framework, social security contributions are calculated at a total rate of 18.5%, shared between employers and employees in addition to other categories that will be implemented, refer to the table in the following page.

Here is a summary of the employee / employer Social Security contributions with the prescribed limits .

Program / Category	Employee Contribution	Employer Contribution		Salary used for contributions	Start Date of employment	
		For Omanis	For Non-Omanis		For Omanis	For Non-Omanis
Seniors, Disability and Death (Retirement)	7.50%	11%	-	Total salary (cap 3000 OMR)	January 2024	N/A
Workplace injuries and occupational diseases	-	1%	1%	Total salary (cap 3000 OMR)	January 2024	July 2028
Job Security	0.50%	0.50%	-	Total Salary (No ceiling)	January 2024	N/A
Maternity and paternity leave	-	1%	1%	Total Salary (No ceiling)	July 2024	July 2024
Sick leave and exceptional leave	-	1%	1%	Total Salary (No ceiling)	July 2028	July 2026
Savings program	Optional	Optional	9%	Basic Salary	January 2024	July 2027

The calculation base for social security contributions has been expanded. Contributions are now calculated on the employee's basic salary plus all fixed allowances stipulated in the employment contract. Variable or discretionary payments, including bonuses and overtime, remain excluded.

## UAE Workforce Developments | MOHRE & NAFIS

The UAE continues to strengthen its labor market framework through a combination of established regulatory measures and forward-looking national initiatives.

### MOHRE – Labor Law developments

The Ministry of Human Resources and Emiratization continues to enhance the application of Federal Decree-Law No. 33 of 2021 with recent developments shaping compliance in 2026. Recent developments include:

- **Increased enforcement of the Wage Protection System (WPS):** Continued monitoring of salary payments, with stricter scrutiny on delays and non-compliance.
- **Enhanced focus on Emiratization compliance:** Ongoing monitoring of private sector adherence to Emiratization targets, aligned with national initiatives such as Nafis.
- **Digitalization of employment services:** Continued enhancements to MOHRE platforms to streamline employment contracts, employee records, and labor dispute processes.



## Nafis - Empowering Emirati Talent for the Private Sector – Program Extended until 2040

In 2026, the UAE government announced that the Nafis initiative will be extended until 2040, reinforcing its long-term commitment to strengthening Emirati participation in the private sector. The extension aims to:

- Sustain the growth of Emirati employment in private sector companies.
- Continue supporting employers through incentives and workforce initiatives.
- Align workforce development with the UAE's long-term economic and diversification strategies.



## Extension of the Program to 2040

The extension reflects the program's success and its role as a core pillar of the UAE's Emiratization strategy. It has contributed to a strong increase in Emirati employment in the private sector, with participation exceeding 170,000 Emiratis by 2026.

### Focus Areas

- **Financial Incentives:** Supporting Emiratis in private-sector roles through salary top-ups, pension contributions, child allowances and more.
- **Skill Development:** Providing training, certifications and qualifications in high-demand sectors.
- **Career Progression:** Offering career counselling, leadership training, and international exposure.
- **Employer Engagement:** Partnering with companies to create meaningful opportunities and meet Emiratization goals.



## Expansion of Family Support Measures

New initiatives have been introduced to further support Emirati families and encourage private-sector employment:

- **No Child Cap:** The limit on the number of children eligible under the Child Allowance Scheme has been removed, allowing full support for all qualifying Emirati children.
- **Support for Children of Emirati Women:** The program now includes children of Emirati women married to non-Emirati men, provided the mother is employed in the private sector.
- **Spouse Support:** Financial benefits have been extended to the spouses of Emirati nationals working in private-sector companies.



# Summary key changes and employer obligations

## Bahrain – LMRA Enhanced Wage Protection System (WPS)

Area	Previous position	New update
<b>Scope</b>	WPS was legally required under LMRA Resolution No. 68 of 2019, but was not enforced through the centralized LMRA portal	All salary payments must be routed exclusively through the LMRA WPS portal (EMS), with no alternative transfer methods permitted.
<b>Applicability</b>	No obligation to submit monthly salary files to LMRA.	The requirement applies to all companies operating in the private sector in Bahrain, who must submit a standardized monthly salary file.
<b>Timeline</b>	No defined implementation timeline.	Mandatory compliance becomes effective January 2026.
<b>Regulatory impact</b>	Limited direct link between payroll processing and LMRA controls.	Non-compliance may result in restrictions on LMRA services, including potential limitations on work permit issuance or renewal.

## Oman – Social Protection Amendments

Area	Previous position	New update
<b>Legal framework</b>	Legacy social insurance regime	Implementation of Social Protection Law
<b>Contribution base</b>	Limited salary components subject to contributions	Expanded contribution base including all fixed allowances
<b>Contribution rates</b>	Lower combined contribution rate (Employee 7%, Employer 10.5%)	Revised employer and employee contribution rates (Employee 7.5%, Employer 11%)
<b>Other Schemes</b>	Not applicable under the legacy system	Work injuries & occupational diseases 1% (0.5% employee, 0.5% employer) Maternity leave 1% employer only Sick & other leave 1 % employer only

## Oman – Mandatory Saving Scheme For foreign employees

Area	Current System End of Service Gratuity	New System Mandatory Savings Scheme
Legal framework	Oman Labor Law and amendments (including changes effective 31 July 2023)	Social Protection Law – Royal Decree 52/2023
Nature of benefit	End-of-service gratuity paid by employer upon termination	Monthly savings contributions paid by employer into a regulated fund
Contribution / Calculation	Calculated based on last basic salary and years of service	Employer contributes 9% of employee's basic salary monthly
Calculation rules	For service after 31 July 2023: Month basic salary per year of service For service before 31 July 2023: 15 days salary per year for first 3 years, then 30 days salary per year	Fixed contribution (9%) accumulated in the employee's savings account. Amount grows through contributions and investment returns (if applicable)
Payment timing	Paid once at end of employment	Savings accumulated and paid to employee at end of employment
Implementation timeline	Currently in force	Implementation before July 2027

## United Arab Emirates – Social Security & Employment Law Updates

Area	Previous position	New update
Registration process	Manual and document-heavy registration	Highly automated digital registration
Documentation	Multiple documents and follow-ups required	Minimal documentation required
Processing time	Longer onboarding timelines	Faster, system-driven onboarding
Employer role	Manual monitoring of registration	Continued accountability via system reporting

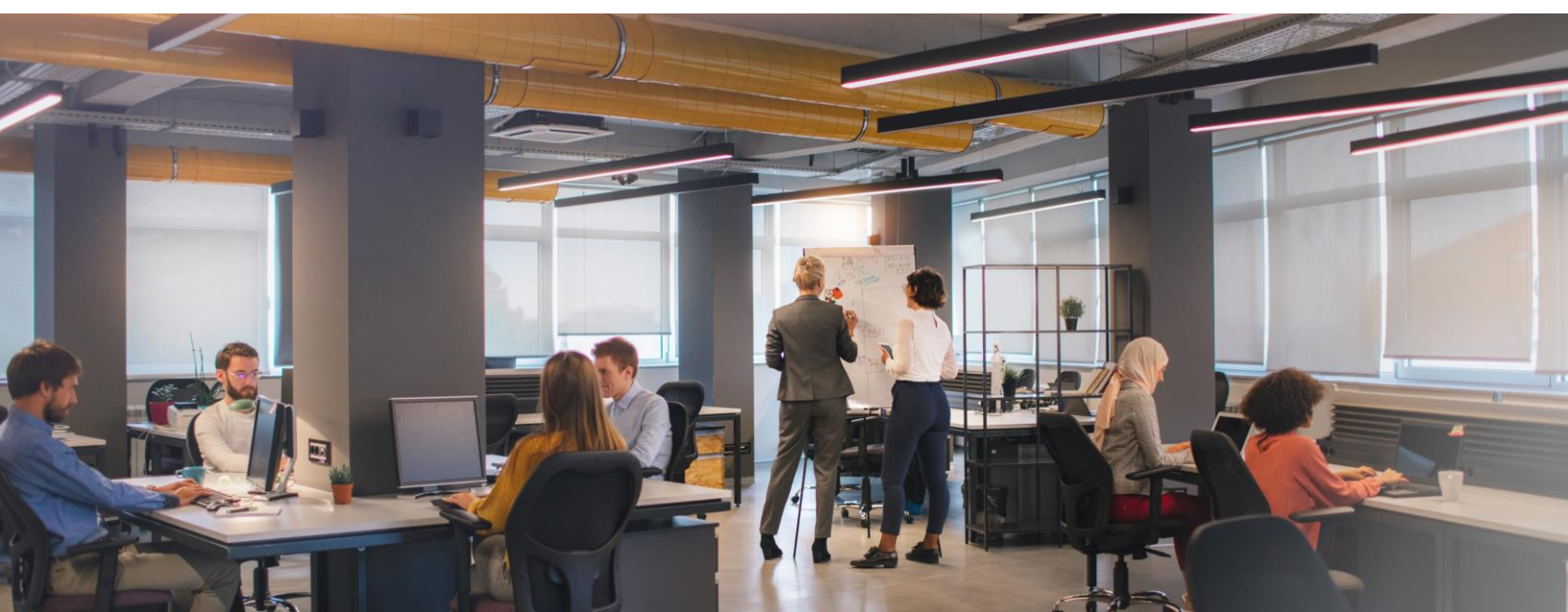


## MOHRE – Labor Law Highlights

Area	Previous position	New update
<b>Employment contracts</b>	Multiple contract models	Mandatory fixed-term contracts
<b>Work models</b>	Limited statutory flexibility	Formal recognition of flexible work models
<b>Minimum wage (Emiratis)</b>	Minimum salary of AED 5,000 for Emiratis employed in the private sector.	Minimum salary of AED 6,000 effective Jan 2026
<b>Employee entitlements</b>	Existing statutory benefits	Reinforced leave and protection entitlements

## United Arab Emirates – Nafis Program

Area	Previous position	New update
<b>Program duration</b>	Nafis's initiative launched in 2021 as part of Emiratization	Program Extended until 2040
<b>Scope of support</b>	Financial incentives and training programs to encourage Emiratis to join the private sector	Continued salary support , child allowance, pension support and training programs
<b>Employer Incentives</b>	Subsidies provided to private sector employers hiring UAE nationals	Continued incentives encouraging higher Emiratization targets
<b>Government objectives</b>	Increase Emirati participation in private sector workforce	Reinforce long term Emiratization strategy and sustainable national workforce integration
<b>Child allowance</b>	Limited to up to five children per family.	Cap removed – support now applies to all eligible children.
<b>Eligibility Coverage</b>	Excluded children of Emirati women married to non-Emirati men and spouses of Emirati nationals in the private sector.	Coverage expanded to include children of Emirati women and spouses of Emirati nationals working in the private sector.



# Contact us

For further assistance, you can reach to your dedicated PwC tax contact.



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# Thank you

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