

SAUDI ARABIA

Items	Regulations in force on 1 January 2012
1: Notification procedures in the case of individual dismissal of a worker with a regular contract	Written notice
2: Delay involved before notice can start	No special requirement. Calculation (for EPL indicators): 1 day for written notice
3: Length of notice period at different tenure durations (a)	1 month if the worker is paid monthly and no less than fifteen days for others.
4: Severance pay at different tenure durations (a)	Art. 84 of the Labour Law states that "upon the end of the work relation, the employer shall pay the worker an end-of-service award of a half-month wage for each of the first five years and a one-month wage for each of the following years. The end-of-service award shall be calculated on the basis of the last wage and the worker shall be entitled to an end-of-service award for the portions of the year in proportion to the time spent on the job." However, art. 85 stipulates that "if the work relation ends due to the worker's resignation, he shall, in this case, be entitled to one third of the award after a service of not less than two consecutive years and not more than five years, to two thirds if his service is in excess of five successive years but less than ten years and to the full award if his service amounts to ten or more years." Calculation (for EPL indicators): End-of-service award minus the fraction due in the case of quit. 9 months: 0.375 months; 4 years: $(1-0.33)*2= 1.33$ months; 20 years: $(1-1)*17.5 = 0$ months
5: Definition of unfair dismissal (b)	Fair "a contract of an indefinite term can be terminated by either party for a valid reason to be specified in a written notice" (art. 75 Labour Law). The determination of whether a termination was made for a "valid reason" is made by the Labor Commission on a case-by-case basis. In practice, business considerations (such as a loss of contracts or economic downturn requiring the scaling down or closure of the employer's office), or the employee's incompetence, all constitute a "valid reason." In the case of worker's serious misconduct there is no need of giving advance notice and severance pay. Unfair: dismissals during pregnancy or sick leave. Any other invalid reason
6: Length of trial period (c)	90 days (Art. 53 Labour Law). It can be renewed in the case of changes in duty or profession (Art. 54).
7: Compensation following unfair dismissal (d)	3 months pay in addition of standard end of service award is the typical compensation. In the case of reinstatement, back pay can be granted.
8: Reinstatement option for the employee following unfair dismissal (b)	Art. 78 of the Labour Law guarantees that the employee can request reinstatement. Reinstatement, however, is rarely granted in practice, particularly to non-Saudi employees.
9: Maximum time period after dismissal up to which an unfair dismissal claim can be made (e)	12 months after termination (Art. 222 Labour Law)
10: Valid cases for use of standard fixed term contracts	No restrictions.
11: Maximum number of successive standard FTCs (initial contract plus renewals and/or prolongations)	The contract can be renewed only if it incorporates a clause providing for its renewal for a similar term or a specified term. The contract can be renewed only for the period agreed upon. If the contract is renewed for two consecutive terms and the two parties continue to implement it, the contract shall become an indefinite term contract (art. 55 Labour Law).
12: Maximum cumulated duration of successive standard FTCs	3 years, except when the initial contract is signed for a longer period (in that case renewals would entail the transformation of the relationship in an open-ended one)
13: Types of work for which temporary work agency (TWA) employment is legal	TWA contracts are illegal. Agencies are only entitled to do recruitment services in exchange of a fee. The recruited worker is then engaged in a standard employment relationship with the user company which is, therefore, the new employer under all legal means (Art. 31 and art. 50 Labour Law).
14: Are there restrictions on the number of renewals and/or prolongations of TWA assignments? (f)	Not applicable
15: Maximum cumulated duration of TWA assignments (f)	No applicable

16: Does the set-up of a TWA require authorisation or reporting obligations?	Not applicable
17: Do regulations ensure equal treatment of regular workers and agency workers at the user firm?	Not applicable
18: Definition of collective dismissal (b)	No requirements in legislation.
19: Additional notification requirements in cases of collective dismissal (g)	No requirements in legislation.
20: Additional delays involved in cases of collective dismissal (h)	No requirements in legislation.
21: Other special costs to employers in case of collective dismissals (i)	No requirements in legislation.

Legend: d: days; w: weeks; m: months; y: years. For example "1m < 3y" means "1 month of notice (or severance) pay is required when length of service is below 3 years".

Notes:

a) Three tenure durations (9 months, 4 years, 20 years). Case of a regular employee with tenure beyond any trial period, dismissed on personal grounds or economic redundancy, but without fault (where relevant, calculations of scores to compute OECD EPL indicators assume that the worker was 35 years old at the start of employment). Averages are taken where different situations apply – e.g. blue collar and white collar; dismissals for personal reasons and for redundancy.

b) Based also on case law, if court practice tends to be more (or less) restrictive than what specified in legislation.

c) Initial period within which regular contracts are not fully covered by employment protection provisions and unfair dismissal claims cannot usually be made.

d) Typical compensation at 20 years of tenure, including back pay and other compensation (e.g. for future lost earnings in lieu of reinstatement or psychological injury), but excluding ordinary severance pay and pay in lieu of notice. Where relevant, calculations of scores to compute OECD EPL indicators assume that the worker was 35 years old at the start of employment and that a court case takes 6 months on average. Description based also on case law.

e) Maximum time period after dismissal up to which an unfair dismissal claim can be made.

f) Description based on both regulations on number and duration of the contract(s) between the temporary work agency and the employee and regulations on the number and duration of the assignment(s) with the same user firm.

g) Notification requirements to works councils (or employee representatives), and to government authorities such as public employment offices. Only requirements on top of those requirements applying to individual redundancy dismissal count for the OECD EPL indicators (cf. Item 1).

h) Additional delays and notice periods in the case of collective dismissal (only delays on top of those required for individual dismissals – as reported in Items 2 and 3 – count for the OECD EPL indicators).

i) This refers to whether there are additional severance pay requirements and whether social compensation plans (detailing measures of reemployment, retraining, outplacement, etc.) are obligatory or common practice.