
Wages Protection System - FAQ

The max length for "Employee Account with Agent " field is 16AN. However, some banks have Account Nos with excess of 24 characters.

Will such records and subsequently the entire file be rejected?

YES if the length exceeds ... Though as an enhancement we may consider to revise the lengths at a later time currently the length is set to 16.

In such cases, the Routing Code + the Account Number should be provided by the bank where the account is held to the account holder. On the cheques the max length of the R/T is 9 and that of the account is 10 and banks are OK with that. A similar mapping exercise needs to be used by them on receipt of payments via the WPS.

With regards to the "Fixed/Variable Income Components", is there any calculation that WPS system is expected to carry out, totaling the fixed & variable income components and deducting days on leave?

NO ... The split is to facilitate the companies to provide proper information and for MOL to monitor and validate. If the company does not have the capability to split the total wage/salary for the month into the specified components then they can indicate one total value in any of the fields.

Should the employee get dual credits - one each for fixed & variable components ?

NOPE ... One CREDIT for the sum of monies arrived at by totaling the fixed and variable component in the EDR for the employee.

The PIF file does not contain the Employee Name. So, while crediting the employee's account, the agent bank will be unable to do any validation on the Account Holder Name on records vs the Account No provided in the file. Please confirm our understanding.

TRUE ... However

AGENTS, must have the necessary mapping tables for the WPS to look up to for obtaining the Title, Account & other details based on the 14 digit Person Id issued by MOL and as printed on the face of the Labor card. Employees who are your customer will need to provide this information and as regards CITI,

For all employees who have a CASA (BANKED) it may be beneficial to collect the PERSON ID

For all employees who will be issued a payroll CARD it may have be collected at the time of issuing the CARD.

Salary/Payment Control Record (SCR/PCR)

Does the "File Creation Date/Time" have any significance, and will WPS treat files differently due to the data in these fields ?

NO ... In future (currently turned off) the WPS will validate this date and time against the Date & Time provided in the FILE NAME ...

Again, any significance on the "Salary Month" field data ? If the client is paying a mid-month salary (15th to 15th), which month is to be taken into consideration ?

The MONTH as deciphered from the start date must be used. This again must be consistent from the employer. From a validation perspective the bank may decide to validate the Salary Month as valid if it matches up with either the start date or end date ... The onus is with the employer providing the salary file to choose one of the two and stick with it. If not adhered to then there would some explanation they will need to provide to MOL.

The file specs says that "Payment Currency" is assumed to be AED. Pls confirm if AED is the default/only option. What about FCY payments ? Do we need a separate SIF file per CCY ?
ONLY option ... Has been added to have salary disbursement in multiple currencies possible ... Currently ruled out ... The WPS will not handle any other currency other than AED ... Salaries/Wages cannot be paid out in any other currency other than AED and such monies will need to be paid into an account (CASA / Card) held by a bank within the geographical boundaries of the U.A.E. Companies will need to adhere to this.

Any significance or validations on WPS systems for the "File Creation Date/Time" ?
To cater for unique file names ... Currently validated to be LESS THAN the time received by the WPS ...As indicated earlier this will later to be validated against the values provided in the SCR ...

Incase of multiple files for the same client, (more than 1000 employees), what will be the distinguishing factor ?
The file name alone ...

*We seek your clarification on the following arrangement in compliance with the WPS set forth by yourselves and MOL.
Currently, we have an existing arrangement with Transguard to do cash payouts to salary workers of our Corporate customers. I believe Transguard is not an accredited WPS-party.
How do we address the reportorial requirement of our customers which are being serviced by Transguard? One thing we are evaluating is the possibility of Transguard providing us proof of the salaries being acknowledged by the workers/employers, which we shall forward to CB or MOL, certifying that the salaries were indeed disbursed through Transguard.*

Assume the following à

XYZ & CO is a corporate customer of BANK

Total employee strength is 1200

1000 employees of XYZ & CO, are distributed pay packets by Trans Guard.

100 employees of XYZ & CO have bank account with BANK

100 employees of XYZ & CO have accounts with other banks in the country.

All employees get a salary of AED 10/-

The process à

SALARY FUNDING

- a) XYZ provides ADCB with a SIF file for 120 employees and a D/A for AED 120,00/-
- b) ADCB secures the funds and sends the SIF to WPS
- c) WPS provides an ACK for the SIF

PAYING SALARIES

- d) WPS also provides ADCB with a PAF with 1100 records for AED 110,000/-
- e) ADCB receives the PAF and provides a PRC to WPS confirming receipt of the PAF
- f) For the 100 payments where the employee is an account holder
 - a. Take the 100 records and post the credits to the account of the individual customers
 - b. Prepare a DIF for the 100 payments made and send it to WPS
- g) For the 1000 pay-packets that Trans Guard will distribute
 - a. Provide the information and the money to Trans Guard
 - b. Trans Guard to distribute the money and at the end of every day they will need to report back to BANK on the disbursements done

- c. BANK will, based on the report provided by Trans Guard prepares a DIF and sends it to WPS.

Can we just clarify that if we need to make payments in Foreign Currency, WPS will only accept AED and therefore we will only be able to make Foreign Currency wage payments for employees in Free Zones. However, if there are any employees, who require payment into a currency account and employed outside a free zone we will need to convert into AED and convert back out again with a double FX spread incurred.

This is CORRECT. However the employer needs to inform the employees that as mandated by MOL they will not be able to pay salaries/wages in any currency other than AED. All charges incurred by the employee to convert the received salary/wage into a currency of his/her preference should be borne by the employee. I would assume, because MOL insists on only paying in AED and also into an account held within the confines of the UAE, all bipartite agreements between employer and employees will be considered null and void as they are against the labor laws. Refer Article 55 Section IV of the labor laws.

*What would be the cut off time for the following?
Submitting the file as Bank of Employer*

This will be on a same day basis or as mutually agreed with the corporate.

Receiving the file as Agent of the Employee.

Agents will need to download the PIF within the hour and provide a PRC within one hour after downloading the PIF. If it's a BANK then the DIF/RFA must be sent out within 2-3 hours from sending out the PRC. Note that these are tentative times. CBUAE expects that all files will be handled on a same day basis.

Would we be able to identify the bank from which the salary has been received based on the Payment information file has been received

NO, this would not be possible for the PAF file received. However this can be requested as a report. If your concern is about screening of payments originating from few banks, please note that all payments received via the WPS are from accounts held within CBUAE and only relate to wages/salaries.

Would we be able to identify the name of the company from which the salary has been received?

To identify the name of the company, you will need to look up into a reference database of establishment ids. The prefix portion of the PAF file made available does carry the 13 digits establishment id.

Please clarify the settlement process of the funds.

Will it be per file based as Debits for Bank of Employer?

At present this will consolidated for every x minutes. However recon reports are available.

Will it be per file as Credit for Agent of the Employee?

At present this will consolidated for every x minutes. However recon reports are available.

Will it be based on the records in the files i.e individual debits as Bank of the Employer?

It will be one single DR for the file.

Will it be based on the records in the file i.e individual credits as Agent of the employer?

It will be one single DR for the file.

Would it be a Nett settlement i.e sum of all debits and sum of all credits.

There will be no NETT settlements in the WPS. Only consolidated entries will be posted

Consolidated DR for all SIF files sent by BANK

Consolidated CR for all PAF files confirmed by way of PRC

Consolidated DR for all RFA sent out as AGENT

Consolidated DR for all RRR sent out as AGENT

Consolidated CR for all RSU received as BANK

Please confirm the turn around time within which the confirmation of disbursement of salaries is to be sent back to central bank

As indicated before, it will need to be on a same day basis. Will be covered in the WPS Undertaking to be signed by BANKS & AGENTS

Clarity regarding the return process à Since the Agents would have upto 10 days to return the funds incase of Exchange houses,, NBFC and banks, in such cases how would we as a bank of Employer be able to identify and reconcile the same at our end.

The request for refund "RFR" originates from the BOE. The reconciliation process is explained in the WPS-SSM. Kindly let me know if more clarity is required.

Is it necessary to process all the staff benefits other than salary through WPS, or only monthly wages, as in contract will be part of the WPS?

Monthly wages as per the L/C is sufficient to be processed through WPS. However if others are also done through WPS you have record and so will MOL when they receive the information from us.

As a group can we send a single file for payment or separate files will be required for our each company like XX, YY, XZA or SDS.

It has to be separate files only ... From a technical perspective we have disallowed the mixing of employees of one employer with the other. The file itself will get rejected from our side if employees from different employers are mixed up in one file.

How many wages files can be sent in a month for a single company?

As many as you wish to. No restriction on the number of files that you can send. On receipt of the salary file, the system only checks to see if all the employees belong to the same employer.

Which MOL number (on Visa or personal ID) is to be given as information in the file? Also let us know which number is to be given for UAE nationals who are the member of Pension Scheme.

From a technical perspective, the PERSONAL ID (The 14 digit number on the face of the L/C) is to be used ... Any other number will fail validation. For UAE nationals also it will be the same and if at present they don't carry a L/C then they will need to obtain one from MOL.

Is there any fixed date to be agreed with MOL for payment.

MOL's general guideline is that by the 15th of any month, the salary for the previous month should have reached the employees.

Our current system gives net payment after deducting the Pension Amount, Without pay deductions, Advance Payment deductions and Over/underpaid salary. How will this be handled as few employees will not get any payment after above adjustments.

You can be silent on this till the time there is no dispute from the employee's perspective. However if there is a dispute then you may to provide evidence to employee and MOL the reasons why no salary was paid out to one or more employees for the period in question. When MOL monitors and on their own, seek clarification as to why salaries have not been paid to one or more employee's the same process can be adopted.

What is TAT with CB to reply with approval/rejection.

Banks & Agents will be made to sign an undertaking with CBUAE for the WPS. This will stipulate the TAT expected from the Banks & Agents.

How does Employer pay Leave Salary?

Do they send separate file with different dates

Do they send different file with extended dates

Both are supported and accepted ... The start & end date is available and the employer must use this to propagate the information ...

What about the advance given to staff - Lot of companies have policy that employees can take advance against salary. How will MOL mark of the salary?

From the data being held we will be able to clearly see that though the salary is less this month it was high the previous month. Also the advances can be reported in different files.

What about EOSB payment? What and how will information get sent to Agent Bank as they would need to recover loan from the customer and take necessary action?

EOSB if the employee will still be in country can be routed through the WPS. However in the meanwhile if the employee has secured a placement in another organization then the WPS will not be able to handle it as the validation will fail with the personal id will now be against a new employer id. In this case the EOSB can be paid out to the agent as a FTS transaction. If EOSB is paid through the WPS then an automatic record is created and available with the MOL. If other mechanisms are used then the employer may have to retain proof of disbursement of EOSB.

Is system capable of managing multiple salaries for the same month if paid in part?

Yes it does ... There are no restrictions on the number of files from an employer ... Can go up to hourly wages ... However the only restriction is that in a file there cannot be more than one record for an employee.

What would be the cut-off times - For sending files, for receiving files, Credit into Bank's account with the Central Bank.

These are covered in the undertaking being finalized by BSED & BOD.

Will all local big companies like Al Futtaim Group, Al Ghurair Group and International Banks like SCB and HSBC have to route salaries through WPS as they are governed by MOL?

YES they will need to.

In the initial days there will be lot of files going forward and backwards and there will be lot of confusion. Will be there help desk in the Central Bank and MOL to enquire from?

YES ... CBUAE & MOL can be called to enquire ...

Is there going to be any help desk enquiry at the Central Bank or MOL for enquiring status of salaries not received? It could be salary sent by us or expected to be received.

YES ... CBUAE can be called to check on files sent out by you as the bank of the employer ... Employers will need to check with their banks ... Employees will need to check with their agents and/or their employers.

Our client has advised that the Service Visa, valid for 90 days, was introduced by the government to allow companies to bring in individuals for business for short duration. Our client's view is that if you look at the approval process for the issue of this type of visa, it is clear that the intention is to have a company acting as a sponsor for them and not as an employer. This is why the person with a Service Visa doesn't have a residency permit, doesn't have the right to rent an apartment or to buy a car and he cannot even open a bank account in order to pay him a salary in AED. The person is, however, registered with the Ministry of Labour and is issued with a labour card. The people that our client currently sponsors on Service Visas are paid in foreign currency off shore. We understand that not all of the people sponsored under Service Visas by our client are employed by our client.

The question is that with the implementation of the WPS, will the people sponsored on service visas have to be paid in AED in the UAE? If this is correct and they cannot open a bank account, will they then have to be paid through an exchange house / EMPOST?

Such employees must be paid in AED in country and the employer must avail the services of Exchange-Houses / EMPOST.

Kindly clarify us that a corporate has 28 different firms however they hold only two accounts. Will it be allowed to debit only two accounts and disburse the salaries of 28 different firms or they have to hold 28 different accounts for disbursement of salaries?

The funding for all the companies can be from one account but each and every company has to send in the details pertaining to their employees in a separate file.

Enquiry from a customer with regards Sickness Pay and how this should be recorded on WPS. After 15 days, those staff that are sick go on half basic pay, do we mention this in the leave days or do we not mention it at all, or have I missed where it needs to be recorded.

On the question of Sickness Pay ... The Labour law states the following

First 15 days full pay

Next 30 days half pay

Next 45 days without pay

Employers can indicate the days on leave as the actual sick leaves availed of during the period and indicate the amount computed as per labor laws. In any case employers must retain all documents pertaining in records for verification if required by MOL

What is the deadline for the employer to pay the salaries/wages to their employees?

The deadline is 2 weeks from the end of the previous pay period if it is the standard monthly wages/salaries. However if a different frequency say bi-weekly, weekly, daily, is agreed and indicated in the labor contract

Must statements be produced to MOL even after participating in the WPS

NO ... The statement along with the declaration will need to be submitted only if the establishment has not processed the salaries/wages through the WPS. Once an establishment has processed the wages/salaries through the WPS, then there is no need to submit declarations/statements to the MOL.

Can salaries/wages for employees not under our sponsorship be paid by us? If yes, then can we also pay them outside the country

NO ... An employer is allowed to pay salaries/wages for the employees only under their direct sponsorship.

How can partial salaries/wages be addressed in WPS?

Employers will need to provide the amount as needs to be disbursed, which is expected to be nett of all dues less all deductions.

Can group companies transfer 1 salary files or multiple?

WPS mandates that every single file provided for processing contains information pertaining to employees of one single organization registered with the MoL. A single organization can submit any number of files for processing in the WPS. WPS will reject files that contain employees of an organization other than the one as identified by the employer id in the control record of the salary file and also indicated in the name of the file provided for processing in the WPS.

If one of the companies within a group defaults to pay salaries/wages through the WPS. Will the MoL penalize all the other companies within the group.

MOL will penalize all the companies within the group even if one of them defaults or is not compliant with the WPS.

How will WPS handle deductions to be made by the employer against employees salaries/wages for advances made to the employees.

WPS does not mandate that the entire amount as indicated in the labor contract is indicated in the file. Employers are free to only indicate the due amount (nett of actual payable less all deductions.)

Can WPS handle wages/salaries paid out to employees in weekly/daily frequency.

WPS can receive and process files pertaining to any frequency. Employers are free to send files daily or weekly or monthly best suited to meet their needs.

How & who will educate the workers on the WPS

The prime responsibility shall rest with the employer. The agent can also be requested to provide the education tailored for the model adopted by the agent.

Who will be responsible if the WPS fails?

Based on the type and reason for the failure, an entity will be identified and held responsible.

Does WPS imply additional work for employers?

To the contrary WPS is aimed to simplify the entire process. Tasks that an employer does today to ensure that salaries/wages are paid out in time might vanish to be replaced with a streamline process as mandated by the WPS

The deadlines imposed on big companies is not fair.

MOL after conducting a market study in consultation with a few large corporations has arrived at this decision. Large organizations due to the level of automation in generating payroll have been identified as the group that can be compliant with the WPS sooner rather than later.

What will happen to companies that cannot meet the deadline as imposed by MOL?

Penalties will be applicable to those organizations that cannot meet the deadlines as imposed by the MOL

How do we treat uncollected wages/salaries? Can these paid out in cash directly by the employers?

Agents are of two kinds BANKS, EXCHANGE HOUSES and OTHERS.

- a) Banks & NBFC licensed and regulated by the Central Bank of the UAE
- b) Exchange Houses licensed and regulated by the Central Bank of the UAE
- c) 3rd Party service providers who act in conjunction with a BANK (The BANK provides the undertaking to cover for all outstanding liabilities for amounts received through the WPS for disbursement)

Funds made available to

- a) BANKS who act as an AGENT will be credited to the account of the employee and therefore is considered as collected.
- b) Un-collected funds will have to be returned by EXCHANGE HOUSES & OTHERS if not collected within the stipulated period of 10 days.

Such uncollected funds if returned by the agent cannot be paid by the employer directly to the employees. Such funds will need to be moved again through the WPS when it becomes evident that the employee is available to collect the funds.

How do we facilitate payment of wages for employees who are in spouses sponsorship?

MOL allows employment of individuals in certain sectors (Education) who are directly under the sponsorship of their spouses. MOL issues a personal id and labor-card to such employees also. However in these cases, the personal id changes upon every renewal (which currently is every year). Employers may continue to use the personal id issued by the MOL even during the interim period when the contract is under renewal. Once MOL has issued the new personal id then such information must be updated in the employer's records and shall be put to use until such time it undergoes a renewal.

Banks normally delay the process ... How can this addressed

Entities have been made to sign an undertaking and they will need to provide guarantees to CBUAE for the TAT.

Why cant CBUAE fix the charges for WPS at the very least to establish a cap.

If this is the view of the establishments then they can approach MOL with this suggestion. This can then be pushed through to CBUAE and then it will be given due consideration.

Wages Protection System - FAQ

Is it possible to send separate SIFs for fixed and variable pay? Meaning, one SIF will have fixed pay only and a separate SIF will be sent for the Variable pay only. Also, if there is no payment to be made to a person for a month, should the customer still indicate that employee in the SIF with zero for both fixed and variable fields?

You can send 2 SIF files one for the FIXED and the other for the VARIABLE pay. If an employee is getting no pay for a month then there should be no record in the file.

To check if the paf file can be consolidated and the credits to the beneficiaries can be given once the paf files download is done, there could be around numerous paf files and some of these paf files might have only a single credit entry from the particular company.....we wanted to check if the paf files will be consolidated by central bank and if the same will be sent to us at regular intervals, we also wanted to check how the covering will be done by central bank once the paf file is recd.

PAF files will not be consolidated by CBUAE. However on receipt of the PAF files, if the bank wishes to consolidate all the CREDITS by CASA and post it then there should be no worries from a technical/financial perspective. You can also send out a DIF for the total amount. This needs to be handled by the system the entity is planning to put in place. The utility does not allow for any consolidation.

We also wanted to check on various cut off times for the relevant files for eg we wanted to check what will be the cut off time once a paf file is recd in terms of sending the DIF and RFA FILE, how much of time do we have to process a paf file once the file is recd?

On receipt of one or more PAF's then first you need to send out the PRC which ensures that the FUNDS if available and secured from the Bank-Of-Employer is made available to you for disbursement.

DIF & RFA must be sent out on a same day basis. RFA is more important than DIF. The RFA is converted into a RTC and sent off to the Bank-Of-Employer for amendments and resubmission. DIF is used to update WPS records.

What is the implication if the bank fails to confirm the DIF and RFA file?

RFA if not sent on a same day basis then the employer would assume that all the details were correct and therefore might raise issue if sent out on a later date.

DIF if not sent on a same day basis will be construed as the receiving bank not compliant with the clauses indicated in the undertaking.

What is the cut off time for salary processing, will it be 14.00 hours or will the cut off change(in terms of central bank cover to the other banks as currently our central bank covering cut off is 14.00 hours)

At present we close the FTS at 14:00 and therefore we stop posting entries from WPS also at 14:00. With ICCS moving to T+0 in November, this may change to 17:00. If it does, then we will continue to post till 17:00.

Will the WPS be able to identify the disbursed amounts against the inbound payments?

NO ... The WPS maintains balances at the BANK, AGENT, EMPLOYER & EMPLOYEE levels. However the WPS will not maintain the disbursements reported against funds made available to agents for disbursements.

Will CBUAE mandate the charges?

NOT AT THIS TIME ...

How the agent can deal with Refund request?

A refund is initiated by the employer for one or more reasons as identified by the employer. A refund request is specific to single salary information as earlier transmitted by the employer's bank through the WPS and that has been accepted for further processing. When a refund request is sent out to the WPS, the system will check to see if sufficient balance is available for the Agent and the employee

As an agent receiving payment information, how will I know the employer?

The payment files have the employer id in the file name. The employer id is also available in the control record.

When the employee moves from one organization to another, then how should the information be handled?

When an individual moves from one employer to another, the person id moves with the employee. Only the employer id for this employee will change along with the labor card.

Will CBUAE provide a utility to be installed at the entities for automating the PUSH & PULL of the WPS related information?

CBUAE will not be providing any utility to automate the SFTP related operation (PUSH/PULL files). Entities must seek out solutions providers who may be able to provide a custom/shrink-wrapped solution to automate the PUSH/PULL process.

How do we handle individuals who work at more than one organization?

Recent relaxation of labor laws allows for individuals to undertake part time employment with multiple organizations. Such part time employment may or may not be registered with the MOL. If it is not registered with the MOL, then the salaries/wages can be paid out through other channels. Only the company that is the primary employer of the individual must pay out salaries/wages through the WPS.

Must the EOSB be based on the values registered with MOL in the labor contract or should be based on the current basic as per company records?

EOSB must be calculated based on the standard calculations as prescribed by the MOL and based on current drawings as per internal records even if the same has not been registered with the MOL by means of a labor contract.

What is the basis for calculating the EOSB if an individual is terminated?

EOSB must be calculated based on the standard calculations as prescribed by the MOL and based on current drawings as per internal records even if the same has not been registered with the MOL by means of a labor contract.

What is required to certify any service provider?

BANKS & EXCHANGE HOUSES are licensed and regulated by the Central Bank of the UAE. 3rd party service providers are a commercially registered company and in order for them to be able to participate in the WPS and provide salary/wages disbursement services, the following needs to be done:

- a) The 3rd party service provider (3PSP) identifies a licensed bank
- b) Advises the bank of its capabilities

- c) If the bank is willing to represent the 3PSP at the CBUAE, then the bank will need to write into CBUAE with the following
 - a. details of the partnership excluding commercials
 - b. technical data flows,
 - c. disbursement modes to be supported
- d) Once this has been approved, the bank & the 3PSP will need to sign an undertaking document.

It needs to be noted that the bank will continue to be responsible for all the WPS transactions processed by the 3PSP.

For UAE Nationals working in the PRIVATE SECTOR, is it mandatory for the salaries to be processed through the WPS? If YES, then will MOL issue the labor card for the UAE Nationals working in the PRIVATE SECTOR?

The answer is YES. Companies must issue the labor card for UAE nationals also.

Routing Codes to use in SIF

The WPS allows for 16 digits of the employees account number to be specified in the EDR record (Salary File). In most of the banks this alone is sufficient for the employee's bank to process the CREDITS to the employees account. In such cases, the employer can limit themselves to use only the head office routing code. For the other banks that have an account number more than 16 digits, it is required that the employer use the specific routing code of the branch where the employee holds the account. If such information is requested for, the AGENT is obligated to provide the correct information to the employer and/or employees. We have attached the current list of "Head Office Routing Codes" that can be circulated.

Agents CANNOT return payment records/files, if the detail as provided in the account number field is sufficient to process the credits correctly.

Agents can only return payment records/files, if the detail as provided in the account number field is NOT sufficient to process the credits correctly without a valid branch routing code in the Agents R/T field in the EDR.

Bank's acting as Agents

The salary amount as transferred by the employer will need to be CREDITED without any deductions to the account of the employees. In case of banked employees, the bank might be charging a monthly fee if the minimum balance is not maintained this is outside the purview of the WPS and we assume that the employee is fully aware of this when the account relationship was established with the bank.

Blocking Funds for Recovery against Salaries

It is common practice for banks to block the funds against advances made earlier. A few banks had raised a point stating that since the Payment File (PAF) has a "Fixed Income Component" and "Variable Income Component" unlike previously where it used to be one single figure, what should be considered for blocking.

This can be decided by the banks. However the options available are

- a) If the EDR has amounts in both the Fixed & Variable component fields, then the total amount can be blocked for recoveries

- b) If the EDR has only the Fixed component then the total amount can be blocked for recoveries
- c) If the EDR has only the Variable component then the same may not be blocked for recoveries.

Note that this will not have any issues as from a MOL perspective, once a month the employer has to transmit the minimum wages as indicated in the labor contract via the WPS.

