



Human Resources and  
Social Development

## Guidelines for the Expatriate Worker Wage Insurance Service for Private Sector Defaults





# Table of Contents

<b>01</b>	Introduction
<b>02</b>	Definitions
<b>03</b>	Workers Covered by the Insurance Service
<b>04</b>	Benefits and Wages covered by the Insurance Service
<b>05</b>	Expatriate Worker's Eligibility for Insurance Compensation & Travel Ticket
<b>06</b>	Expatriate Workers in Establishments that defaulted Before the Implementation of the Insurance Service
<b>07</b>	Conditions for Expatriate Workers to Obtain Insurance Compensation
<b>08</b>	Duration of the Wage Insurance Service Coverage and When this Insurance Service Will Come into Effect
<b>09</b>	Responsible Party for Bearing the Cost of the Insurance Service (Insurance Premium)
<b>10</b>	Notification of the Employer (Establishment) Whose Workers Will Apply for Compensation
<b>11</b>	Recourse Against the Employer (Establishment) Whose Workers Will Be Compensated by the Insurance Company
<b>12</b>	Verification of Expatriate Worker Coverage Eligibility by the Wage Insurance Service
<b>13</b>	Requirements and Mechanism for Compensation Claims
<b>14</b>	Compensation Request Submission Form

## Introduction

In alignment with Saudi Vision 2030 and its related programs, and as part of the ongoing efforts of the Ministry of Human Resources and Social Development to safeguard the rights of both workers and employers, while enhancing the efficiency and appeal of the Saudi labor market, as well as enhancing the working conditions of expatriate workers, the Ministry has introduced The Expatriate Worker Wage Insurance Service for Private Sector Defaults. This initiative guarantees the rights and entitlements of expatriate workers in the private sector. By doing so, it ensures the protection of workers' rights in private sector establishments, reduces the risks associated with non-receipt of wages and entitlements, and facilitates their return to their home countries, if necessary. These guidelines have been prepared to provide detailed information about the insurance service.

This new service is a safeguard in the event that employers default on the rights and entitlements of expatriate workers. It provides specific benefits covered by the insurance policy, allowing expatriate workers in defaulting establishments to claim their unpaid wages and other entitlements within the policy's financial limits. Additionally, workers may be eligible for a travel ticket to return to their home country, also within the financial limits of the policy. Some workers are exempted from the service's provisions as explained below.

## Definitions

<b>Ministry</b> The Ministry of Human Resources and Social Development in Saudi Arabia
<b>Compensation Claims</b> Claims submitted by expatriate workers in cases where they have not received their salary for 180 days (6 months).
<b>Defaulting Establishment</b> An establishment that, as per the Ministry's laws, has delayed wage payments to 80% or more of its workers for 6 months or longer.
<b>Expatriate Worker</b> A non-Saudi worker employed by a defaulting establishment and registered according to the Ministry's rules, meeting the conditions for compensation.
<b>Workers Exempted from the Service's Provisions:</b> <ol style="list-style-type: none"><li>1. Workers in establishments wholly owned by the government.</li><li>2. Workers exempted by the Ministry in accordance with the probation period and the date of their arrival to the Kingdom.</li><li>3. Domestic workers and their equivalent.</li><li>4. Seasonal or temporary workers.</li><li>5. Members of the employer's family who work in an establishment comprised solely of them; of whom are the wife, the children, and the offspring of the children.</li><li>6. Athletes from sports clubs or sports federations, and their coaches.</li><li>7. Agricultural workers and farmworkers, and their equivalent.</li><li>8. Non-Saudi Workers arriving in the Kingdom for a specific task, and for a period of less than 2 months.</li></ol>
<b>Unpaid Wages and Entitlements at a Defaulting Establishment:</b> Refer to the expatriate worker's wages documented in the verified contract (including basic salary and allowances) that have not been paid by the defaulting establishment.

**Travel Ticket for Worker to Return to Home Country:**

The economy-class travel ticket for the expatriate worker, up to the maximum value specified in the benefits schedule.

**Appointed Insurance Company**

The insurance company contracted by the Ministry to provide the insurance service, and manage all associated services, including compensation disbursements and compensation requests from expatriate workers aligned with the terms and conditions.

### Workers Covered by the Insurance Service

All expatriate workers in the Saudi labor market employed by establishments with commercial registrations, regardless of classification, are covered. Exceptions are explained in the relevant section (Workers Exempted from the Service's Provisions).

### Insurance Service Benefits:

1. Unpaid wages and entitlements for a maximum of 6 months prior to the default of the establishment.
2. A travel ticket for the worker to return to their country, capped at 1,000 Saudi Riyals.
3. The maximum insurance coverage is 17,500 Saudi Riyals per worker. If the total claims exceed the establishment's insurance coverage limit, compensation will be provided up to the coverage ceiling for the establishment, distributed proportionally among eligible workers.

### Wages Covered by the Insurance Service

The wages covered are the monthly wages, allowances and other entitlements not paid by the establishment, and that are specified in an employment contract authenticated by the Ministry, excluding end-of-service benefits.

### Expatriate Worker's Eligibility for Insurance Compensation

An expatriate worker is eligible for compensation if their employer delays (or defaults in) wage payments for over 6 months and the delay affects 80% or more of the workforce and if this delay happens during the insurance coverage period (12 months from the policy's start date).

Workers are not required to leave the country to claim their rights and can claim compensation even if they have transferred to another employer.

### Expatriate Worker's Eligibility for a Travel Ticket

An expatriate worker may claim a travel ticket if they wish to leave Saudi Arabia, have not transferred to another employer, and can provide proof of completing all legal departure procedures, including obtaining a final exit visa.

### Expatriate Workers in Establishments that Defaulted before the Implementation of the Insurance Service

This service does not cover expatriate workers in establishments that defaulted before this wage insurance service came into effect.

### **Conditions for Expatriate Worker to Obtain Insurance Compensation**

- 1- The worker must be covered by the insurance service and not belong to the excluded category.
- 2- The worker must be registered in the records of the defaulting establishment during the claim period and is still under employment, according to the laws of the Ministry of Human Resources and Social Development.
- 3- Submission of a recognized documented instrument proving non-receipt of wages and entitlements in the defaulting establishment.
- 4- The worker must not have benefited from compensation from this insurance service during the same insurance year.
- 5- Attach proof of the worker's intention to leave the Kingdom when requesting compensation for a travel ticket (final exit visa).

### **Duration of Wage Insurance Service Coverage**

The insurance service is effective for the duration of the agreement between the Ministry and the insurance company and is renewed annually.

### **When this Insurance Service Will Come into Effect**

The service will come into effect on 6/10/2024.

### **Responsible Party for Bearing the Cost of the Insurance Service (Insurance Premium)**

The Ministry bears the cost of the insurance service and its application.

### **Notification of the Employer (Establishment) Whose Workers Will Apply for Compensation**

The employer (establishment) will be officially notified through formal communication channels when any of its workers submit a compensation claim. The employer will be granted a period of 10 working days to submit an objection. If no objection is filed within this period, the eligible workers will be compensated in accordance with the specified conditions.

### **Recourse Against the Employer (Establishment) Whose Workers Will Be Compensated by the Insurance Company**

Once the insurance company has disbursed compensation to the workers, it is entitled to take recourse against the employer (establishment) where the workers were employed. The insurance company can demand reimbursement for the compensation amounts paid to the workers, either in full or in part.

### **Verification of the Expatriate Worker Coverage Eligibility by the Wage Insurance Service**

The expatriate worker can verify whether they are covered by the wage insurance service by accessing the following link and entering the residence permit number (Iqama): <https://labor.aletihad.sa/>

## Requirements and Mechanism for Compensation Claims

To apply for compensation, expatriate workers must follow these steps:

1. The expatriate worker must submit a compensation claim either personally or through a legally authorized representative to the appointed insurance company.
2. The designated compensation claim form must be completed, including a pledge and declaration by the worker, agreeing not to file any further claims related to the rights and entitlements they have received compensation for from the insurance company.
3. The worker must, if available, provide evidence of the most recent wages and entitlements received from the defaulting company.
4. A copy of the worker's employment contract must be attached.
5. A copy of the documented legal instrument specifying the wages and entitlements being claimed for compensation must be provided.
6. A copy of the expatriate worker's ID or an equivalent document must be included.

**Forms**

**1. Compensation Request Submission Form (Form No. 1)**

Form No. (1)

**Compensation Request Submission Form**

Request Number: .....

Date: .....

❖ **Expatriate Worker Applicant Information:**

<b>Name</b>		<b>Residence Permit Number</b>		<b>Nationality</b>	
<b>Name of Defaulting Establishment</b>		<b>File Number</b>		<b>Last Received Salary</b>	
<b>Monthly Salary Amount</b>					

❖ **Specifying the Compensation Request**

<b>Compensation Type</b>	<b>Yes</b>	<b>No</b>
<b>Unpaid wages and entitlements of the expatriate worker at the defaulting establishment</b>		
<b>Travel ticket for the worker/employee to return to their country and leave the Kingdom</b>		

❖ **Pledge and Declaration:**

**I pledge not to file any future claims for the overdue salaries for which I have received compensation from any relevant authorities, whether in amicable settlement bodies or judicial authorities, and I accept full legal responsibility if it is proven that I have done so.**

**I declare that I have not previously benefited from compensation under this insurance product during the current insurance year.**

**I declare and pledge that all the information provided above is accurate, and I accept full legal responsibility if any information is found to be incorrect.**

❖ **Required Documents to be Attached:**

- Copy of ID.**
- Copy of employment contract.**
- Proof of last received salary.**
- Copy of the final exit visa if requesting compensation for the travel ticket.**
- Notification of lawsuits filed by the worker in amicable settlement bodies or judicial authorities.**

Applicant's Name:

Residence Permit Number:

Date:

