

**Law Office
of
HOWARD L. STOVALL**
**2131 North Racine Avenue
Chicago, Illinois 60614
Telephone (773) 248-8896
Facsimile (773) 248-8897
E-mail Howard@Stovall-Law.com**

**SOME HIGHLIGHTS
OF THE
JORDANIAN LABOR LAW**

The Jordanian Labor Law (Law No. 8 of 1996 as amended) contains the most important rules applicable to employment relationships in Jordan. In general, that law applies equally to Jordanian national employees as well as expatriate employees.

The following summary highlights some of the more significant aspects of the Jordanian Labor Law (including amendments to that Law enacted in 2019).

Permits for Foreign Nationals

A local company is not permitted to engage any non-Jordanian employee except with the approval of the Ministry of Labor and after obtaining a work permit. This assumes that the work requires experience and capability which are not available through Jordanian employees, or that the available number of local employees does not meet the overall demand. The work permit is valid for one year and should be renewed annually.

Even if an expatriate employee is performing short-term work, s/he is required to obtain work and residency permits. (Such a requirement does not apply to experts who enter Jordan to provide their expertise to a company, on the condition that their residence in Jordan does not exceed three months.)

The Ministry will charge the employer a fee for the issuance and renewal of the work permit for every non-Jordanian employee. In addition, the following documents should be submitted to the local authorities:

- the registration certificate of the employer;
- the employment contract;

- the vocational license of the company;
- a copy of the employee's passport;
- health certificate for the employee from the Ministry of Health; and
- a certificate from the Social Security Corporation, stating that the employee is registered with it.

Upon obtaining the work permit, the employee should obtain a residency permit (to be renewed every year). According to the Residency and Foreign Affairs Law, any foreigner who legally enters Jordan and does not obtain the necessary residency permit or exceeds the duration of his/her residency permit without renewal within one month from the date of its expiry, shall be subject to a fine. According to that same law, any employer who hires a foreigner without having a valid residency permit will be subject to fine.

Hours of Work/Leave

According to the Jordanian Labor Law, working hours are calculated on a daily or weekly basis, rather than on a yearly basis. Ordinary working hours are eight hours per day or forty-eight hours per week. (Time allocated for meals and rest is not included in this number.)

Unless the employment contract provides for more generous vacation, every employee (regardless of nationality) is entitled to fourteen working days annual paid leave. Such leave is increased to twenty-one working days after the employee remains in the service of the employer for more than five consecutive years.

In general, vacation time is mandatory under Jordanian law. Any waiver by the employee of any of his/her rights is considered null and void. However, the employer may fix, during the first month of the year, the date of each employee's annual leave according to work requirements, provided that due consideration is given to the employee's interests.

If annual leave is not used in one undivided period of time, any partial annual leave should not be taken in less than two day increments.

Every employee (again regardless of nationality) is entitled to fourteen days sick leave with full pay per year, based on a medical report issued by a doctor approved by the employer. Such sick leave may be extended for another fourteen days with full pay if the employee is hospitalized, based on a medical report (for employers who employ less than twenty employees) or a report by a medical committee (for employers who employ more than twenty employees). This requirement is reflected in an amendment to the Labor Law enacted last year.

There are a number of other statutorily required periods of leave. Every employee shall have the right to:

- four months leave without pay if s/he joins an officially recognized university, institute or college.
- fourteen days paid leave per year if s/he joins a course on labor culture approved by the Ministry of Labor or the General Federation of Jordanian Trade Unions, upon the nomination of the employer in coordination with the concerned labor union.
- fourteen days paid leave for the performance of pilgrimage; the employee should serve five consecutive years with the employer in order to enjoy such right, and this leave is to be granted only once during the employee's period of service.
- each member of a married working couple may obtain a leave once without pay for a period not exceeding two years to accompany a spouse who is transferred to another job located outside the governorate where s/he works within Jordan or for a job abroad.
- a female employee is entitled to maternity leave totaling ten weeks with full pay, prior to and after delivery, provided that the period subsequent to delivery may not be less than six weeks; an employer is prohibited from putting the mother back to work before this period expires.
- after the expiry of maternity leave, an employer must permit a nursing mother for a year from the date of birth to take a period or periods not exceeding one hour in total per day with pay for nursing her newborn.
- a woman who works at an establishment which engages ten employees or more shall have the right to leave without pay

for a maximum period of one year in order to devote her full time caring for her children. (This right is forfeited if the woman works for pay in any other establishment during this period of leave.)

- a male employee is entitled to a three day paid paternity leave. (This benefit is based on an amendment to the Labor Law last year.)

A Jordanian national or expatriate worker is permitted to work during holidays, provided that s/he receives an additional minimum wage during that day of not less than 150% of usual wages.

An employer is not required to pay unused sick leave when an employee leaves employment. However, if the employee departs before using accrued vacation days, s/he is entitled to payment in lieu of the unused vacation days for the past two years before leaving employment.

Overtime and Shift Work

The Jordanian Labor Law contains a number of rules governing overtime. The employer is permitted to put an employee to work (with his/her consent) in excess of the daily or weekly working hours, provided that the employee receives a wage for every hour of overtime at a minimum rate of 125% of the regular wage.

The employer may require the employee to work more than the daily or weekly working hours in any of the following cases, provided again that the employee receives overtime pay:

- carrying out the establishment's annual inventory, preparing the balance sheet and closing accounts, getting ready to sell at discounted prices, provided that the number of days on which this provision is applied does not exceed thirty days per year and that the actual working hours do not exceed ten hours a day.

- to avoid the occurrence of loss to goods or any other item which is exposed to damage, to avoid the risks of technical work or to receive certain materials, delivery or transporting of same, provided that the number of days on which this provision is applied do not exceed thirty days

per year. (This increase to thirty days is based on an amendment to the Labor Law last year.)

If the employee works on his/her weekly rest day, religious feast holidays, or other official holidays, s/he should receive a wage on that day of not less than 150% of the regular wage.

The Jordanian Labor Law does not regulate night work except for women and minor employees. Female employees (including those who are pregnant) may not be employed at night, from ten p.m. until six a.m., except with the approval of the employee and only in some specific industries. In no case can employers employ minors who have not reached the age of sixteen. No minor is permitted to work from eight p.m. through six a.m., and no minor under the age of eighteen is permitted to work more than six hours per day (provided that a minimum of one hour rest is granted after four hours of successive work). In addition, no minor is permitted to work during religious feasts, official holidays and weekly holidays, and no minor under the age of eighteen is permitted in jobs that are deemed hazardous, exhausting or prejudicial to health. (Such jobs are specified through decisions issued by the Minister of Labor.)

An employee cannot waive overtime hours or maximum weekly working hours. According to the Jordanian Labor Law, any agreement under which any employee waives any rights under the Jordanian Labor Law shall be considered null and void.

Bonuses and End-of-Service Benefits

Under the Jordanian Labor Law, if the labor contract or the employer's internal regulations provide for additional pay or bonuses (such as a 13th month salary), the employee should not be deprived of such a right. (Every employer who engages ten employees or more should establish internal regulations for organizing the work in its establishment, outlining working hours, daily and weekly rest periods, work violations, penalties and measures taken in respect thereof, including discharge from work, the method for its implementation, and any other details required by the nature of work. The establishment's internal regulations are subject to approval by the Minister of Labor. Failing to establish such internal regulation will subject the employer to penalties.)

There are also end-of-service benefit payments that should be paid to an employee who is not enrolled under the Social Security system. Such an employee is entitled (when the employment contract ends for any reason) to an end-of-service benefit at a rate of one month salary for every year of employment. Fractions of a year shall be paid proportionately. The end-of-service benefit is calculated on the basis of the employee's last salary, including any regular compensation, such as housing allowance, car allowance, bonuses, as well as salary payments.

Most Jordanian or expatriate employees between the ages of 16 and 55 (for female employees) or 60 (for male employees) should be registered with the Social Security Corporation. Each employee under the Social Security system is insured against work injuries, diseases, disability, old age, and the like. Pension payments become payable provided that the employee fulfils certain requirements set out in the Social Security Law.

(Under the Social Security Law, the maximum salary for calculating an employee's participation in the Social Security system is Jordanian Dinars 3000 (or, in the case of employees who joined the Social Security system before 15 October 2009, JD 5000). A few recent Jordanian court decisions, including by the Court of Cassation, have required employers to pay employees, even if already participating in the Social Security system, an additional end-of-service benefit for any salary exceeding the above thresholds. The courts adopted an end-of-service benefit calculation as the difference between the employee's actual salary and the maximum salary registered with the Social Security system, i.e., entitling the employee to end-of-service benefit for the amount that his/her actual salary exceeds the ceiling set for participation in the Social Security system.)

Termination of Employment

An employee may terminate an indefinite term contract upon one month written notice and with no compensation owed to the employer. In the case of a definite term contract terminated by the employee without cause before the end of the contract period, the employer may claim whatever damages arise from the employee's termination, but not to exceed the equivalent of one-half of the wages owed to the employee for the remaining period of the labor contract.

On the other hand, an employer's termination of the labor contract should always be for cause. If the employer terminates a definite term labor agreement before the end of its period without cause, the employer should pay the wages of the employee until the end of the contract period, in addition to any other entitlements (such as payment in lieu of vacation time).

As for an employer's termination of an indefinite term contract without cause, the employee will be entitled to compensation for unfair dismissal, equal to one-half month salary for every year of employment (not less than two months salary), in addition to one month pay in lieu of notice, and any other entitlements owed.

Termination for cause under the Jordanian Labor Law includes:

- if the employee assumes a false identity or submits false certificates or documents with the purpose of acquiring a benefit or causing prejudice to others.
- if the employee fails to fulfill the obligations contained in the employment contract.
- if the employee commits a fault causing serious material damage to the employer, provided that the employer notifies the appropriate authorities of the incident within five days from the date of learning of the occurrence.
- if the employee violates the internal regulations of the employer (including safety regulations), despite being warned in writing twice.
- if the employee is absent without good cause for more than twenty intermittent days during the year, or for more than ten consecutive days, provided that dismissal is preceded by a written warning sent by registered mail to the employee's address and published, at least once, in a local newspaper.
- if the employee discloses work secrets.
- if the employee is convicted, by a court decision which has become final, of a criminal offense or a misdemeanor involving dishonorable or immoral conduct.

- if the employee is found drunk or under the influence of any drugs, or if s/he has committed, at the workplace, an act violating public morals.

- if the employee strikes or insults the employer, the manager in charge, a superior, a fellow employee or any other person during work or because of it.

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This memorandum is intended to summarize some general legal principles of labor law in Jordan, but not to provide legal advice on any specific question of law. Please let me know if you have any questions or comments regarding the background information in this summary, or if I might assist in connection with any Middle Eastern commercial law matter(s).

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