

Insights

SAUDI ARABIA ENABLES DIRECT WAGE ENFORCEMENT FOR UNPAID EMPLOYEES

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Saudi Arabia is set to introduce another e-government solution to simplify the process for employees in Saudi Arabia to claim and recover unpaid wages from their employers. Similar to the online facility available to landlords to directly enforce and recover rent from non-paying tenants, the Ministries of Human Resources and Social Development (MHRSD) and Justice have announced a new facility that will be available to employees who have not received wages according to their registered employment contracts. More specifically, employees whose wages remain unpaid for 30 days or partially paid after 90 days, may now seek direct Enforcement Court recourse through the Najiz portal without going through any other administrative and/or judicial procedures. While the current scope is limited to wage-related claims, it appears that the collaboration may eventually extend to other breaches of employment contracts registered in the MHRSD's QIWA system.

This development is being rolled out in three (3) phases: (a) Phase I – starting now to all new Qiwa contracts; (b) Phase II – from March 2026 to all renewed fixed-term Qiwa contracts; and (c) Phase III – from August 2026 to all indefinite Qiwa contracts.

Employees should be able to initiate enforcement directly against their employer's bank account through the Najiz system where the employee has an active contract in QIWA and can demonstrate non-payment of wages (i.e., employees bank statement for the employee account identified in the active QIWA contract confirming non-receipt of the wages for the claimed period). Verification of wage non-payment is conducted electronically through the Wage Protection System (Mudad), which records wage payments based on due dates and agreed amounts. Employers are notified via Najiz and given five days to either object or settle the claim. Absent employer objection or verification of settlement, the claimed funds will be withdrawn from the employer's account and deposited in the employee's account.

To be proactive, employers should ensure that wages are paid timely and that the employer's QIWA record is updated to make sure all departing employee's QIWA system status is timely changed to be 'inactive' where the employment has ended.

Please contact any of the following if you have questions.

RELATED CAPABILITIES

- Employment & Labor

MEET THE TEAM



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