



جامعة زايد  
ZAYED UNIVERSITY

Working Paper No. ZU-WP 2015-002

**Early Retirement, benefits and  
the cost of living among nationals  
in Abu Dhabi**

Dr. Mouawiya Al Awad  
Dr. Wifag Adnan  
Dr. Eda Orhun

Views presented in this working paper are those of the authors and do not necessarily represent views of Zayed University

# **EARLY RETIREMENT, BENEFITS AND THE COST OF LIVING AMONG NATIONALS IN ABU DHABI**

**RESEARCH COMMISSIONED BY THE  
THE ABU DHABI RETIREMENT AND PENSION BENEFIT FUND (ADRPBF)**

**DR. MOUAWIYA AL AWAD**, DIRECTOR – INSTITUTE OF SOCIAL & ECONOMIC RESEARCH –  
ZAYED UNIVERSITY PO BOX 19282 DUBAI, UAE. MOBILE: 050-4296951, EMAIL:  
[MOUAWIYA.ALAWAD@ZU.ZC.AE](mailto:MOUAWIYA.ALAWAD@ZU.ZC.AE)

**DR. WIFAG ADNAN**, ASSISTANT PROFESSOR, COLLEGE OF BUSINESS, ZAYED UNIVERSITY, TEL.  
025993455, EMAIL: [WIFAG.ADNAN@ZU.AC.AE](mailto:WIFAG.ADNAN@ZU.AC.AE)

**DR. EDA ORHUN**, ASSISTANT PROFESSOR, COLLEGE OF BUSINESS, ZAYED UNIVERSITY, TEL.  
025993430, EMAIL: [EDA.ORHUN@ZU.AC.AE](mailto:EDA.ORHUN@ZU.AC.AE)

**September 2015**

## **Abstract**

Social and security authorities in the UAE, including the Abu Dhabi Retirement and Pension Benefit Fund (ADRPBF) may face three main challenges: Demographic, financial and early retirement. Due to the increase in life expectancy at birth (hence, number of years lived after retirements) and decrease in death rates, demographic challenges refer to the continuous increase in the numbers of retirees and their beneficiaries, which could create a kind of imbalance between revenues and entitlements. Financial challenges may arise in the future if financial resources are insufficient to meet the expenses. This may be largely due to the lack of any control on salary increases in addition to the lack of a higher ceiling for the salaries of the insured at the end of the service. Early retirement (retirement before the legal age) may impose a large financial burden on the system in the future and intensifies the loss in the contribution of experienced nationals to the development of the nation.

This research project aims at understanding the retirement behavior of UAE nationals and the efforts needed to limit early retirement and to reintegrate early retirees to the labor market, and to analyze consumption demands and the cost of living in relations to the benefits offered by the ADRPBF. In particular, the research main objectives are to analyze the socio-economic characteristics of early retirees, to identify the main determinants of early retirement, to project the future aspects of early retirement, to study spending habits and the use of benefits and pension funds by individuals and within families, to study people's attitudes to retirement and responsibility for financial provision in retirement and saving for their own retirements, to categorize the needs of retirees in terms of retirement benefits and pensions and the level of income is deemed necessary for life essentials and to provide concrete policy recommendations and proposals of actions related to the issues above.