

**Kingdom of Cambodia
Nation Religion King**

**Ministry of Labour and Vocational Training
No: 443 K.B/Br.K.Kh.L**

**Prakas
On
Payment of Seniority Indemnity**

Minister of Labour and Vocational Training

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen Royal Decree NS/RKT/0913/903 dated 24 September 2013 on Appointment of the Royal Government of the Kingdom of Cambodia
- Having seen Royal Decree NS/RKT/1213/1393 dated 21 December 2013 on Adjustment to the Composition of the Royal Government of the Kingdom of Cambodia
- Having seen Royal Decree NS/RKT/0416/368 dated 04 April 2016 on Adjustment to the Composition of the Royal Government
- Having seen Royal Code 02/NS/94 dated 20 July 1994 promulgating the Law on Organization and Functioning of the Council of Ministers
- Having seen Royal Code NS/RKM/0105/003 dated 17 January 2005 promulgating the Law on Establishment of Ministry of Labour and Vocational Training
- Having seen Royal Code ChN/RKM/0397/01 dated 13 March 1997 promulgating the Labour Law
- Having seen Royal Code NS/RKM/0707/020 dated 20 July 2007 promulgating the Law on Amendment to Article 139 and Article 144 of the Labour Law
- Having seen Royal Code NS/RKM/0618/010 dated 26 June 2018 promulgating the Law on Amendment to Article 87, Point "C", Section 3 of Chapter 4, Article 89, Article 90, Article 91, Article 94, Article 110, Article 120 and Article 122 of the Labour Law promulgated by Royal Code Ch.S/RKM/0397/01 dated 13 March 1997
- Having seen Sub-decree 283 OrNKr.BK dated 14 November 2014 on Organization and Functioning of the Ministry of Labour and Vocational Training

Decide

Article 1

This Prakas covers all enterprises, establishments and those who are covered by the provisions of the Labour Law.

The seniority indemnity as stipulated in new Article 89 of the Labour Law shall apply to workers/employees who have undetermined duration contract only.

For workers/employees who have fixed duration contract, the employer shall provide the workers/employees with severance pay which is proportional to both wage and duration of the contract and the amount of this severance pay is stipulated in the collective bargaining agreement (CBA). If there is no collective bargaining agreement (CBA), this severance pay shall be at least

5% (five percent) of the wages that the worker/employee has been paid during the duration of the contract.

Article 2

The payment of seniority indemnity 2 (two) times per year shall be implemented from 2019 in accordance with the following formalities:

- 1- The employer shall provide the workers/employees who are working with seniority indemnity which is equal to 15 (fifteen) days of their wage and other benefits per 1 (one) year. This indemnity shall be paid to workers/employees:
 - 7.5 (seven and a half) days in June of each year and
 - 7.5 (seven and a half) days in December of each year
- 2- For workers/employees who have been employed in the first year and have worked consecutively from 1 (one) month to 6 (six) months, the employer shall provide the workers/employees with 7.5 (seven and a half) days of seniority indemnity.

Article 3

The back pay of seniority indemnity before 2019 of workers/employees who have been working in the enterprise/establishment shall follow the following formalities:

1. For the textile, garment and footwear enterprises/establishments, the employer shall pay back pay of 30 (thirty) days of the total seniority indemnity every 1 (one) year:
 - 15 (fifteen) days in June of each year and
 - 15 (fifteen) days in December of each year.
2. For enterprises/establishments in other sectors other than the textile, garment and footwear sector, the employer shall pay back pay of 15 (fifteen) days of the total seniority indemnity every 1 (one) year:
 - 7.5 (seven and a half) days in June of each year and
 - 7.5 (seven and a half) days in December of each year.

The maximum seniority indemnity to be paid shall not exceed 6 (six) months of the average net wages of each year that shall be back paid.

For the first year of employment of workers/employees which is the basis for seniority indemnity, the employer shall pay seniority indemnity of 7.5 (seven and a half) days to workers/employees who have worked consecutively from 1 (one) month to 6 (six) month. If the employment duration exceeds 6 (six) months, it shall be equal to 1 (one) full year and the employer shall pay seniority indemnity of 15 (fifteen) days to the workers/employees.

Workers/employees who have seniority before 2019 from 1 (one) month upwards will receive 2 (two) different types of seniority indemnity: back pay of seniority before 2019 and seniority indemnity in each year.

For workers/employees who resign will not receive the back pay of the remaining seniority.

Article 4

Any regulation contrary to this Prakas shall be abrogated.

Article 5

Cabinet chief, Director General of General Department of Administration and Finance, Director General of General Department of Labour, Director of Labour Inspection Department, Director of Labour Dispute Department and units under the supervision of the Ministry of Labour and Vocational Training, Director of Municipal/Provincial Department of Labour and Vocational Training shall implement this Prakas according to their respective duties from the date of signature.

Phnom Penh, 21 September 2018

Minister

(Signed and stamped)

Ith Sam Heng

Recipients

- Office of the Council of Ministers
- Secretary General of the Royal Government
- Cabinet of Samdech Techo Prime Minister
- Cabinet of Samdech, Excellency, Lok Chumteav Deputy Prime Minister
- Relevant ministries and institutions
- Unions and associations at all levels
“for information”
- As in Article 5
“for implementation”
- Royal gazette
- Archives