

Labour Law

Calculation of Seniority Payment

Prakas No. 443 MoLVT on the Calculation of Seniority Payment

On 21 September 2018, the Ministry of Labour and Vocational Training issued Prakas No. 443 MoLVT on the Calculation of Seniority Payment (“**Prakas**”). The Prakas applies to all enterprises, establishments and persons governed by the Cambodian Labour Law. Seniority payment is applicable to undetermined-duration employment contracts only, and shall be calculated as follows:

1. **Back pay of seniority payment for work performed prior to 2019 (“Back Pay Seniority Payment”):**
 - For the first year from which the Back Pay of Seniority Payment is to be counted, workers/employees who have consecutively worked from 1 to 6 months are entitled to 7.5 days of the back pay, while those who have consecutively worked for more than 6 months are entitled to 15 days of the back pay. Subsequent to the first year, the Back Pay Seniority Payment is 15 days per year of service.
 - The Back Pay of Seniority Payment for workers/employees in the textile, garment, and footwear industries is 30 days (equivalent to back pay amount of 2 years) of total Back Pay Seniority Payment, to be paid twice per year until exhaustion:
 - 15 days in June each year
 - 15 days in December each year
 - The Back Pay of Seniority Payment for workers/employees in other industries is 15 days (equivalent to back pay amount of 1 year) of total Back Pay Seniority Payment, to be paid twice per year until exhaustion:
 - 7.5 (seven and a half) days in June each year
 - 7.5 (seven and a half) days in December each year

Note: The maximum back payment amount is limited to 6 months only.

2. **Payment of seniority payment from 2019 (“Current Seniority Payment”):**
 - The Current Seniority Payment of workers/employees of their first year is 7.5 days for services of 1 to 6 months.
 - The Current Seniority Payment of workers/employees in position is 15 days of wage and additional benefits and to be paid twice per year:

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- 7.5 (seven and a half) days in June each year
- 7.5 (seven and a half) days in December each year

Note: Seniority payment shall be paid so long as the workers/employees are working in the entities.

From 2019, workers/employees are entitled to two types of seniority payments: (i) Back Pay Seniority Payment (not exceeding 6 months of actual wage) and (ii) Current Seniority Payment.

Workers/employees who resign from work are not entitled to any remaining Back Pay Seniority Payment.

For fixed-duration employment contracts, employers shall pay workers/employees severance pay proportional to both the wage and duration of the contracts as determined in the Collective Bargaining Agreement. Otherwise, the severance pay shall be at least 5% (five percent) of the wage paid during the duration of the contract.

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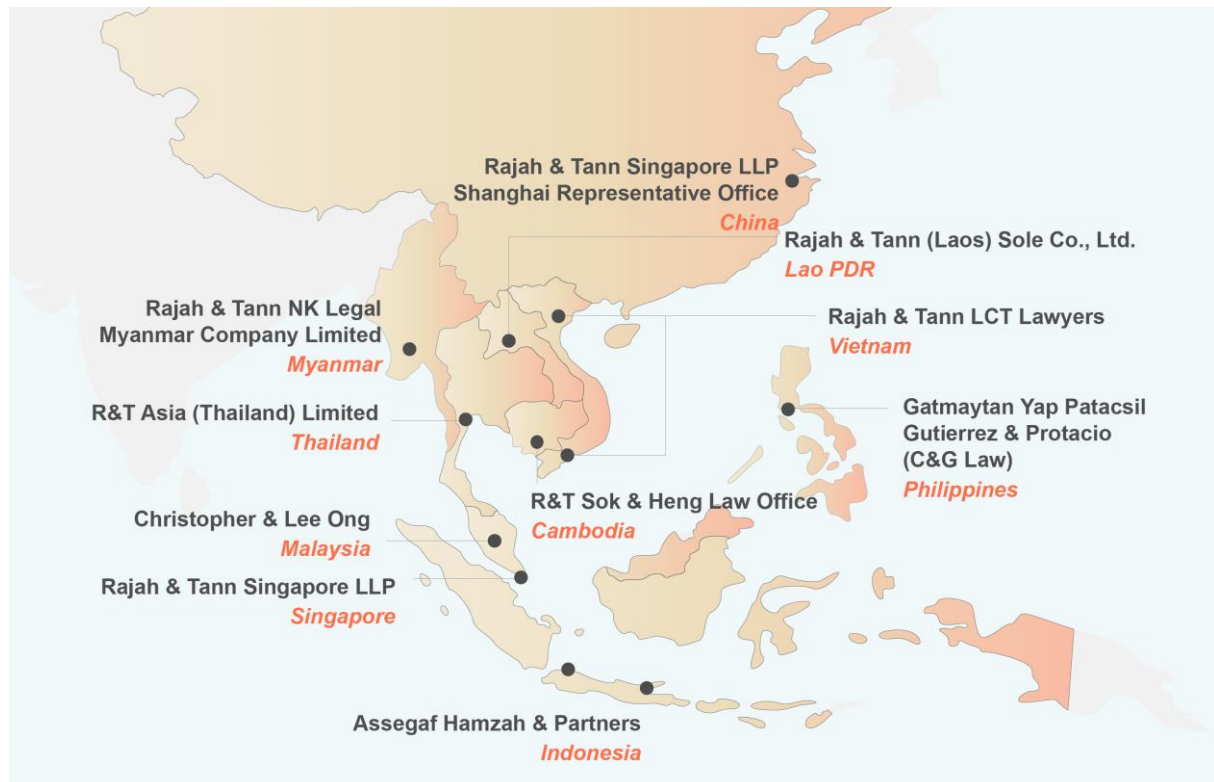
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