

Cambodia Delays Implementation of Seniority Back Payments

Cambodia's Ministry of Labor and Vocational Training (MLVT) recently issued Prakas No. 018/20 for the Postponement of Seniority Indemnity Back Payments for Periods before 2019 and Postponement of Seniority Payments in 2020.

Under this new measure, which took effect on June 2, 2020, both the issuance [of seniority indemnity back payments for periods before 2019](#), and the issuance of seniority payments for 2020, have been delayed until 2021. Therefore, through the end of this year, employees who are employed under unspecified duration contracts will not receive payments associated with these programs.

Nevertheless, if any employment contract is terminated by the employer at any point prior to 2021, the terminated employee will be entitled to their seniority back payment for the period prior to 2019, as well as seniority payments for 2020. However, these payments do not need to be made to the employee if the employment contract was terminated due to the employee's resignation or due to any acts of serious misconduct by the employee.

The measure is in accordance with the Labor Law of Cambodia and with the Guidance of the Royal Government of Cambodia on Additional Measures to Support the Private Sector and Workers Seriously Impacted by the COVID-19 Pandemic and to Recover and Promote Economic Growth after the End of the Pandemic, Round 3, dated April 7, 2020.

For more information on these delays, or on any aspect of employment law in Cambodia, please contact Tilleke & Gibbins' Phnom Penh office at cambodia@tilleke.com or +855 23 964 210.

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Our Commitment to Continuous Client Service

During the COVID-19 outbreak, we are focused on maintaining high-quality client services while ensuring the safety and wellbeing of our team. Over the past several weeks, Tilleke & Gibbins has implemented our Business Continuity Plan across our offices in Cambodia, Indonesia, Laos, Myanmar, Thailand, and Vietnam. The vast majority of our team members are now working remotely, and based on our robust technology infrastructure, we are providing our full range of services as usual. We are now carrying out all client meetings through the use of technology, and, as many of you will have already experienced, this is proving to be a highly effective solution. By implementing a range of technology and agile working measures, we will ensure that you continue to receive the highest quality services with the fastest possible response times from our team. We know that you are facing complex business challenges during this crisis, and we have put together a bank of practical resources tracking the legal developments in the region as they happen—you can access them all at [this link](#). In addition, we want to assure you that our team will be continuously available to help you navigate these issues across Southeast Asia. If you have any queries about these measures, please contact your usual client service partner, or email communications@tilleke.com.

Stay well, safe, and healthy.