

# Technical Update

November 2019



## Labor – Law on Social Security Schemes

### The Law on Social Security Schemes was promulgated on 2 November 2019

The new law is divided into 11 chapters with 107 Articles. This law aims to determine the general principles, formalities, operational mechanism and management system of the social security schemes of Cambodia including the pension scheme, health care scheme, occupational risk scheme and unemployment scheme.

This law regulates the roles and responsibilities of the social security regulator, social security operator, the board of directors of the National Social Security Fund, and the social security trustee council.

The previous Law on Social Security Schemes promulgated on 25 September 2002 only applied to the persons defined by the provisions of the Cambodian Labor Law. The new law expands its scope and power by covering the following:

- persons in the public sector;
- persons covered under the provisions of the Cambodian Labor Law including personnel in the air and maritime transportation and household servants; and
- self-employed persons.

The new law does not govern soldiers of the Royal Cambodian Armed Forces, who are governed by a separate statute.

The benefits of each scheme are outlined below:

1. The benefits of the pension scheme include old age pension, invalidity pension, survivors' pension and funeral grants.
2. The benefits of the health care scheme include medical care and treatment, daily allowances during the absence from work resulting from sickness, maternity benefits and funeral grants.
3. The benefits of the occupational risk scheme include medical care and treatment, temporary disability cash allowance, permanent disability pension, permanent disability allowance, survivors' pension, funeral grant and rehabilitation services.

4. The benefits of the unemployment scheme are not yet provided in the new law. The unemployment scheme will not be applied to contractual workers who work for the ministries, institutions or units at the national and sub-national levels recognized by the Ministry of Civil Service.

The implementation procedures will be issued in subsequent regulations.

The previous Law on Social Security Schemes for all persons defined by the Provisions of the Labor Law, promulgated on 25 September 2002, and any regulations contrary to this law are abrogated.



## Labor – Extension of Deadline to Request for Foreign Manpower Quota (FMQ) for the year 2020 until 31 December 2019

### Ministry of Labor and Vocational Training (MLVT) – (Notification No. 042/19 dated 22 November 2019 on the Extension of the Deadline to Request for Foreign Manpower Quota for the Year 2020)

This Notification extends the deadline for enterprises to request the Foreign Manpower Quota for the year 2020, from 30 November 2019 until 31 December 2019. The enterprises will be subject to penalties in the event that they fail to request the Foreign Manpower Quota for the year 2020 on time, or if they are found to be illegally employing foreign employees.

## CORRECTION – New Minimum Wage for Textile, Garment and Footwear Sectors for the year 2020

In our November 2019 Technical Update (Vol 1) in the section, “Labor - New Minimum Wage for Textile, Garment and Footwear Sectors for the year 2020” the statement “The new minimum wage will be effective from 1 January 2019 onwards.” should replace by: “The new minimum wage will be effective from 1 January 2020 onwards.”

As a committed tax and corporate consultant, we welcome the opportunity to discuss the applicability of these regulations to your business at your request.

## Contact us

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