



Labor-Pension Schemes for Persons under the Provision of Labor Law

Royal Government – Sub-Decree No. 32 dated 04 March 2021 on Social Security Scheme on Pension for Persons under the Provision of the Cambodian Labor Law

This sub-decree defines the mechanism, formalities, and procedures of the registration for (1) compulsory pension and (2) voluntary pension, contribution rate and formalities, procedures of contribution payment, and benefit claim.

The scope of this sub-decree covers the persons under the Cambodian Labor Law, including individuals who work at two workplaces or more. The formalities and procedures of the registration for a new company will be determined in the Prakas which, until now, is not yet released.

For both compulsory and voluntary schemes, the benefits include old-age benefit, disability benefit, survival benefit, and funeral allowance.

Compulsory Pension

For the compulsory scheme, the contribution will be borne 50% by the employer and another 50% by the employee.

1st stage (for the first 5 years): 4% of the contributable wage (2% will be contributed by the employer, while the other 2% will be contributed by each worker/employee).

2nd stage (5 years after the 1st stage): 8% of the contributable wage (4% will be contributed by the employer, while the other 4% will be contributed by each worker/employee).

3rd stage: There will be subsequent increases of 2.75% every ten years.

Example: On the eleventh year, the pension contribution rate will be 10.75% (5.375% will be contributed by the employer, while the other 5.375% will be contributed by the employee).

The **contributable wage** means wages of each worker/employee before tax deduction which is used as the basis for calculation of pension contribution payment. The contributable wage will be determined in another sub-decree.

The contribution payment for a pension must be done on monthly basis no later than the 15th of the following month. The contribution report including the number of employees/workers must be submitted to the NSSF no later than the 20th day of the following month.

According to this sub-decree, the required documents for the contribution (i.e. payroll report) may be similar to the monthly contribution report for the occupational risk and health care scheme. However, the procedure to make monthly contribution payments and reporting will be further clarified by the forthcoming Prakas which will be issued by the Minister of Labor and Vocational Training.

The employer can also request the NSSF for an annual payment of the pension contribution. The NSSF will do the adjustment for the contribution at the beginning of the following year.

Voluntary Pension

The NSSF member can also request the NSSF for voluntary pension if he/she meets any of the following conditions:

- Losing paid job before reaching 60 (sixty) years old, but still having the ability to pay the contribution payment;
- Being less than 60 (sixty) years old and wishing to pay the contribution in order to get the higher old-age benefit than the benefit he/she would receive under the compulsory scheme; and
- Having income higher than wage ceiling determined by a separate sub-decree.

The NSSF member can register and pay 100% of the pension contribution with the NSSF by him/herself. The Contribution rate for voluntary pension is equal to the rates under the compulsory pension. The amount which is used as a base for calculation of contribution payment for voluntary pension will be implemented in accordance with each individual request.

The date of implementation of the Social Security Scheme on pension for persons under the Cambodian Labor Law shall be determined by Joint Prakas between the Ministry of Labor and Vocational Training and the Ministry of Economy and Finance.

Contact us

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