

Announcement
on
Postponement of Payment of Back Pay Seniority
Indemnity before 2019 And New Seniority Indemnity for 2020

On 02 June 2020, the Ministry of Labour and Vocational Training has issued an official announcement No. 018/20 (the “Announcement”) to inform employers of the Factories-Enterprises and workers/employees, who are subject to the Unspecified Duration Contract (UDC), that the payment of the Back Pay of Seniority Indemnity before 2019 (for Textile, Garment, and Footwear sectors) and New Seniority Indemnity for 2020 (for all sectors) will be delayed until 2021.

However, during this postponement, in case of termination of the employment contract, the employers of the Factories-Enterprises shall pay the Back Pay of Seniority Indemnity before 2019 and New Seniority Indemnity for 2020 in accordance with the Labour Law and regulations, unless such termination shall be caused by serious misconduct of the workers/employees or by voluntary resignation.

The Ministry hopes that all employers of Factories-Enterprises and workers/employees and professional organizations shall implement this announcement duly and in a highly effective manner from the date of signature.

*We will keep you informed of further updates or clarifications relating to this announcement, if any, in Following Client Alerts.
This alert is for general information only and is not a substitute for legal advice.
If you have any questions or require any additional information, please contact our office by phone at +855 (0) 23 224 337 or email at info@hbslaw.asia.*

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