

**Notification  
on  
Payment of Back Pay Seniority Indemnity Before  
2019 and Seniority Indemnity in 2020 and 2021 for  
Factories and Enterprises in Manufacturing  
Sector**

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On 21 January 2021, the Ministry of Labour and Vocational Training (the “Ministry”) issued an official notification No. 003/21 (the “Notification”) to inform all owners and directors of factories and enterprises and workers/employees in the manufacturing sector that the payment of back pay of seniority indemnity before 2019 and seniority indemnity in 2020 and 2021, for those governed by Undetermined Duration Contracts (UDCs), shall resume as follows:

**1. Payment of Back Pay of Seniority Indemnity before 2019**

- Back Pay of Seniority Indemnity before 2019 (if any) to be paid in 2020 shall be paid in the first quarter and the third quarter of 2021; and
- Back Pay of Seniority Indemnity before 2019 (if any) to be paid in 2021 shall be paid in the second quarter and the fourth quarter of 2021.

**2. Payment of Seniority Indemnity**

- Seniority Indemnity in 2020 shall be paid in the first quarter and the third quarter of 2021; and
- Seniority Indemnity in 2021 shall be paid in the second quarter and the fourth quarter of 2021.

**3. Workers/employees and employers are free to negotiate the procedure and specific dates for the above-mentioned payments according to the status of the relevant factory, enterprise, and business.**

The Ministry has urged all owners and directors of factories and enterprises, workers/employees in the manufacturing sector, and relevant stakeholders to have an amicable discussion in a highly responsible manner to promote harmonious industrial relations for a common interest. The Notification takes effect from 21 January 2021.

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