

Globalization Partners provides employer of record services for customers that want to hire employees and run payroll without first establishing a branch office or subsidiary in Cambodia. Your candidate is hired via Globalization Partners' Cambodian PEO in accordance with local labor laws and can be onboarded in days instead of the months it typically takes. The individual is assigned to work on your team, working on your company's behalf exactly as if he or she were your employee to fulfill your in-country requirements.

## Table of Contents

- [Employment Contracts in Cambodia](#)
- [Working Hours in Cambodia](#)
- [Holidays in Cambodia](#)
- [Vacation Days in Cambodia](#)
- [Cambodia Sick Leave](#)
- [Maternity/Paternity Leave in Cambodia](#)
- [Health Insurance in Cambodia](#)
- [Cambodia Supplementary Benefits](#)
- [Bonuses](#)
- [Termination/Severance in Cambodia](#)
- [Paying Taxes in Cambodia](#)
- [Why Globalization Partners](#)

Our solution enables customers to run payroll in Cambodia while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. As a Global PEO expert, we manage employment contract best practices, statutory and market norm benefits, and employee expenses, as well as severance and termination if required. We also keep you apprised of changes to local employment laws in Cambodia.

Your new employee is productive sooner, has a better hiring experience and is 100% dedicated to your team. You'll have peace of mind knowing you have a team of dedicated employment experts assisting with every hire. Globalization Partners allows you to harness the talent of the [brightest people in more than 185 countries around the world](#), quickly and painlessly.

Cambodia's official name is the Kingdom of Cambodia. It is located in Southeast Asia on the southern part of the Indochina Peninsula and borders the Gulf of Thailand. Over 16.5 million people live in Cambodia and speak Khmer, although older Cambodians speak French. Its GDP is USD 27.09 billion and growing at an annual rate of 7.05%. Unemployment stands at 0.14%. The country's largest exports are textiles, vehicles, footwear, natural rubber, and fish.

When negotiating terms of an employment contract and offer letter with an employee in Cambodia, it may be useful to keep the following in mind:

### **Employment Contracts in Cambodia**

In Cambodia, employment contracts can be for fixed or indefinite terms.

Fixed contracts must be in writing and may not extend for more than two years. Indefinite contracts may be oral or written.

It is best practice to provide a written employment contract in Cambodia, in Khmer, which spells out the terms of the employee's compensation, benefits, and termination requirements. An offer letter and employment contract in Cambodia should always state the salary and any compensation amounts in riel rather than a foreign currency.

### **Working Hours in Cambodia**

In general, Cambodians work an 8 hour day and the workweek is no more than 48 hours. Employees should not be expected to work more than 9 hours per day, and may not work more than 2 hours of overtime per day. Overtime is compensated at 1.5 times the regular wage, or if performed at night, on a Sunday or holiday, at 2 times the regular wage.

### **Holidays in Cambodia**

Cambodia celebrates 19 public holidays:

- International New Year Day
- Victory Over Genocide Day
- Meak Bochea Day
- International Woman’s Day
- Khmer New Year (3 Days)
- International Labor Day
- King Birthday (3 Days)
- Visak Bochea Day
- Royal Plowing Ceremony
- Children’s Day
- King Mother’s Birthday
- Constitutional Day
- Phum Ben Day (3 Days)
- The commemoration of Former King Norodom Sihanouk
- Paris Peace Agreement Day
- King’s Coronation Day
- Independence Day
- Water Festival (3 Days)
- International Human Rights Day

### **Vacation Days in Cambodia**

Employees are generally entitled to 1 1/2 days of annual paid leave for every month worked. After every 3 years of service, employees are entitled to an additional day of vacation per year.

### **Cambodia Sick Leave**

Employees are generally entitled to up to 6 months of sick leave, with a doctor’s certificate, and are compensated as follows:

- 100% of wages during the first month of sick leave

- 60% of wages during the second and third months of sick leave
- unpaid leave from the fourth until sixth month

### **Maternity/Paternity Leave in Cambodia**

Female employees who have worked for the employer for at least one year are generally entitled 90 days of leave at half of their normal salary.

Fathers are entitled to one day of paid paternity leave.

### **Health Insurance in Cambodia**

Employees who are injured on the job are generally entitled to have their health care expenses paid for by the employer.

### **Cambodia Supplementary Benefits**

In general, employees receive:

- health care allowances
- housing allowances
- transportation allowances
- attendance bonuses

### **Bonuses**

After the first year of work, employees are generally entitled to a seniority bonus of between USD 2 and USD 11 per month, equal to the year of service. After 11 years of service, the bonus is capped at USD 11.

### **Termination/Severance in Cambodia**

Probationary periods of up to 3 months are allowed. Employers must pay transportation costs

for the employee. No notice is required to terminate a probationary employee.

Indefinite term contracts may be terminated by the employee for any reason. An employer must have a valid reason related to the employee's ability to do the work or the economic health of the company.

Termination notice must be served in writing according to the following schedule:

- up to 6 months' service: 7 days
- 6 months to 24 years' service: 15 days
- 2 to 5 years' service: 1 month
- 5 to 10 years' service: 2 months
- 10+ years' service: 3 months

Employees may spend 2 days per week looking for new employment.

At the end of a fixed-term contract, employees are generally entitled to severance pay of at least 5% of the wages received during the contract.

Employees with indefinite contracts receive severance pay based on their length of service, as follows:

- for 6 to 12 months of service: 7 days' wages
- for each year of employment: 15 days' wages, up to a maximum of 6 months of wages

## **Paying Taxes in Cambodia**

Employers pay 0.8% of monthly wages to social security. Employees do not contribute. This information is provided as generally accepted information and is not intended as advisory services.

## **Why Globalization Partners**

Establishing a [branch office or subsidiary](#) in Cambodia to engage a small team is time-consuming, expensive and complex. Cambodian labor law has strong worker protections, requiring great attention to detail and an understanding of local best practices. Globalization Partners makes it painless and easy to expand into Cambodia. We can help you hire your candidate of choice, handle HR matters and payroll, and ensure that you're in compliance with local laws, without the burden of setting up a foreign branch office or subsidiary. Our Cambodia PEO and [Employer of Record](#) solution provides you peace of mind so that you can focus on running your company.

If you would like to discuss how Globalization Partners can provide a seamless employee leasing or PEO solution for hiring employees in Cambodia, please [contact us](#).