
Employment & Benefits

Prakas on Formalities and Procedures for National Social Security Fund Registration and Contribution Payment

The Ministry of Labour and Vocational Training issued Prakas No. 168/22 MLVT/Br.K.NSSF dated 5 July 2022 on Formalities and Procedures for Registration of Company, Employee, and Contribution Payment for Persons Defined Under Provisions of the Labour Law¹ in the National Social Security Fund ("Prakas") which came into force on the same date of its issuance.

The Prakas sets out the formalities and procedures for the registration of company, employee, and contribution payment for persons defined under provisions of the Labour Law in the National Social Security Fund ("NSSF"). The Prakas applies to all employers or owners of companies, and persons defined under provisions of the Labour Law in occupational risk, healthcare, and pension schemes.

This Update highlights the key features of the Prakas.

Registration of a Company and its Employees

The employer or owner of a company in operation which has not registered with NSSF shall register within 30 days after the Prakas came into force; and (if the company is established after the Prakas came into force) within 30 days after the company commences operations, whichever is later. Registration is exempted for companies that have already registered under the occupational risk and healthcare schemes. The Registration Certificate issued to the company must be displayed at its wage payment office.

In addition, the employer or owner of a company must register its employees with NSSF within three days from the date of their employment, unless the employees are already registered with NSSF and hold an NSSF Membership Card. Upon registration, the employees will be issued with a NSSF Membership Card.

Non-compliance with Registration Requirements

An employer or owner of a company who fails to register the company or its employees with the NSSF shall be liable to a fine ranging from 10 to 30 times of base daily wage (US\$10) multiplied by the number of employees in question.

¹ Persons Defined Under Provisions of the Labour Law refer to employees and companies of industry, mining, commerce, crafts, agriculture, services, land or sea transportation, whether public, semi-public or private, non-religious or religious, whether they are of professional education or charitable characteristic as well as the liberal profession, associations or groups of any nature.

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Frequency of Payment and Reporting of Contribution Payment

In general, contribution payments are made on a monthly basis, except where the employer or owner of the company is permitted to pay the contribution on a yearly basis. Where the contribution payment is made on a monthly basis, the employer or owner of the company shall collect the employee's monthly contribution and pay the corresponding employer's contribution, and deposit the same in NSSF's account via partnership banks by the 15th of the following month. If the contribution is paid annually, it must be made on the following month of the requested month.

Contribution payment shall be made directly at the partnership banks, through Internet banking or other means as determined by NSSF. The service charge of such transactions shall be borne by the employer or owner of the company.

Upon payment, the employer or owner of the company must complete the Social Security Contribution Declaration Form, Number of Employee Report and Payroll List with supporting documents and submit the same to NSSF or via contribution@nssf.gov.kh. The submission of report of monthly contribution must be made by the 20th of the following month.

Companies that pay contributions on an annual basis must submit the Number of Employee Report to NSSF every 12 months, or 15 days upon hiring or termination/departure of employee, if any.

Non-compliance with Contribution Payment and Reporting Requirements

Failure to comply with the contribution payment requirement or timely reporting to NSSF will subject the errant company to a fine ranging from 10 to 30 times of base daily wage (US\$10) multiplied by the number of employees in question.

If you have any queries on the above, please feel free to contact our team members below who will be happy to assist.

Contacts



HENG Chhay
Managing Partner

T +855 23 963 112 / 113
F +855 23 963 116
heng.chhay@rajahtann.com



HOUT Sotheary
Partner

T +855 23 963 112/113
F +855 23 963 116
hout.sotheary@rajahtann.com

Our Regional Contacts

RAJAH & TANN | *Singapore*

Rajah & Tann Singapore LLP

T +65 6535 3600
sg.rajahtannasia.com

CHRISTOPHER & LEE ONG | *Malaysia*

Christopher & Lee Ong

T +60 3 2273 1919
F +60 3 2273 8310
www.christopherleeong.com

R&T SOK & HENG | *Cambodia*

R&T Sok & Heng Law Office

T +855 23 963 112 / 113
F +855 23 963 116
kh.rajahtannasia.com

RAJAH & TANN | *Myanmar*

Rajah & Tann Myanmar Company Limited

T +95 1 9345 343 / +95 1 9345 346
F +95 1 9345 348
mm.rajahtannasia.com

RAJAH & TANN 立杰上海

SHANGHAI REPRESENTATIVE OFFICE | *China*

**Rajah & Tann Singapore LLP
Shanghai Representative Office**

T +86 21 6120 8818
F +86 21 6120 8820
cn.rajahtannasia.com

GATMAYTAN YAP PATACSIL

GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79 / +632 8894 4931 to 32
F +632 8552 1977 to 78
www.cagatlaw.com

ASSEGAF HAMZAH & PARTNERS | *Indonesia*

Assegaf Hamzah & Partners

Jakarta Office

T +62 21 2555 7800
F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550
F +62 31 5116 4560
www.ahp.co.id

RAJAH & TANN | *Thailand*

R&T Asia (Thailand) Limited

T +66 2 656 1991
F +66 2 656 0833
th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam*

Rajah & Tann LCT Lawyers

Ho Chi Minh City Office

T +84 28 3821 2382 / +84 28 3821 2673
F +84 28 3520 8206

RAJAH & TANN | *Lao PDR*

Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239
F +856 21 285 261
la.rajahtannasia.com

Hanoi Office

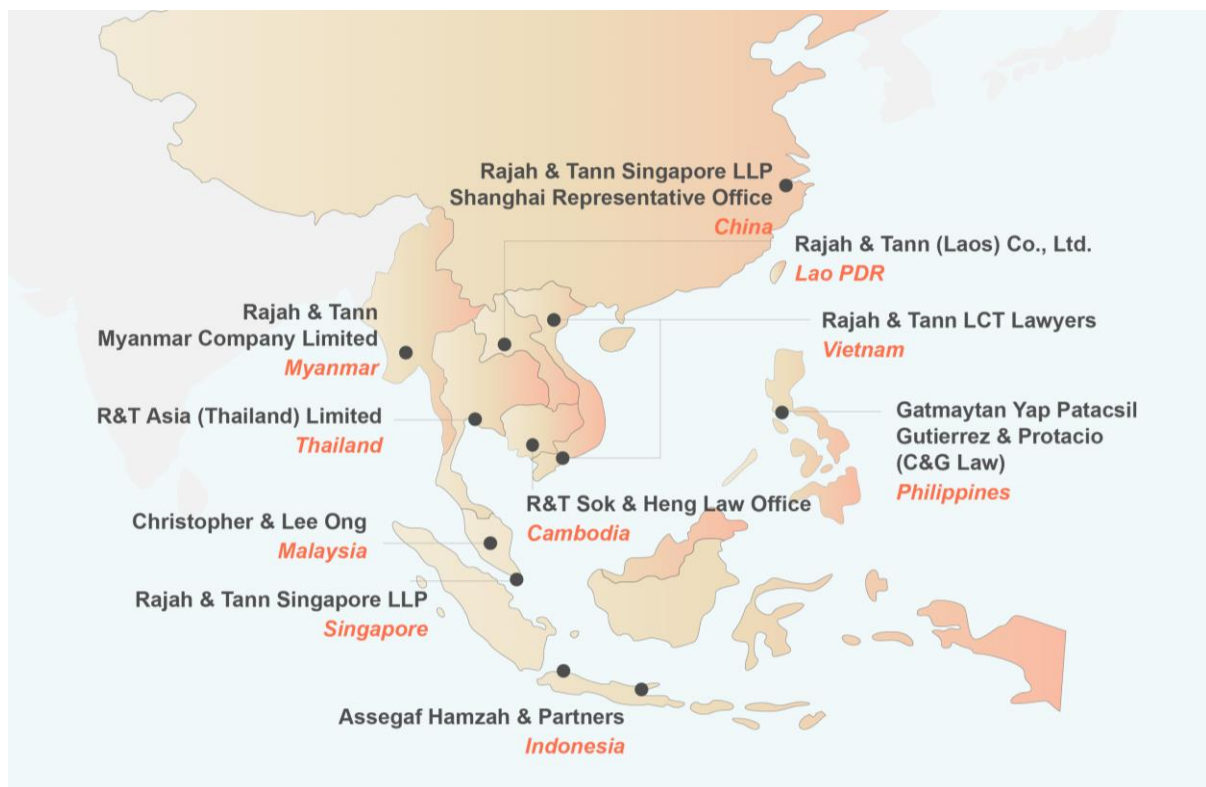
T +84 24 3267 6127
F +84 24 3267 6128
www.rajahtannlct.com

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