

EXPATRIATES

Cambodia

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE

A person is a resident in Cambodia if the person is “domiciled in” or has a “principal place of abode” in Cambodia, or if the person is present in Cambodia for more than 182 days during the 12-month period ending in the current tax year.

Individual residents in Cambodia are liable for income tax on salaries received from both Cambodian and foreign sources. The tax to be paid shall be determined based on the monthly taxable salary and is withheld in accordance with the progressive tax rate from 0% to 20%.

For non-resident taxpayers, income tax is assessed on salary received from Cambodian sources only and subject to a flat rate of 20% withholding rate.

Employers are required to withhold income tax from salaries and other taxable benefits paid to employees (both residents and non-residents) and remit the tax withheld to the General Department of Taxation (GDT) by the 20th of the following month in which the salary is paid.

Salary includes base wages, bonuses, overtime, other compensation and loan or advances provided by the employer.

The tax base is reduced by KHR150,000 per month for every dependent child and spouse (with occupation as housewife) of the resident taxpayer.

SOCIAL SECURITY CONTRIBUTION

Please refer to the published National Social Security Fund (NSSF) rate.

INCOME TAX RATES

Exchange rate USD 1 = KHR 4,000

Salary (KHR)	Approx. USD	Rate
0 - 1,300,000	0 - 325	0%
1,300,001 - 2,000,000	325 - 500	5%
2,000,001 - 8,500,000	500 - 2,125	10%
8,500,001 - 12,500,000	2,125 - 3,125	15%
12,500,001 - Upwards	3,125 - Upwards	20%



PENSIONS CONTRIBUTION

On July 5, 2022, Cambodia issued regulations implementing the pension system of the National Social Security Fund (NSSF). Pension contributions will begin on October 1, 2022.

All employees and employers previously registered with the NSSF for health and accident insurance are automatically enrolled in the pension scheme, with no additional registration necessary.

Both new and existing nonregistered employers with at least one employee must register their company with the NSSF within 30 days of Prakas No. 168 entering into force or on the date of establishing the company.

Nonregistered employees are required to be registered with the NSSF no later than three days from the start of their employment.

The NSSF pension system features four categories of benefits: old-age pension, incapacity/disability pension, survivor pension, and funerary benefits. The benefit amount available to an NSSF member is based on a percentage of the person's total contributions and the period of those contributions.

The pension contribution is a joint responsibility shared equally by employers and employees. The rates of contribution will increase in steps as the NSSF pension program is phased in. The phases are as follows:

- Phase 1: In years 1-5, total compulsory pension contributions will amount to 4% of employee wages from the starting date of initial contribution.
- Phase 2: In years 6-10, total compulsory pension contributions will amount to 8% of employee wages.
- Phase 3: After the pension program has been in place for 10 years, total compulsory pension contributions will increase to 10.75% of employee wages. There will be an additional increase of 2.75% after each subsequent 10-year period elapses. (No information has been provided on whether there is a cap on future increases.)

The monthly wage used for the NSSF contribution calculation is capped at KHR 1,200,000 (approx. USD 300).

Monthly pension contributions must be processed no later than the 15th day of the following month.

Employers are released from the obligation for making compulsory contributions for registered employees who are 60 years of age and older. However, registered employees 60 years of age and older as of July 1, 2022, can make voluntary contributions by submitting a request to the NSSF within 12 months of Prakas No. 168 entering into force (i.e., until July 5, 2023).

The NSSF pension scheme also allows for voluntary contributions to be made if the NSSF member is:

- Unemployed, under 60 years of age, and financially able to continue making contributions;
- Over 60 years of age and intending to continue making contributions; or
- Earning income higher than the wage ceiling of the compulsory system.

For further information and to register for future updates contact expat@bdo.global

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