




LABOUR & EMPLOYMENT SERIES

Part II: Employee Compensation and Workplace Obligations

Frequently Asked Questions by Employers



This article is based on our understanding of the publicly available regulations in Myanmar. It may be affected by laws subsequently passed by the Myanmar government or notifications adopted by various ministries.

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FOREWORD

As Myanmar continues to develop its labour and employment framework, businesses must carefully navigate the evolving rules governing wages, benefits, working hours, and workplace safety. Clear understanding of these obligations is essential not only for compliance but also for fostering a fair and productive working environment.

Part II of this 2-part series focuses on employee compensation and workplace obligations generally prevalent under Myanmar laws (excluding the specific framework applicable in Special Economic Zones). It provides practical guidance on matters such as minimum wages, overtime pay, leave entitlements, social security contributions, and occupational safety requirements. By addressing frequently asked questions from employers, we aim to offer clarity on statutory duties and highlight common practices that help maintain strong employer–employee relations.

We hope this publication proves useful for business leaders, HR professionals, and investors seeking to understand and apply Myanmar’s labour law framework responsibly and effectively.

Warm regards,

Nishant Choudhary
Partner & Managing Director, Myanmar

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WAGES & COMPENSATION

1. What is the current minimum wage in Myanmar

MMK 6,800 per day.

2. How often must wages be paid (e.g., monthly, bi-weekly)?

Monthly.

3. Are there rules on overtime pay and allowances?

Yes. Please see the hours and rates in the table under 'Working Hours & Leave.'

4. What are the statutory obligations regarding the method of wage payment, as well as common practices, if any?

Payment must be in MMK or any currency permitted by the Central Bank of Myanmar and either paid via cash, cheque or direct

deposit to the bank account of the employee. Means of payment can be agreed in the EC.

5. What are the statutory obligations relating to pay-slips or wage statements, including what information they must contain, how they must be provided (e.g., whether an online system is sufficient), and when they must be issued?

No legal requirement to issue pay slips but it is usually done for good order and transparency.

There is no prescribed timeline for issuance of pay slip/salary statement but usually providing such summary on the date of payment is market.

WORKING HOURS & LEAVE

1. What are the legal limits on working hours per week?

| Law | Application | Work Hours | Overtime Hours | Overtime Pay |
|------------------------------------|--|-------------------------|---|----------------|
| Factories Act | Factories and manufacturing workplaces | 8 per day (44per week) | 12 per week for continues process 20 per week for non-continue process (requires prior permission from Labour Department) | 2x normal wage |
| Shops and Establishment Act | Commercial and service sector workplaces | 8 per day (48 per week) | 12 per week (max 16 for special cases) | 2x normal wage |

2. What types of paid leave are employees entitled to (e.g., annual, medical, casual)?

| Type of Leave | Entitlement |
|-----------------|---|
| Earned (Annual) | Minimum of 10 days per year after 12 months of continuous service. Unused leave can be carried forward or paid out, depending on the employer’s policy. |
| Casual | 6 days per year, typically used for personal or urgent matters. Cannot be combined with earned leave or carried forward. |
| Medical (Sick) | 30 days per year after completing 6 months of continuous service. Medical certificate may be required. |
| Public Holidays | Myanmar recognizes official public holidays, which are mandatory paid leave. Employees required to work on a public holiday must receive double pay or a substituted day off. |
| Maternity | 14 weeks (98 days) paid leave: 6 weeks before and 8 weeks after delivery. |
| Paternity | 15 days of paid paternity leave for insured male employees (under the Social Security Law, not general labor law). |

3. How many days off are employees entitled to each week or month, at a minimum?

One paid rest day per week at a minimum.

4. Are public holidays mandatory paid leave?

Yes. If required to work, the employee must be compensated at twice the usual rate.

SOCIAL SECURITY & BENEFITS

1. Is there a mandatory social security contribution by employers?

Employers with 5 or more employees must register with Social Security Board and contribute for their employees.

| Party | Rate (% of monthly salary) | Monthly Cap (MMK) |
|----------|-----------------------------|-------------------|
| Employee | 2% | 6,000 |
| Employer | 3% (includes 1% for injury) | 9,000 |

2. What benefits are provided under Myanmar’s social security system?

| Type of Benefit | Description |
|-----------------|---|
| Medical Care | Free or subsidized treatment at SSB hospitals and clinics, including outpatient care, hospitalization, and prescriptions. |
| Sickness | Cash compensation at 60% of average monthly wages, for up to 30 days, extendable in case of prolonged illness (with medical certificate). |
| Maternity | Paid maternity leave: 14 weeks (6 weeks pre-birth, 8 weeks post-birth) Cash benefit: 70% of average monthly wage for the leave period. - Additional leave in case of miscarriage, stillbirth, or complications. |

| Type of Benefit | Description |
|--------------------------|--|
| Paternity | 15 days of paid paternity leave (only for insured male employees under SSB). |
| Employment Injury | Medical care for work-related injury or disease. - Cash compensation during recovery. - Permanent disability pension if applicable. |
| Funeral Grant | A lump-sum funeral expense payment to the family of a deceased insured person. |
| Invalidity | Monthly pension or lump sum if the employee becomes permanently disabled due to non-occupational causes (proposed expansion). |
| Survivors' | Monthly support to eligible family members (e.g., spouse or children) in the event of the insured's death (limited and under development). |

3. Are employers required to provide health insurance or pensions?

Only social security entitlement available to the employee provided the employer is registered and both parties have routinely paid their social security contributions. In practice, many private companies offer additional private health insurance.

Private companies are not legally mandated to issue pensions to its employees

WORKPLACE SAFETY

1. What are some of the key obligations of the employer under Occupational Safety and Health Law?

| Obligation | Details |
|--|--|
| Registration & Notification | Register with Labour Inspection; notify major changes and accidents. |
| Occupational Health and Safety (OSH) Structure | Appoint PIC; when required, form OSH Committee with equal representation. |
| Risk & Safety Management | Conduct risk assessment; ensure PPE, signage, emergency plans, medical support. |
| Training | Mandatory OSH training for staff, PIC, and committee members; ongoing safety awareness. |
| Incident Reporting | Timely reporting of workplace accidents or diseases to authorities. |
| Non-Retaliation | Protect workers against dismissal or demotion for raising safety concerns or ceasing dangerous work. |

2. Is there a requirement to report workplace accidents or other safety related incidents?

Yes.

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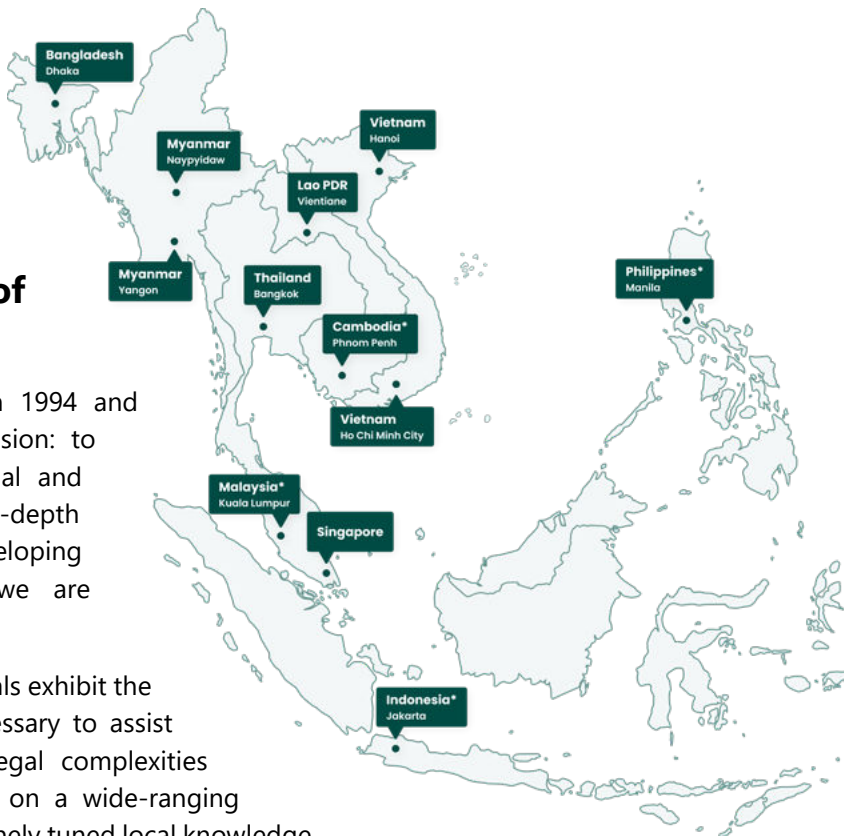
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