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Criteria and methods for supporting resigned and deceased employees

On 22 November 2024, the ministerial regulation regarding the criteria and methods for supporting resigned and deceased employees was issued to outline the obligations of employer to establish and implement written guidelines for the payment of financial assistance to employees upon the termination of employment or death of employees. In addition, the ministerial regulation ensures that employers shall systematically manage savings and contributions of employees, providing transparency and fairness.

Employer are required to provide the criteria and methods for financial assistance payments in case of resignation or death. The written document must include, at least, the following details:

1) Rates of savings and contributions of employee
2) Collection and management of savings and contributions
3) Monitoring of savings and contributions
4) Return of saving and contribution calculations
5) Disbursement of funds

In addition, employers must deposit savings and contributions into commercial bank accounts under the employee's name with the agreed conditions:

- In cases of termination of employment, whether due to dismissal, resignation, retirement, or mutual agreement, employees must present a termination confirmation letter issued by the employer to a commercial bank or financial institution to withdraw their financial assistance. The employer shall return the savings account used for the employee's contribution, employer's contribution, and interest. In addition, the employer shall issue a termination confirmation letter to the employee within 30 days from the end of employment, allowing the employee to withdraw the financial assistance from the commercial bank or financial institution.
- In cases of decease or disappearance, the designated beneficiary must present a death certificate or order from the court to a commercial bank or financial institution to withdraw the financial assistance. The savings, employer contributions, and interest will be transferred to the designed beneficiary as specified in the employee's Will or

written authorization to the employer. If no beneficiary is specified, the funds will go to the employees' heirs according to the Civil and Commercial Code. In such case, the employer must assist the beneficiary or heirs to facilitate the withdrawal of the financial assistance from the commercial bank or financial institution.

Employers must inform employees of the commercial bank or financial institution, account name, and account number within 7 days of the first deduction of savings. Employees shall have the right to inspect their savings and contribution accounts and related relevant documents. Upon employee's request, employers shall establish a system for reviewing or providing the requested details and documents within 15 days of the request.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com