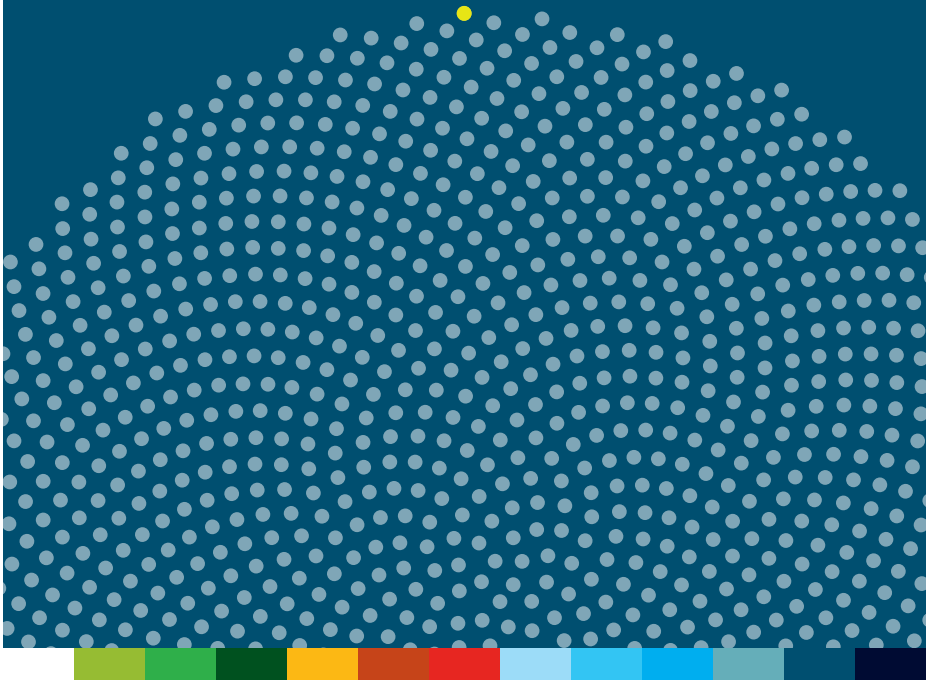




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Thailand Employment Law Overview



Q1

What social security/statutory schemes are required and what laws govern such social security/statutory schemes?

The following social security/statutory schemes are applicable in Thailand:

- Social Security Fund – employers and employees are expected to contribute 5% of their monthly wage (maximum of THB 750) to the Fund for maternity allowance, medical cost for illness outside work, child care, old age, disabilities and unemployment.
- Workmen Compensation Fund – employers are required to contribute between 0.2-1.0% of all employees' annual earnings for medical cost for illness or disabilities during working.

The laws governing these social security/statutory schemes are summarised as follows:

- Social Security Act B.E. 2533 (1990), as amended
- Workmen's Compensation Act B.E. 2537 (1994), as amended

Q2

What are the relevant government agencies regulating employment?

- Ministry of Labour
- Office of Foreign Workers Administration
- Social Security Office
- Department of Labour Protection and Welfare
- Immigration Bureau

Q3

Employee work hours?

Eight hours a day or 48 hours a week for all work sectors, the exception being for work deemed to be hazardous by law, in which case the working hours are minimized to seven hours a day or 42 hours a week.

Q4

Employee leave?

Employees are entitled to a minimum six paid vacation days after one year of consecutive work with the company.

Thailand acknowledges the following types of leave:

- Sick leave
- Maternity leave
- Annual leave
- Sterilization Leave
- Leave for military services
- Leave for training
- Business leave

Besides the above, companies are free to draft their own policies on additional leaves of absence (both with/without pay).

Additionally, employees are entitled to a minimum 13 paid gazetted public holidays.

Q5

Termination of employment?

Notices of termination are not required in circumstances where a fixed term employment contract has ended. In such cases, employment will automatically come to an end provided the fixed term contract does not contain provisions allowing parties to extend the term of the contract or early termination.

Notices are only required if the employment contract does not specify a fixed term of employment. In these cases, the minimum statutory notice period for one party (either employer or employee) to issue notice of termination to the other is at least one actual prospective pay period for the employee concerned.

In instances where the employer would like to terminate the contract of employment with immediate effect, the employer can make payment in lieu of advance notice.

On termination, an employee is entitled to receive the following types of payment subject to their length of service:

- Statutory severance pay
- Payment in lieu of advance notice (where employer did not provide advance notice)

- Payment in lieu of unused holidays entitled in the year of termination and accumulated unused holiday from the previous year
- Any outstanding salary or other expenses

Rates of Severance Pay

Period of Employment	Severance Pay Due
Exceeding 120 days but less than 1 year	30 day's pay
Exceeding 1 year but less than 3 years	90 day's pay
Exceeding 3 years but less than 6 years	180 day's pay
Exceeding 6 years but less than 10 years	240 day's pay
10 years employment or more	300 day's pay

Q6

Labour dispute mechanisms?

- The Labour Court was set up as a channel to settle disputes related to breaches of contracts, discriminatory employment practices and unfair dismissal. The Labour Court is authorised to order reinstatement of employees or financial compensation to employees deemed unfairly dismissed
- The Labour Department provides mediation where necessary



Threenuch Bunruangthaworn

Executive Partner

threenuch@zicolaw.com

t. +66 2 6777 588

*Practice: Foreign Direct Investment, Competition,
Corporate Commercial, Employment, M&A*

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