



Updates on Thailand's Labour Law

Presenter: Ken Sai Tip
Deputy General Manager, Thailand

Organiser: **BIPO** | Make Life Easier.



Objectives

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BIPO Introduction

02

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Q&A

Speakers



Ken Sai Tip

Deputy General Manager, Thailand

- With over 20 years of experience in HR, Recruitment, Operations, Outplacement, Outsourcing, and Sales, Ken has supported various clients and industries, from leading multinationals to large local firms.
- Thanks to his passion for HR & Technology and desire to help clients relocate their personnel without hassle while they focus on their core business, Ken has a solid foundation in his understanding of the labour market, outsourcing, and overseas landing services for both locals and expats.



BIPO Introduction

Total HR Solutions for your Global Workforce



10+
Years of
experience

560,000
Users
globally

160+
Countries
covered for EOR

Payment in
200
Currencies

900+
Employees
worldwide

40+
International
offices

21
Payroll engines
across countries

More than
3,300
Clients

Leader in Asia

- Based in **Asia**, with **global reach**
- Helping global companies. expand **into and out of Asia**
- Core USP: 18 specialist **payroll engines** in Asia.

Recognised by Peers



Our Traction: Asia-based with Extensive Global Footprint

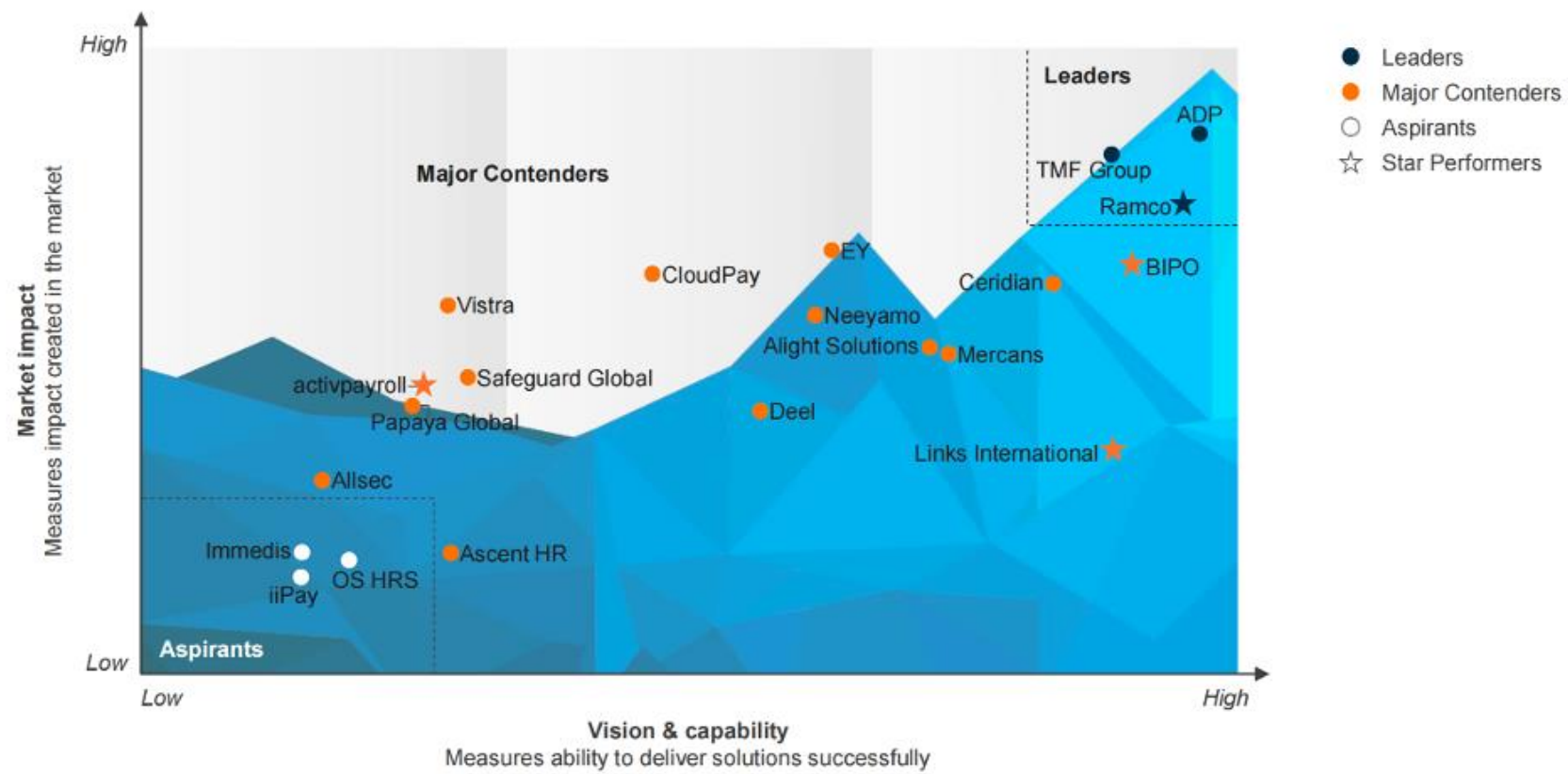


Everest Group PEAK Matrix®

Everest Group Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2023 – APAC | BIPO is positioned as a Major Contender and a Star Performer



Everest Group Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2023 – APAC^{1,2}



¹ Assessment for Allsec, Ascent HR, and Ceridian excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and interactions with buyers
² Assessment for Deel includes its acquisition of PayGroup; Assessment for Vistra does not include its merger with Tricor, and for Immedis does not include its acquisition by UKG
Source: Everest Group (2023)

BIPO Tech Ecosystem, Engineered to Make Life Easier

BIPO Athena

HR Intelligence

An interactive HR dashboard allowing clients to understand their workforce better.

- Workforce Visibility
- Workforce Analytics
- Insights

BIPO HRMS

Personnel, Leave, Claims, Time and Attendance, Budget and Compensation

BIPO Payroll Engine

Singapore, China, Hong Kong, Taiwan, Macau, Malaysia, Indonesia, Thailand, Philippines, Vietnam, India, Japan, Cambodia, Australia, Myanmar, Korea, Bangladesh, Laos, New Zealand, and Brunei

BIPO Connectors

Custom API

BIPO Core HR

- On-off-boarding
- Employee Master
- Payroll Management
- Leave Management
- Time & Attendance
- Claims

BIPO Butter

Client Service for EOR and Payroll outsourcing

Allows Global HR teams to better manage their HR workflows and vendors.

- Order Management
- Payroll Calendar
- Global Payroll Portal

BIPO delivers services and scalable solutions that generate actionable insights.

BIPO

Awards & Accolades



Centuro INT-X Awards – UK

- Most Inspirational Global Expansion



Gold

- Best Payroll Software - **Singapore & Malaysia**
- Best HRMS (Enterprise) - **Singapore & Malaysia**
- Best HRMS (SMB) - **Malaysia**
- Best Employer of Record Service Provider - **Malaysia**



Human Capital & Performance Awards 2022 - Indonesia

- Best HC Technology Strategy (System Provider Industries)
- Best Overseas Strategy (System Provider Industries)



HRM Asia Readers' Choice Awards 2022 Best HR Tech

- Cloud Solution - **Gold**
- Time & Attendance Management System - **Gold**
- Human Resource Information System - **Silver**
- Payroll Solution - **Silver**



Best of the Best Awards – Indonesia

- HR Tech - HR Outsourcing



Thailand Overview

BIPO Thailand

It is a holistic transformation and not just a system implementation.

01

Since
2014

02

Employees

50 staffs (Project implementation, Support, Service delivery, Sales and back-office support)

03

Service

BIPO payroll SaaS, Payroll Outsourcing, EOR, Expatriate work permit visa service, HR consultation service

04

Client

300 Clients

05

Payslip (Using BIPO system)

40,000 payslips



An Overview of Thailand's Economic Outlook

Quick Facts

Strategic location to ASEAN & hub, share border with 4 countries (Myanmar, Laos, Cambodia, and Malaysia i.e access to a large and growing consumer market with 800 population to 4 country by land access).

Special Economy Zone & Eastern Economy Corridor (EEEC) & deep port sea (Laem Chabang and U-Tapao airport)

Incentive for investor in EEC

Many benefits from BOI including Quota to hire foreigner/expatriate company Tax exemption (with condition)

Key Driver

Tourism remain the main engines for GDP growth

Export Sectors (Agricultural)

Private investment especially Electronic Vehicle



Employment Related

Employment Contract

Can be oral or written, best practice to put a strong, written contract in place, can be bi-language, but only Thai language will be considered in the court in case of any dispute

Type of Employment

- **Fixed term** (certain of time, 3, 6, 12, 24 months and so on)
- **Indefinite period** (permanent employment)

Probation period

Labour Protection Act does not mention a probationary period, however, **119** days is the most common practice. In the case of employees who were dismissed from company for whatever reasons within or before of 119 days of employment, regardless of employment type, employees are eligible to receive the severance payment.

Severance Payment

Uninterrupted Employment Period	Severance Pay *days of the most recent pay rate
120 days < 1 year	30 days
1 year ≤ 3 years	90 days
3 years ≤ 6 years	180 days
6 years ≤ 10 years	240 days
10 years ≤ 20 years	300 days
20 years or more	400 days

Statutory Contribution

Social Security *(submission: monthly)*

Base salary (Actual with max/cap 15,000 THB) 5% from both EE/ER (Minimum calculate base at 1,650 THB)

Deduction & Contribution by EE & ER equally	EE ¹	ER ²
12,000 (5%)	600	600
15,000 (5%)	750	750
1,650 (minimum calculate base)	83	83

Submission method (Monthly)

Manual submission before 7th of next month

Online submission before 14th of next month (company need to have online credential)

Workmen Compensation *(submission: yearly)*

Base salary (Actual with max/cap 20,000 THB)

Contribute by Employer	Minimum Risk	Maximum Risk
	0.1	1%
15,000	=15000*.1% (15/month)	=15000*1%(150/month)
20,000	=20000*.1% (20/month)	=20000*1% (200/month)
Submission method (yearly, pro-rate)	240	2400

Due Date (1st submission 31st Jan)

Second submission (after Workmen office revise the amount, 28th Feb)

¹Employee ²Employer

Other Payment (Mandatory)

Student Loan Fund (SLF)

Employers who fail to deduct from employees' salaries to pay off their government-funded student loans will be held legally and financially responsible for missed loan repayment.

What is SLF?

- Thai Student Loan Fund was **established in 1996** by the Thai government.
- This loan fund is designed for the **students from lower income group** of the society to provide access towards the upper secondary and higher education as well as to reduce the existing gap between rich and poor in terms of educational right and human capital development.
- Student loan fund provided for **upper secondary, vocational** and **undergraduate level** of education.
- For the undergraduate level of education, the loan is directly forwarded to the university based on its previous record through Office of Higher Education Commission, OHEC. This loan fund covers tuition fees, other education expenses, and living expenses.

Legal Execution Deduction (Mandatory)

Legal Execution Department (LED)

The department will send the **copy of the writ of execution** and a form to submit the **sequestration money** and the department order company to deduct employee's salary for them due to employee lost in the court case and owes someone/other party or bank

Deduction Sequence

- His salary in excess of Baht 20,000 per month (The employee should get the first Baht 20,000);
- 50% of his bonuses;
- All payments to be made to the employee if the company lets him go which is more than Baht 300,000. (The employee should get the first Baht 300,000); and
- 30% of other compensations that are paid to him occasionally, e.g. overtime payment, gifts.

Disability Fund (Mandatory)

Employment of Disabled Persons

Both public and private companies must employ persons with disabilities to work in suitable positions and at proportions that are in accordance with the act.

Proportions Ratio

- Every 100 employees can (must) hire persons with disabilities suitable to work in any position.
- **(100:1 ratio)** and if employees exceeds the next 50, additional 1 disable-person **need to be hired i.e. (155: 2), (200:2) (260:3)** and so on.

In case company cannot hire, the fund need to be submitted to the department based on the (daily, monthly minimum rate as per the quota/ratio).

The amount is calculated by multiplying the lowest rate of the minimum wage (prescribed in the labour law in the year before the year the money needs to be remitted to the Fund) with 365 and the number of non-disabled employees.

Skill Development Report/Fund

Skill Development Promotion Act?

- The objectives of the Skill Development Promotion Act are to enhance the skill standard of the labour force, promote occupational knowledge and competence of employees,
- Companies employing more than 100 employees are required by law to consider the Skill Development Promotion Act and to arrange skill development programmes for at least 50% of its total employees.

Privileges and benefits for training

- Special tax exemption from corporate income tax at 100% of the training expenses
- Access to the assistance offered by the Department of Skill Development in relation to personnel training, curriculum development training, training-aide materials development training, training for skill standard testing providers, supervisor training or other similar training programmes
- Access to consultation provided by the Department of Skill Development in relation to skill development processes
- Any other benefits as prescribed by the Ministerial Regulation

Penalty /Fund

Company that do not arrange any skill development programmes or fail to meet the minimum proportion must pay contributions to the skill development fund at 1% of the current legal minimum hourly wage

Provident Fund (2%-15%) Not Mandatory

Salary	EE ¹ (3%)	ER ² (3%)	Remark
20,000	600	600	(sample)

- Company can set **policy** with fund manager (Financial/Bank/Provider)
- Company can allow EE change % once a year or every month (depends on policy) the total contribution/deduction not exceeding Baht 500,000 each year
- Company can **fix the rate** for both EE & ER same % (depends on policy)
- To change % (employee need to fill the form with HR & company authorize to sign and send to fund manager approval) it take 1 months

¹Employee ²Employer

Group Insurance (Not Mandatory)

Why Group Insurance?

As social security is not convenient to use and only stick to one hospital, long queue etc.,

Pros:

- **Convenience** (not much paperwork and very straight forward with the pre-design plan)
- **Customisable** (depends on the need, budget as well as many coverages to further protect company employees and business needs)
- Increase employee **retention** and satisfaction
- **Cost Savings** (to compare with individual insurance)

New Minimum wages (effective Jan 2024)

No.	Minimum Wage (Baht a day)	Number of Provinces	Provinces
1	330	3	Narathiwat, Pattani, Yala
2	338	4	Trang, Nan, Phayao, Phrae
3	340	16	Ranong, Satun, Loei, Nong Bua Lamphu, Udon Thani, Maha Sarakham, Sisaket, Amnat Charoen, Mae Hong Son, Lampang, Sukhothai, Uttaradit, Kamphaeng Phet, Phichit, Uthai Thani, Ratchaburi
4	341	5	Chainat, Sing Buri, Phatthalung, Chaiyaphum, Ang Thong
5	342	5	Nakhon Si Thammarat, Bueng Kan, Kalasin, Roi Et, Phetchabun
6	343	3	Yasothon, Lamphun, Nakhon Sawan
7	344	3	Phetchaburi, Chumphon, Surin
8	345	15	Kanchanaburi, Prachuap Khiri Khan, Surat Thani, Songkhla, Phang Nga, Chanthaburi, Sa Kaeo, Nakhon Phanom, Mukdahan, Sakon Nakhon, Buriram, Ubon Ratchathani, Chiang Rai, Tak, Phitsanulok
9	347	2	Krabi, Trat
10	348	3	Suphanburi, Nakhon Nayok, Nong Khai
11	349	1	Lop Buri
12	350	6	Phra Nakhon Si Ayutthaya, Saraburi, Chachoengsao, Prachinburi, Khon Kaen, Chiang Mai
13	351	1	Samut Songkhram
14	352	1	Nakhon Ratchasima
15	361	2	Chonburi, Rayong
16	363	6	Bangkok , Nakhon Pathom, Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon
17	370	1	Phuket

Overtime Payment Rules

	Monthly Staff	Daily Staff
Normal working hour		
After Working hour	1.5 times	1.5 times
Normal working hour Weekend and PH	1 time	2 times
After Working hour Weekend and PH	3 times	3 times

Work Permit Category

Under ordinary company

- 4:1 rules and 2 millions paid up capital registration
- 1 foreigner Quota for every 4 local hire and 2 millions paid up

Under BOI

- Unlimited hire under BOI approval

Minimum Salary for foreigner

- CLVM and African Countries **25,000** THB
- Asian country except Singapore **35,000** THB
- Singapore, South Korean, Taiwan & Hong Kong, **45,000** THB
- Eastern European Counties, Australia, Canada, Japan, and USA **50,000** THB

Key Takeaway

- Severance payment apply to both **Indefinite period** (permanent employment) or **fixed term** contract and the calculation are the same
- Not only the Statutory but the loan repayment as well as Court order also mandatory that company are liable to withhold their staff salary and pay to the related department
- Obtain non-B (working visa) doesn't always secure the work permit (different government have the right to **reject** under their authority)

THANKS



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