



Updates on Thailand's Labour Law & Employment Regulations

**Presenter: Ken Tip,
General Manager**

Organiser: BIPO | Make Life Easier.

Speaker



Ken TIP

General Manager, BIPO 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.



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BIPO's One-stop Solution

Total HR Solutions for your Global Workforce



10+
Years of
experience

560,000
Users
globally

160+
Countries
covered for EOR

Payment in
180
Currencies

900+
Employees
worldwide

40+
International
offices

20+
Payroll engines
across countries

More than
4,600
Clients

Leader in Asia

- Based in **Asia**, with **global reach**
- Helping global companies. expand **into and out of Asia**
- Core USP: 20+ specialist **payroll engines** in Asia.

Recognised by Peers



Awards & Accolades



Centuro INT-X Awards – UK

- Most Inspirational Global Expansion 2023



Grand Prize

- HR Vendor of the Year - **Hong Kong**

Gold

- Best Payroll Software - **Hong Kong & Singapore**
- Best Payroll Outsourcing Partner - **Hong Kong & Singapore**
- Best HRMS (Enterprise & SMB) - **Malaysia**



HKIHRM HR Excellence Awards 2023/24 – Hong Kong

- Payroll Provider Award (Excellent)



Digitech Awards – Indonesia

- The Best IT Human Capital Development
- The Best Digital Technology Development Team



Barcelona New Economy Week (BNEW)

- Talent Vertical - Best Startup Award 2024

Security & Compliance

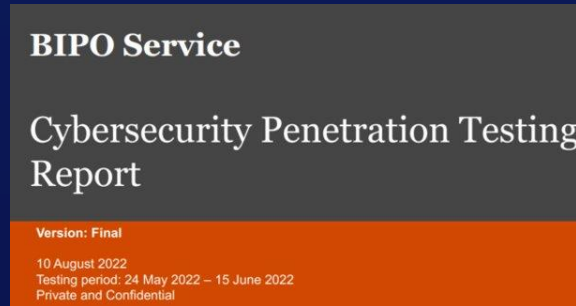
Audit




Attested by: 
pwc

- SOC 1 – Type 2
- SOC 2 – Type 2

Penetration Test



Performed by: 
pwc



The OWASP Top 10 is a regularly-updated report outlining security concerns for web application security, focusing on the 10 most critical risks.

Certification



ISO-27001
Information Security
Management System Certification



Introduction to Thailand

Thailand's Eastern Economic Corridor



Graphic © Asia Briefing Ltd.

Thailand Factsheet

52%

Services

35%

Industry/
Manufacturing

13%

Agriculture

Snapshot

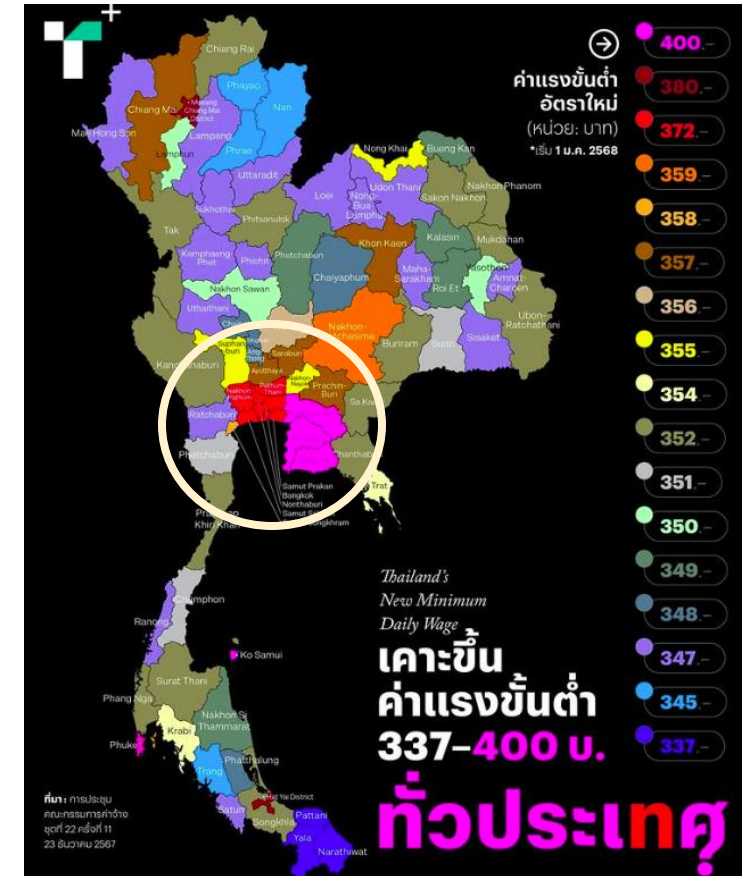
- Population: **70 million**
- GDP: **\$620 billion** (2nd Largest economy in ASEAN after Indonesia)
- Strategic location and gateway between Southeast Asia, China and Indo-Pacific with vital ports (Laem Chabang)
- Contribute **10%** of ASEAN's total GDP
- Infrastructure and connectivity
- Many trade partnerships
- Total workforce around **40 million** and low unemployment rate of **1-2%** only
- Migrant workers from neighbouring countries (Myanmar, Cambodia, Laos) and competitive employee cost



Minimum Wages & Common Practice

New Minimum Wages (effective Jan 2025)

No.	Minimum Wage (THB/day)	No. Provinces	Provinces
1	400	5	Chonburi, Rayong, Phuket, Chachoengsao, Surat Thani (only Ko Samui district)
2	380	2	Chiang Mai (only Mueang Chiang Mai District), Songkhla (only Hat Yai district)
3	372	6	Bangkok , Nakhon Patom, Nonthaburi, Patumthani, Samutprakan, Samutsakon
4	359	1	Nakhon Ratchasima
5	358	1	Samut Songkhram
6	357	5	Phra Nakhon Si Ayutthaya, Saraburi, Prachinburi, Khon Kaen, Chiang Mai (except Mueang Chiang Mai District)
7	356	1	Lop Buri
8	355	3	Suphanburi, Nakhon Nayok, Nong Khai
9	354	2	Krabi, Trat
10	352	15	Kanchanaburi, Prachuap Khiri Khan, Surat Thani (except Ko Samui district), Songkhla (except HatYai district), Phang Nga, Chanthaburi, Sa Kaeo, Nakhon Phanom, Mukdahan, Sakon Nakhon, Buriram, Ubon Ratchathani, Chiang Rai, Tak, Phitsanulok
11	351	3	Phetchaburi, Chumphon, Surin
12	350	3	Yasothon, Lamphun, Nakhon Sawan
13	349	5	Nakhon Si Thammarat, Bueng Kan, Kalasin, Roi Et, Phetchabun
14	348	5	Chainat, Sing Buri, Phatthalung, Chaiyaphum, Ang Thong
15	347	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
16	345	4	Trang, Nan, Phayao, Phrae
17	337	3	Narathiwat, Pattani, Yala



Common Practice

No.	Allowance	Chonburi wages (by law)	Practice
1	Daily Wage (base salary)	400	500 – 550 (depends on skill set/factory type, semi-skill or production worker)
2	Meal allowance		THB 30, or free lunch
3	Overtimes 2-4 hours		Yes
4	Group Insurance		Yes
5	Bus from -- To		Yes
6	Night Shift Allowance		THB 30/day
7	Bonus/other allowances/ Provident Fund		Bonus: 2 times a year, some companies (4 times a year) PVF: 3% to 7%



Employer Cost & Mandatory Benefits

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 the 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 dismissed from the company for whatever reason within or before 119 days of employment, regardless of employment type, employees are eligible to receive the severance payment.

Severance Payment

Uninterrupted Employment Period	Severance Pay <small>* days of the most recent pay rate</small>
120 days < 1 year	30 days
1 year but < 3 years	90 days
3 years but < 6 years	180 days
6 years but < 10 years	240 days
10 years but < 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

Employer Welfare Fund Policy vs. PVF

**Provident Fund
(PVF)**



PVF

Step 1

New Join Employee
(If the company doesn't have PVF)

YES

Step 2

Employees decide either one

Step 3

Employees can stop/de-register EWF
or PVF anytime

Step 4

If the employee de-registers PVF, the
employer needs to register for EWF
automatically

NO

**Employer Welfare Fund
(EWF)**

EWF



Statutory: Employer Welfare Fund (EWF)

Start from 1st October 2025

Employer Welfare Fund (EWF) *(required to contribute by EE & ER equally)*

Base salary (actual wage – without cap)

Contribution rate = 0.25%	Employee	Employer
THB 20,000	THB 50	THB 50
THB 100,000	THB 250	THB 250

Submission deadline: monthly by the 15th of the following month

Contribution Structure

- From 1st October 2025 to 30th September 2030, contribution rate is 0.25% of wages.
- From 1st October 2030, contribution rate is 0.50% of wages.
- Penalty of late submission and payments will incur a 5% surcharge per month on the unpaid amounts.

Employee Benefits: Provident Fund (optional)

The provident fund in Thailand is a fund set up voluntarily between the employer and employees to serve as a security for the employees in case of their resignation, retirement, disability, or death. A provident fund is regulated by the government through the “Provident Fund Act” to protect the rights and benefits to which employees are entitled.

Provident fund consists of the following:

1. Amounts contributed by employees are called “**employees’ contribution**” with the employees’ consent for deduction from their base salary from **3% but no more than 15%** as prescribed in the fund’s articles.
2. Amounts contributed by employers are called “**employers’ contributions**” which shall not be less than **5%, 7%, 10% and 15%** of the employee’s base salary by year of service. Contribution rate may be different based on conditions, terms of employment, or duration of membership as prescribed in the fund’s articles.

1. Proportion of contributions on the employer part

Length of service	Employer contribution
Less than or equal to 3 years	5%
More than 3 years but less than 5 years	7%
More than 5 years but less than 10 years	10%
More than 10 years	15%

2. Term of employment for receiving contributions from the employer part

Length of service	ER %
More than 3 years but less than 5 years	50%
More than 5 years	100%

Statutory: Employment of Persons with Disabilities

Rehabilitation of Disabled Persons Act (1991)

Organisations in Thailand with more than 100 employees are mandated to hire persons with disabilities in the ratio of **1:100**. For every additional 51 employees, employers are mandated to add +1 disabilities.

Proportions Ratio

- Every 100 employees can (must) hire persons with disabilities suitable to work in any position.
- **(100:1 ratio)** and if employees exceed the next 50, an additional 1 disable-person **needs to be hired** i.e. **(155: 2), (200:3), (260:4)** and so on.

If the qualified organisations do not meet the government regulations, they are required to **contribute to the State Fund for Rehabilitation of Disabled Persons Fund on an annual basis**.

Contribution Rate	Minimum wage × 365 Days
Year 2025 minimum wage THB 337 per day	Minimum wage 337 × 365 days = THB 123,005 per year

Average cost of additional 51 employees = $123,005 / 51 \text{ EEs} / 12 \text{ months} = \text{THB } 201 \text{ per month}$.

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 **students from lower income group** of society to provide access to the upper secondary and higher education as well as to reduce the existing gap between rich and poor in terms of educational rights and human capital development.
- Student loan fund provided for **upper secondary, vocational** and **undergraduate levels** of education.
- For the undergraduate level of education, the loan is directly forwarded to the university based on its previous record through the 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 a **copy of the writ of execution** and a form to submit the **sequestration money** and the department order company to deduct the employee's salary for them due to employee's loss in the court case and owes someone/other party or bank

Deduction Sequence

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

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.

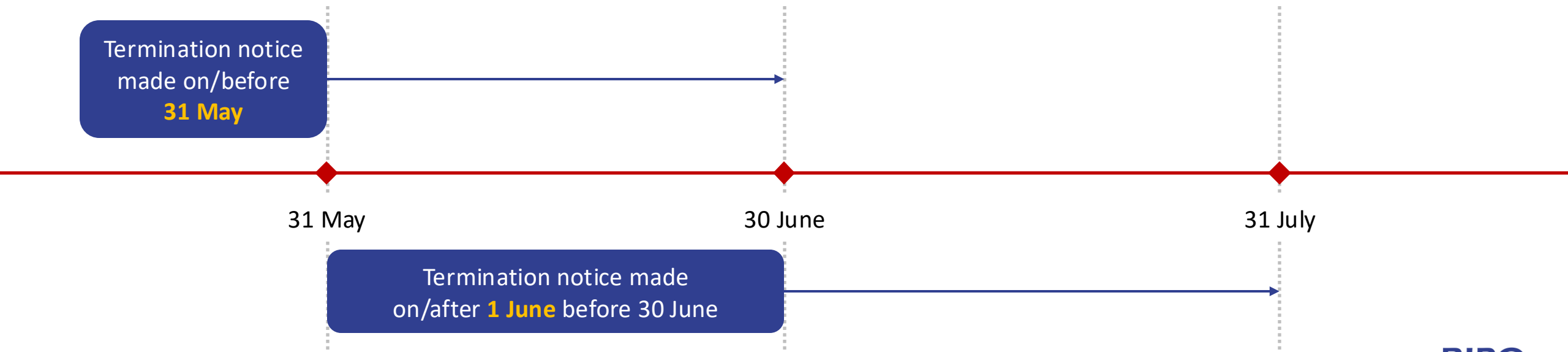
Penalty/Fund

Companies 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.

Employee Benefits: Advance Notice (mandatory by law)

The notice period will be **at least 30 days (one month payroll cycle) in advance**. If the notice is less than mentioned, the employer has to pay **payment in lieu of advance notice** to the employee. The employer who would like to terminate the employment must send the dismissal notice to the employee in advance, before or on the day of wage payment to serve the dismissal and to be effective on the day of the next wage payment. It means that the dismissal notice from the employer must be sent to the employee in advance **at least one cycle of wage payment**.

***For example:** If the wage payment is made on the last day of every month, the employer must notify the dismissal to the employee before or on 31 May 2025 and request the employee to leave their job on 30 June 2025.*





Assessable Income & Tax Deduction/Relief

What are the Assessable income in Thailand for taxation?

Assessable income / employment income

- Salaries, wages, bonuses, commission
- allowances, pensions,
- other benefits such as rental fee, tax absorbed or tax that paid by employer (also consider assessable income that taxable)
- Income from retirement/pension and **severance** money from contract ended

Exempt Income from PIT

- Travelling expense, per diem, childbirth expense, company uniform
- Medical expenses, insurance, bus from – to company
- **Severance** payment and (income) that terminated by company for the first 600,000 THB

Tax Calculation in Thailand (Sample using some Tax Relief)

	Monthly	Annually (projection)
Base Salary	50,000.00	600,000.00
Regular income		
Mobile Allowance	2,000.00	24,000.00
Rental Fee	5,000.00	60,000.00
Irregular income		
Bonus	20,000.00	20,000.00
Assessable income (Jan-Dec)		704,000.00
Personal expense		100,000.00
Personal deduction		60,000.00
Care of Spouse (without income)		
Care of Child(ren), age not over 25 years		
Care of 2 nd child and/or further born after 2018		
Care of parents (age over 60 years)		
Care of disabled person in Thailand		
Health insurance for parents (age over 60 years)		
Life insurance for spouse		
Life and Health insurance		10,000
Social Security Fund allowance		9,000.00
Taxable income after deduction		525,000.00

Net Income	Tax Rate
0 - 150,000	<i>Exempt</i>
150,001 - 300,000	0.05
300,001 - 500,000	0.10
500,001 - 750,000	0.15
750,001 - 1,000,000	0.20
1,000,001 - 2,000,000	0.25
2,000,001 - 5,000,000	0.30
5,000,001 and over	0.35

BIPO Resource Hub

Webinar Series
UK Labour Law

Common Employee Benefits in the UK

UK Employee Benefits

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Webinar Series
Updates in Thailand’s Labour Law

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	>20000* 1% (20/month)	>20000* 1% (200/month)

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BIPO

Ask Our Experts Series
Payroll Compliance in Kenya

Minimum wage of Kenya compared to other East African Countries

Minimum salary wage in Kenya is 15120 KES/Month (101.505 USD/Month).

Employer's who are in other sectors not provided for in the sectoral minimum wage board should pay their employees a minimum monthly wage of TZS 150,000 (approx. USD 60).

As of 2024, the government proposed a bill that the minimum wage in Uganda was set at: 130,000 Ugandan Shillings per month for most sectors. This equates to approximately \$33 USD per month. The same is yet to be approved for implementation.

Rwanda introduced a minimum wage in 2013. As of 2021, the minimum wage in Rwanda was set at 3000 Rwandan Francs per day for non-agricultural workers, which is approximately \$1.84 USD per day.

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BIPO TIMES

January 2025 Issue

The Netherlands’ Labour Law & Employment Regulations

October 2024 Issue

UK’s Labour Law and Employment Regulations

September 2024 Issue

Updates on Japan’s Labour Law and Employment Regulations

June 2024 Issue

Updates on Thailand’s Labour Law

Upcoming Webinars

BIPO | Make Life Easier.

UAE's Labour Law & Employment Regulations

15 May 2025 | 4:00 PM GMT+8

**Subject to change*

Ashraf Abdulrahiman
HR Service Delivery Manager,
Dubai

The poster has a dark blue background with a faint silhouette of the Dubai skyline. The BIPO logo is in the top left. The title is in yellow and orange. The date and time are in white. The speaker's name and title are in white, with a circular portrait of Ashraf Abdulrahiman to the right.

BIPO | Make Life Easier.

Bangladesh's Labour Law & Employment Regulations

17 Jul 2025 | 4:00 PM GMT+8

**Subject to change*

Saddam Hossain
Country Manager,
Bangladesh

The poster has a dark blue background with a faint silhouette of the Taj Mahal. The BIPO logo is in the top left. The title is in yellow and orange. The date and time are in white. The speaker's name and title are in white, with a circular portrait of Saddam Hossain to the right.

Find out more: www.biposervice.com/resources/events/

THANKS



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