

# BIPO TIMES

April 2018 Issue

## Employment Law Landscape in Thailand

In Thailand, the rights and responsibilities of an employer and employee are typically governed by the Labour Protection Act, B.E. 2541 (1998) ("LPA"), the Labour Relations Act, B.E. 2518 (1975), and the Civil and Commercial Code, with the LPA being the main statute governing employment. Thailand has by and large been regarded as having a pro-employee landscape and the labour force is largely non-unionized even though the labour unions have begun to play more active roles in recent years. Although the labour unions are operating under the auspices of the Labour Relations Act, B.E. 2518 (1975), working conditions are regulated by statutory law, rather than by collective agreements.

### Form of Employment Contract

All relationships of employment are viewed as contracts of hire of services. Although under Thai law, there is no requirement for a contract of employment to be in writing, it is strongly advised that employers and employees have written contracts to clearly specify the terms and conditions of employment. The basic conditions that are required to be stated are the wages and wage period, annual leave, confidentiality, and the length of notice required to terminate the employment.

### Working Hours and Wages

The maximum working hours should not exceed eight hours per day or 48 hours per week. For work considered hazardous to health, work is limited to 7 hours per day or 42 hours per week. From April 2018, the minimum daily wage ranges from Baht 308 to Baht 330, varying from province to province. The revised is about 2 to 7 percent higher than current levels.

### Leave and Holidays

Under the LPA, all employees, whether full-time, part-time, seasonal, casual, occasional, or contract, are entitled to weekly leave and traditional paid holidays. Employees are entitled to at least six working days of paid annual leave and 13 public holidays per year,

including National Labour Day (1 May).

An employer is entitled to require an employee to work on a holiday if the employee performs work in the business of a hotel, theatre, transportation,

Brought to you by **BIPO**



restaurant, refreshment shop, club, association, medical establishment, or in other types of business prescribed by the ministerial regulations. The employer must agree with the employee that another day be taken as a holiday in substitution for that holiday or that the employer pay wages for working on a holiday to the employee.

Additionally, employees can apply for paid sick leave, up to 30 working days each year.

## Termination and Severance Pay

An employee may be dismissed without notice or severance payment under any of the following circumstances:

- Dishonestly performing his/her duty or intentionally committing a criminal offense against the employer.
- Intentionally causing damage to the employer.
- Negligently causing gross or serious damage to the employer.
- Violating work regulations, rules, or lawful orders of the employer after written warning has been given by the employer other than in serious cases when the employer is not required to give any warning.
- Neglecting duty for 3 consecutive working days without justifiable reason.
- Being imprisoned by a final judgement of imprisonment.

A termination notice is not required to be in writing. A verbal notification by the employer or authorised person of the employer is considered as a valid notice of termination. Additionally, there is no requirement to state the reason for termination within the notice.

All employees who have worked for a continuous period of 120 days or more are entitled to severance pay if their employment is terminated without cause. The amount of statutory severance pay to which an employee is entitled is calculated according to the employee's length of service.

Years of Service	Amount of Severance Pay
At least 120 days but less than 1 year	30 days wages or salary
At least 1 year but less than 3 years	90 days wages or salary
At least 3 years but less than 6 years	180 days wages or salary
At least 6 years but less than 10 years	240 days wages or salary
At least 10 years or more	300 days wages or salary

An employer is not required to pay statutory severance pay to an employee under the following circumstances:

- Employee has been employed for a continuous period of less than 120 days;

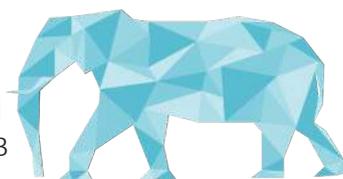
- Employment is considered to be a fixed-term contract (as defined under the relevant law and according to Thai Supreme Court guidance) and the termination of employment occurs on the expiry date of the contract.

## Employee Welfare Fund

Under the LPA, employers with 10 or more employees, and their employees, must be members of the mandatory Employee Welfare Fund, which provides financial security to employees whose employment is ceased or to the designated beneficiaries in case of their death. If a company has set up a provident fund for its employees or provides welfare for the employees in case of their resignation or death, in accordance with the rules and procedures prescribed in the ministerial regulations, it shall be exempt from setting up an employee welfare fund.

The employee's and employer's contributions will be in accordance with the rates prescribed in the ministerial regulations, but does not exceed 5% of the employee's wage.

## Social Security



Pursuant to the Social Security Act B.E. 2533 (1990), every employer is obliged to register with the Social Security Fund. The Social Security Act requires that the government, employers and employees contribute to the Social Security Fund at the rates prescribed by law. Currently, both employers and employees each make monthly contributions at the rate of 3% of the employees' wages, while the government contributes at a rate of 2%. However, if the employee's monthly wage is more than Baht 15,000, the amount of his/her monthly wage to be used for calculation of monthly contributions shall be capped at Baht 15,000, thus making the maximum contribution amount that of Baht 750.

The Social Security Act does not cover government officials, employees of foreign governments and international organisations, employees working in foreign countries for Thai companies, teachers at private schools, students who work for schools, universities, and hospitals, and other types of employees according to royal decree. House servants are also specifically excluded from the definition of employee under the Act.

## BIPO Clinched Yet Another Accolade!

We celebrated another milestone achievement as Michael Chen, CEO of BIPO accepted the '2017 Jing'an District Top 100 Outstanding Enterprises Award', presented by Jing'an District People's Government at Shanghai Centre Theatre on 22 March. This award recognises deserving businesses for their product innovation and business excellence within the past year.

This accolade affirms our commitment in providing value through delivery of new and innovative HRMS solutions for HR and business leaders in Asia Pacific. A sincere thank you to our clients and business partners for your continued support and trust in us! We will achieve greater heights in 2018!



## BIPO Leader Speaks at 2018 China Enterprises Going Global Risk Conference

Florence Mok, BIPO's Managing Director of North Asia was one of the speakers at the 2018 China Enterprises Going Global Risk Conference, held at the Zhuhai International Convention and Exhibition Centre, on 20-21 March. She shared some of the key intercultural challenges in South Korea and United Kingdom as well as useful tips on working with companies in these countries.

This two-day conference provided a stimulating setting to connect internationalised enterprises and companies interested in having a global presence and was attended by over 100 government representatives and 2,000 business leaders from various countries.



## Great Sharing on Indian Labour Regime and Key Laws!

Amit Kumar, Deputy General Manager of BIPO India gave an engaging presentation on the overview of the Indian labour regime and key laws in Shanghai on 7 March. During his talk, Amit discussed the recruitment, selection process and foreign direct investment and shared some best practices and challenges related to doing business in India.

BIPO India offers cutting-edge solutions which include administrative outsourcing, business and recruitment process outsourcing, HR consulting, permanent placement recruitment, expatriate and HR services for small and medium-sized enterprises and new business setup.



# BIPO Strengthens Asia Pacific Presence with Opening of New Office in Tokyo

BIPO continues to grow its Asia Pacific platform with the opening of a new Japan office in Tokyo. The new Japan office will enable BIPO to provide high quality local service to our Japanese clients and create more visibility for the brand in the market.

Leading BIPO in Japan is Seiji Yokoyama, Project Manager, who possesses over 20 years of regional experience in project management for Human Resource Management System and strategic development, as well as a deep local network. Working closely with Seiji is Vera Ren, a Shanghainese relocated to Japan. She will be managing various projects for clients and ensuring services are delivered through high touch engagement.

“The opening of our office in Tokyo is another huge step forward in strengthening BIPO’s position as the leading

one-stop human resource provider in the region,” said Michael Chen, CEO of BIPO.

BIPO Japan will provide a wide range of HRMS services, including payroll outsourcing, attendance automation and HR consulting.



## BIPO HR Clinic

In partnership with JustCo, Singapore’s largest coworking space and hot desking office, we ran a BIPO HR Clinic for JustCo members on 23 March.

Led by Adrian Wong, Director of BIPO Singapore, a regional HR expert, the BIPO HR Clinic provided HR professionals and business owners with advice on their burning HR questions and issues on workforce planning, compensation, performance management, compliance, HR transformations or other HR needs.

## BINUS Job Expo 2018

The BIPO Indonesian team participated at the annual BINUS Job Expo 2018, held at the Binus University campus on 6-7 March. The team was on the lookout for potential hires with key qualities and the right skills set.

Thank you to all who visited the BIPO booth and it was great pleasure meeting everyone!



# Engaging with HR Professionals at HR Tech Summit Singapore

BIPO Singapore team had a great time exhibiting at the HR Tech Summit in Singapore on 28 March! We met over 300 HR leaders and enjoyed learning about their companies and discussing how they can streamline their HR processes and operations using our innovative HRMS solutions.



## ABOUT US

BIPO is a leading one-stop human resources provider in Asia Pacific, focused on providing organisations with innovative ways to manage complex end-to-end HR processes. Through our cloud and mobile-based Human Resources Management system as well as industry-leading solutions such as Payroll Outsourcing, Attendance Automation, Business Intelligence, HR Consulting, Recruitment & Business Process Outsourcing and Flexible Employee Management, we help companies transform their HR operations to and beyond their expectations, while achieving business goals related to cost and profitability.

Founded in 2004, our APAC headquarters is in Singapore and R&D centre in Indonesia. We have offices in Australia, China, Hong Kong, India, Japan, New Zealand, Philippines, Vietnam, Taiwan and Thailand with business links in over 10 countries and regions.



✉ [info@biposervice.com](mailto:info@biposervice.com)

🌐 [www.biposervice.com](http://www.biposervice.com)

📘 [bipo-svc](#)    [in biposvc](#)