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Proposed amendments to the labor protection law were approved in principle

The proposed amendments to the Labor Protection Act (“**Draft Amendment**”) has recently been approved, in principle, by the National Legislative Assembly (“**NLA**”). The Draft Amendment proposes several amendments on the rights of employees in order to be in line with current situation and international standards. Following this, the Draft Amendment will be considered by the Committee of the NLA for further proceedings.

Key proposed amendments include, for example:

- The maximum rate of severance pay is increased from 300 days to 400 days of final wages for an employee who has worked for a successive period of 20 years or more;
- An employee can take leave (with pay) in case of necessary business for three working days per year (this type of leave has never been granted before);
- Additional cases where an employer must pay 15% interest per annum to an employee are proposed in the Draft Amendment, e.g. in case of non-payment of wages to the employee on the employment termination date in lieu of advance notice, in case of non-payment where the employer ceases operating the business temporarily, etc.
- The Draft Amendment clearly provides that in case of change of an employer, the employee must give his consent and be entitled to the same rights that such employee has under his previous employment, i.e. a new employer shall assume all rights and duties relating to such employee.
- A female employee can take maternity leave (with 45-day pay) of not exceeding 98 days (including leave for prenatal diagnosis), while under the current law, only 90 days have been granted.

As several amendments to the existing labor protection law are proposed under this Draft Amendment, business operators in Thailand should be aware of and prepared to consider if the existing employment terms and conditions may conflict with the proposed amendments or not as any non-compliance under the labor law could give rise to criminal liability of employers.

We welcome any opportunity to discuss the relevance of the above matter upon request.

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