

Tax & Legal News Flash

KPMG in Thailand



Issue 53 : January 2019 Amended Labor Protection Act

The draft amendment to the Thai Labor Protection Act ("Amended LPA") was approved by the National Legislative Assembly on 13 December 2018.

The Amended LPA is now pending for the King's signature, and will be effective 30 days after publication in the Government Gazette.

Key amendments include the following issues:

Issues	Key Amendments
Severance pay	Increased to 400 days of wage for terminating an employee with an employment period of 20 years or more
New personal leave	3 working days per year (with pay).
Maternity leave	Increased to 98 days (with 45-day pay) for each female employee.
Employment transfer	Each employee's consent is required for any change of employer.
15% interest	Provide employer's duty to pay 15% interest per annum for some more cases, e.g. no payment in lieu of advance employment termination notice, etc.

KPMG's Comments:

Legal requirements

The Amended LPA with several revised issues will affect many employers' work rules (an employer with 10 or more employees must prepare and announce the work rules with minimum particulars as required by Thai labor law).

Legally, any amendments to existing work rules must be announced at the work place within 15 days.

Therefore, all employers should start preparing to amend their work rules to comply with the Amended LPA.

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Proper work rules

Employers should keep monitoring and updating their work rules from time to time.

Proper work rules prepared in accordance with Thai labor law could strongly support employment management and also help minimizing several risks related to employers' liabilities, including employment termination and dispute.

We welcome any opportunity to discuss the relevance of the above matter including the required amendments to the work rules upon request.

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