

LABOR LAW IN THAILAND: PART 10 – The Employees Compensation Act

The Employees Compensation Act (the “Act”) requires an employer with one employee or more to register employees (with the exception of certain categories of employees such as government officials and teachers at private schools) with the Employees Compensation Fund (the “Fund”) at the Social Security Office. The purpose of the Fund is to compensate employees – or their estate – for lost wages in the event of the employee’s employment-related injury, illness, or death, as well as for such an employee’s, medical treatment and rehabilitation, or funeral costs.

Employers must contribute to the Fund by the end of January of every year at rates, which depend on the type of employer’s business and nature of the employee’s work. The contribution rates range from 0.2% to 1% of the employee’s total annual pay.

However, where an employee’s salary exceeds Thai Baht 240,000 yearly, the base salary of that employee – for purposes of the requisite Fund contribution calculation – will be capped at Thai Baht 240,000. If an employer fails to make any required contribution to the Fund, that employer will be required to pay the outstanding contribution amount – as well as an additional penalty amount equal 3% of the unpaid contribution per month of the deficiency.

An employee’s eligibility for payment of compensation benefits is determined by the criteria detailed under the Act and if eligible, paid to such an employee at rates prescribed by the Act, which depend largely on the seriousness of the case. Most commonly, the compensation will be paid monthly at the rate of 60% of the employee’s monthly wages for a specific duration to an employee who is: unable to work continuously for more than three days; has lost an organ; becomes disabled such that they cannot perform their work; or who dies.

Where medical treatment is required as a result of a covered employee's work, then such an employee's "actual and necessary" curative expenses will be paid for by Fund up to Thai Baht 45,000 for a "normal case" and up to Thai Baht 65,000 for a "serious injury". Furthermore, and if applicable, an employee may also be eligible to receive compensation for curative rehabilitation expenses, but not exceeding Thai Baht 20,000.

It should be noted, however, that certain exceptions to an employer's obligations and an employee's eligibility to compensation under the Act apply where an employee is injured due to the employee's fault.

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