

## **1. Government requirements**

### **Registration requirements**

#### **Payroll withholding tax**

In Thailand, the employer has an obligation to calculate and deduct withholding tax under progressive rates as well as social security tax based on rates stipulated by the social security office.

#### **Social security fund**

Social security fund is the fund that guarantees the insured with benefits in case of illness, injury, disability or death (not resulting from work), including maternity, invalidity, old age and unemployment. The insured employees should be above 15 years of age and not more than 60 years of age and have worked in establishments with employees that hire more than one employee. Employers with one or more employees must register within 30 days in case of new employees. The employer has to register with the social security fund by submitting the registered employer form together with relevant employer and corporate documents.

#### **Workmen compensation fund**

Workmen compensation fund is a fund that pays compensation to the employee for sickness, injury or death due to work, prevention or treatment of a disease or sickness benefits. This happens according to the nature or conditions of work or disease, as a result of work for the employer. For employers with more than one employee, it is obliged to register the workmen compensation fund together with the social security fund within 30 days.

### **Ongoing compliance requirements**

#### **Payroll withholding tax**

The employer needs to remit the tax deduction by filing monthly payroll withholding tax return with the Revenue Department within 7 days of the following month via hard copy and 15 days of the following month via e-filing (an approval for e-filing is required). However, due to the COVID-19 pandemic, e-filing due date for the month of January 2021 to May 2021 have been extended to the end of tax month due (i.e., e-filing of April 2021 due within the end of May 2021). The employer is required to file a

summary of payroll withholding tax return on an annual basis with the Revenue Department by the end of February of the following year.

### **Social security contributions**

The employer is required to deduct social security contributions from its employees' wages and contribute its share in an amount equal to the employees' contribution and submit the social security tax return within 15 days of

the following month either in hard copy or e-filing (an approval for e-filing is required). The rate of contribution on the first THB15,000 is capped at THB750 per month. However, due to the COVID-19 pandemic, the rate was reduced to 2% with the maximum deduction of THB300 from September to November 2020. This reduction in rate was further extended to 2021 per the below:

Month (2021)	Employer rate	Employee rate
January 2021	3% (cap at THB450)	3% (cap at THB450)
February 2021	3% (cap at THB450)	0.5% (cap at THB75)
March 2021	3% (cap at THB450)	0.5% (cap at THB75)

From April 2021 onward, the rates reverted to THB750. However, following the announcement by the Social Security Office in May 2021, the contribution rate has been reduced to 2.5% for both employer and employee from June to August 2021.

Month (2021)	Employer rate	Employee rate
June 2021	2.5% (cap at THB375)	2.5% (cap at THB375)
July 2021	2.5% (cap at THB375)	2.5% (cap at THB375)
August 2021	2.5% (cap at THB375)	2.5% (cap at THB375)

From September 2021 onward, the rates will revert to THB750.

## **Workmen compensation contributions**

Employers pay contributions on a yearly basis. The contribution is based on the calculation of the wages to be paid to the employee for each year and up to THB240,000 per year. The contribution rate is set based on the risk profile of the employer's business. The employer is required to pay contributions by submitting the contribution forms in January and March of the following year.

## **2. Pension requirements**

### **Registration requirements**

Provident fund is a fund set up voluntarily between the employer and employees. The contribution to be made by the employer shall always equal the rate of the employee's savings or higher. Therefore, setting up of a provident fund can be regarded as a kind of benefit to motivate employees to work for the employer.

### **Ongoing compliance requirements**

The employer is required to make the provident fund contributions with the fund manager within three working days after pay day.

## **3. Employment obligations**

### **Labour Protection Act**

The minimum wage rate is dependent on the locality/ province with the highest rate of THB336 per day as determined by the Wages Committee under this Act. The standard working hours shall not exceed 8 hours per day and total working time per week shall not exceed 48 hours. Employees are entitled for overtime if working beyond or in excess of normal working time or exceeding the working hours agreed between the employer and the employee.

On working days, an employer shall arrange a rest period during work for its employees of not less than one hour per day after the employee has been working for not more than five consecutive hours. Sick leave is provided as long as the employee is actually sick. For sick leave of three days or more, the employer may require employee to produce a certificate from a first-class physician or an official medical establishment. An employer shall announce not less than 13 traditional holidays per year in

advance for employees, including National Labour Day as specified by the Minister.

An employee who has worked for an uninterrupted period of one year, is entitled to annual holidays of not less than six working days in one year.

An employer needs to pay severance pays to an employee upon termination of employment with certain conditions under this Act.

#### **4. Payroll requirements**

Payment shall be made not less than once a month. Payslips need to be provided to employees at the date of payment.

#### **5. Banking requirements related to payroll**

Payment can be made by cash, check, bank transfer. In case of paying cash, the signature of the employee needs to be obtained.