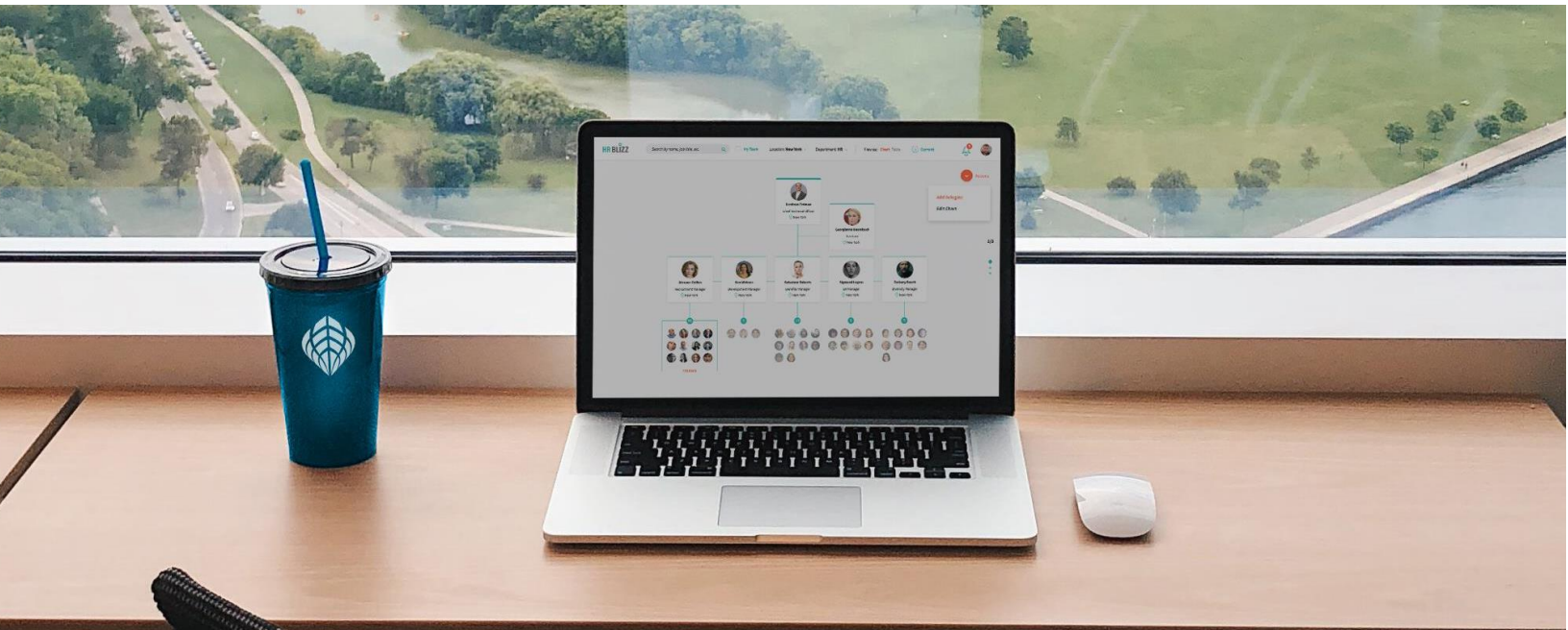




Simplifying Employment
Tasks Worldwide

Payroll & Tax Highlights

2022 Global Payroll Country Guide for Thailand



THAILAND



18 February 2022



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Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



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Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



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Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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Mercans at a Glance

160+

Countries

20

Years of Success

850+

Payroll and HR Specialists

8k+

Clients Worldwide

97%

Client Retention Rate

1.5X

Annual Revenue Growth

95k+

Largest Single Country
Payroll

9M+

Pay Slips per Annum

0

Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate





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Thailand – Passion made Possible.

With a population of 70 million people, a steadily-growing economy and business-friendly policies, Thailand is an attractive destination for foreign investors and multinational corporations (MNCs).

Thailand's improvement is largely due to the government's consistent efforts to improve both the regulatory environment and business incentives.

Foreign investors and MNCs are in favour of Thailand's e-Registration system, a new initiative by the Department of Business Development. The new system means they no longer have to go through the conventional registration process, which involves submitting work rules and regulations or an official seal registration certificate.

Moving forward, foreign businesses can appoint a representative to act on their behalf to register their businesses in Thailand. They also can choose to pay via various channels, and put together, these tweaks make the procedure more flexible.

The Thai government is planning to revise the Bangkok Act for Construction Permit Applications (1982), to reduce the inspection processes to only three stages, and also reduce the permit issuance timeline to only 10 days.

The Thai government has established a standard of custom operations and a "related procedures framework", in line with the World Trade Organisation and World Customs Organisation's standards.

A mutual recognition agreement (MRA) was established between Thailand and its regional partner countries to share the benefits of the Authorized Economic Operator standards. These grant a special privileges programme to entrepreneurs.

The Thai government has also completed several new initiatives such as the Tariff Valuation and Rules of Origin rules, e-Tariff service and anti IUU Fishing application.

The net effect of all this, is that Thailand is now a simpler country to import to, and export from.

Mercans and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.



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Basic Facts

Official State Name	Kingdom of Thailand
Population	70 million
Capital	Bangkok
Major Languages	Thai, a Kra-Dai language
Currency	Thai Bhat (THB)
Main Industries & Export Articles	Industry And Manufacturing Sector The Services Sector, including finance, health, tourism and hospitality, retail, communications, and banking.
GDP Growth	501.79 billion US dollars in 2020
Internet Domain	.th
International Dialing Code	66
Dates & Numbers	dd/mm/yyyy



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Entity Registration & Incorporation Requirements

Key Points for Business Setup

According to the Thai Law, you must establish and register the company with the Department of Business Development (DBD).

You must prepare the documents required by the DBD and meet the qualifications.

The DBD has offices in Bangkok and other provinces, making it convenient to register a company outside of the city. You can submit your documents for company registration at any office, no matter where your company is. But if you make any changes to your company, you must do it at the DBD in your area.

For Sole Proprietorship and Partnerships, the registration's procedures and lists of documents are simple. But for Limited Companies, you need more procedures and documents to register your company. To incorporate and register Limited Companies, you have to reserve your business's name according to the guidelines of the DBD. Afterwards, you have to arrange a meeting to incorporate your company, then prepare all documents for submitting and registering a Memorandum of Association and Company Registration.

You must do this on the same day, within the time frame set by the DBD.

Type of Business

Private Limited Company

Separate and distinct legal entity. Managed by a board of directors, which is responsible for making major business decisions and overseeing the general affairs of a company. Directors are elected by the shareholders of a company.

Public Limited Company

Separate and distinct legal entity. Managed by a board of directors, which is responsible for making major business decisions and overseeing the general affairs of a company. Directors are elected by the shareholders of a company. Public limited company can be newly incorporated or converted from, or amalgamated with, an existing private limited company. Usually a purpose of using a public limited company is to obtain investment from the public at large, for example, by making a public offering of its shares.



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Partnerships

There are 3 types of partnerships:

- Unregistered ordinary partnership (all partners are jointly and severally liable).
- Registered ordinary partnership (a partnership becomes a legal entity, separate and distinct from individual partners; all partners are jointly and severally liable for all obligations of a partnership).
- Limited partnership (partnership becomes a legal entity, separate and distinct from individual partners). Limited partnerships are comprised of 2 types of partners:
 - Partner(s) whose liability is limited to the amount of their capital contribution; and
 - Partners who are jointly and unlimitedly liable for all obligations of a partnership.

Financial Statements

In Thailand, all juristic companies, partnerships, branches of foreign companies and joint ventures are required to prepare financial statements for each accounting period.

The financial statements must be audited by and subjected to the opinion of a certified Thai auditor with the exception of the financial statement of a registered partnership established under Thai law, whose total capital, assets and income are not more than that prescribed in Ministerial Regulations.

The performance record is to be certified by the company's auditor, approved by shareholders and filed with the Commercial Registration Department of the Ministry of Commerce and with the Revenue Department of the Ministry of Finance.

Audit Requirement

Under Thai law any registered legal entity (irrespective of whether it is a limited company, a foreign company operating in Thailand or a registered partnership) is obliged to prepare and keep its accounts and file an annual audit.

All legal entities registered in Thailand have a legal obligation to prepare and keep accounts (this includes limited companies, registered partnerships and even foreign juristic persons conducting business in Thailand). Failing to do so is a criminal offence and any wrongdoing in this regard may result in a penalty amounting up to 200,000 THB.



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Requirement documents for audit:

- Income and expenses for the year (the government receipts plus the form PND 1, 3, 53; PP 30, 36; Por Tor 40, and Social Fund for Jan – Dec)
- Bank statement for every corporate bank account (current, saving account)
- Inventory (if any)
- Stock Cards
- Lease agreement
- A copy of any title deeds the company might have acquired when purchasing land
- Annual Audit for the previous year (Financial Statement, Auditor Report, PND 50 including General Ledger, Trial Balance and Assets Register)
- Company seal
- Half Year Report (PND 51)

Tax Office Registration and Administration Structure

The Revenue Department of the Ministry of Finance is responsible for the administration of personal income tax, corporate income tax, petroleum income tax, value added tax, specific business tax, and stamp duties. The administration of customs duties is the responsibility of the Customs Department, Ministry of Finance, while the administration of excise tax is the responsibility of the Excise Department, Ministry of Finance.

In general, Thailand's tax administration follows the concept of self-assessment. Taxpayers have a legal duty to declare their income and pay tax to the authorities. The income declared and tax paid are assumed to be correct. However, assessments may be conducted by the authorities in certain circumstances, such as failure to file tax returns or filing of false or inadequate tax returns.

Banking

A financial institution plays an important role as an intermediary for capital mobilization and allocation of economic resources. A well developed, efficient and stable financial institution system is thus the key to support sustainable economic development.

There are 2 types of financial institution in Thailand, including:

(1) Depository Corporations, for example, commercial banks, Special Financial Institutions (SFIs), Saving Corporate and credit unions, and money market mutual funds; and

(2) Non-depository corporations, for example, mutual funds, insurance companies, provident funds, asset management companies, and securities companies.

Most Thai banks open during weekdays at about 8:30 or 9am and close at about 3:30pm. However, branches inside the big shopping malls are usually open longer and also during the



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holidays. Note also that the bank book machines don't operate after 10pm and that internet banking is sometimes suspended during the night.

Working Hours

The maximum working hours for employees in Thailand is eight hours a day and not more than 48 hours a week. If the work is deemed dangerous to health or personal safety, the number of work hours must not be more than seven hours a day and not exceed 42 hours a week.

Employees are entitled to a rest period of at least one hour a day after working for five consecutive hours.

If employees work for more than the number of maximum hours, the employees are entitled to overtime compensation.

Overtime compensation rates

Overtime	Rates
Overtime on a normal working day	1.5 times the normal hourly wage rate
Normal working hours on a holiday	Two times the normal hourly wage rate
Overtime on a holiday	Three times the normal hourly wage rate

Employees are allowed to work overtime only for 36 additional hours per week. If the employer does not pay overtime, the employee can take legal action demanding the overdue payment and interest at 15% a year.

Labour Law

The employer-employee relationship in Thailand is primarily governed by the Labor Protection Act of Thailand. Thai labor laws serve as the best safeguard of the rights regarding employment in Thailand. It sets the rights and obligations of the employers towards its employees and vice versa. Note the article on Thai work permits on this website.

The term "employer" in Thailand includes persons who agree to accept an employee for work by paying wages which includes any person authorized to act on behalf of the employer. In cases where the employer is a juridical person like a company, the term employer includes any authorized person acting on behalf of the corporation and any person acting on behalf of the authorized person. The existence of an employer-employee relationship in Thailand is



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determined by the contract concluded by the parties. However, the parties are allowed to form the employment contract either in writing or verbally.

At the commencement of contract of employment, the employer and the employee should agree to the duration of the employment as well as the terms and conditions of the contract. The Thai Labour Protection Act guarantees security of tenure, hence, the employment can only be terminated in cases such as, expiration of employment period, mutual termination of the employment, completion of the agreed work, and in cases where either party notifies the other of his desire to end the employment.

The employment can also be terminated in cases where the employer's business was transferred to a third person without the consent of the employees. It can also end when the employer found justifiable cause to terminate the employee like gross misconduct. Where the period of employment is not specified in the contract of employment, either the employee or employer may terminate the employment, provided however that the party who wishes termination shall give in advance a notice in writing to the other party at or before any due date of wage payment in order to take effect on the following due date of wage payment.

Thai Labour Protection Act also provides for provisions regarding foreign workers or non-workers or non-resident aliens in Thailand. The said Act provides that an alien needs to secure an employment permit before they can work in Thailand. Foreign workers in Thailand however are prohibited from joining Trade Unions. If you are a foreigner in need of a labour lawyer in Thailand then seek advice before you appear before the labour courts.

Normally, workers in Thailand are required to work for a maximum period of eight (8) hours a day and overtime works are generally prohibited except upon prior consent of the employee. The Ministry of Labour and Social Welfare of Thailand oversees the implementation of said Act and secures that every right is protected under the laws of Thailand.



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Tax & Social Security

Filing Taxes in Thailand

The main hurdle with respect to taxes in Thailand for expats is the fact that all tax returns must be in the Thai language. If you do not understand Thai, it may be necessary to find a Thai-speaking accountant to assist you. Payments are due at the date of filing (typically March 31). For some business owners, it may be necessary to file every six months; most employees will only be expected to file yearly.

It is possible to file electronically on the Revenue Department's web page. Unfortunately, the system is still only available in Thai.

Those expecting a tax refund in Thailand will receive their cheques within 15 days after filing. There is an online system to track the progress of your refund, but it too is only available in the Thai language at present.

Types of Taxes

Personal Income tax

Thailand's income tax is known as the personal income tax (PIT) and is the basic tax in Thailand that foreigners will have to pay. A number of income sources may be included in this assessment. Most expats making more than 150,000 baht can assume that their earnings will be taxed; those making less are exempt from the PIT.

Thailand employs a progressive tax system for personal income tax, the rates of which are as follows:

Taxable Income	Tax Rate
0 – 150,000	Exempted
150,001 – 300,000	5%
300,001 – 500,000	10%
500,001 – 750,000	15%
750,001 – 1 million	20%
1,000,001 – 2 million	25%
2,000,001 – 5 million	30%
5,000,001 or more	35%



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Sales Taxes

Goods and services in Thailand are subject to a sales tax (or Value Added Tax, VAT) of seven percent on all purchases. You will typically find the VAT added to your bill in restaurants or stores, although some businesses may either ignore the tax or factor it into the purchase price. The VAT is separate from any “service charges” or “taxes” you may have to pay in establishments catering to foreigners and tourists.

Real Estate Taxes

Expats interest in the purchase of homes or property in Thailand is subject to several taxes.

These include:

- A business tax of 3.3 percent, either of the property’s appraised value or its registered sale value
- A transfer fee of two percent of the property’s value
- A stamp duty of 0.5 percent for those who do not have to pay the business tax
- Finally, a withholding tax of one percent either of the property’s appraised value or its registered sale value

Inheritance

If you stand to inherit in Thailand, there is a tax that varies based on your relationship to the decedent. Ascendants and descendants pay five percent on the value of the inheritance, while others pay a full 10 percent.

Capital Gains and Corporate Taxes

Thailand’s capital gains tax currently stands at zero. Capital gains made outside the country go untaxed, while those within Thailand are simply considered as regular income. On the other hand, capital gains earned on the Thai stock market provide an exemption.

For those doing business in the kingdom, Thailand’s corporate tax rate is now 20 percent of net profits. However, there are a number of complexities, depending on the type of business, its size, and its legal standing in Thailand. A small company with profits under 3 million baht, for example, pays only 15 percent.



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Exemptions and Avoiding Double Taxation

For Americans in Thailand, there are a number of deductions and exemptions you can use while in the country. These are somewhat complex, and you may benefit from the assistance of a tax specialist.

The most important exemption for Americans is the Foreign Earned Income Exclusion. This may reduce your US tax bill to zero if your income is entirely earned in Thailand. Thailand also offers a basic personal allowance and a variety of exemptions related to family status, which may also lower your tax burden.

Unfortunately, Thailand and the United States are not among those countries which have entered into a so-called Totalization Agreement to regulate the tax relationship between the two nations. For the expat taxpayer, this means that it may be necessary to pay social security taxes in both countries.

Income Taxes for Retirees in Thailand

The Thai embassy has the following clear statement about expat retirees and taxes in Thailand:

“Only income earned inside Thailand shall be subjected to tax during retirement. Therefore, you will not be obliged to pay any taxes for any income you have earned from overseas. Also, personal income taxes are not required for retirees in Thailand. Note that you can’t work in Thailand while on a retirement visa.

You would need to apply for a work permit. Once you stopped working you would have to leave Thailand and return with a 90-day OA visa and start the process again of extending the retirement visa for 1 year.”

Social Security System

Social security is a fund providing security and coverage to insured individuals.

Employers and employees are required by the Social Security Act to make contributions to the Social Security Fund on a monthly basis.

A company with one or more employees ages 15 to 60 must register and submit their employee’s Social Security Fund application to the Social Security Office within 30 days from the date the employee starts working with the company.

Foreigners who are legally working in Thailand must also register with the Social Security Office and are entitled to the same benefits as Thai employees.



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According to the Social Security Act, an insured person means a person who pays contributions which provide entitlement to benefits under the Act.

Insured persons include:

- An employee under section 33, who is not younger than 15 years of age and not older than 60 years of age.
- An employee under section 39, who is an insured person under section 33 having paid contributions for a period of not less than 12 months and ceases to be an insured person by ending to be an employee. If the employee wishes to continue to be an insured person, the employee must inform the Social Security Office within six months and submit a contribution to the fund within the 15th of the following month.
- Any other person who is not an employee under section 33 or section 39 may apply to be an insured person under section 40 by informing the Social Security Office.

An insured person is entitled to receive the following benefits:

- Injury or sickness benefits, including health promotion and disease prevention
- Maternity benefits
- Disability benefits
- Death benefits
- Child benefits
- Old-age benefits
- Unemployment benefits, except for an insured person under section 39

It is important to register all employees, both Thai and foreign, at the Social Security Office.



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Payroll

Employers in Thailand have withholding obligations to their employees, and must make income tax and social security contributions on their behalf.

Employees in Thailand must be issued with payslips for each pay period (payslips may be issued online), and payroll records must be kept for at least 7 years. Thai payroll may be handled in-house by a dedicated payroll officer or payroll team, or outsourced to a third party to take advantage of regional expertise. It may be advisable for foreign businesses setting up in Thailand to take advantage of global service providers in order to acquire valuable compliance expertise - and ensure their international employee populations are paid accurately and efficiently.

Minimum Wage

The daily minimum wage in Thailand varies dependent on the region. It ranges from 313THB to 336THB.

Payroll Cycle and Pay Date

The pay date is determined between the employer and the employee. Overtime pay, holiday pay, and holiday overtime pay are given to employees once a month, also on an agreed date. The employer also must pay employee's salary in his or her workplace, unless agreed otherwise. If employers want to deposit salary into the employee's bank account, they must obtain the permission of the employee to do so. No employee can be forced to receive money deposited into his or her bank account instead of the cash.

Working Hours

The maximum number of work hours is 8 per day, with a total of 48 hours weekly. Employees performing hazardous tasks work 7 hours per day and 42 hours weekly. A 1-hour rest period during a working day is given to employees. They can break their rest period into parts, the minimum time being 20 minutes and the longest time being an hour. If the employee is engaged in such work where stoppages may damage its production or quality, the employer may request the former to work without breaks. The employee's consent is required in this case.

Overtime Payment

An employee must consent to overtime and cannot exceed 36 weekly hours. Employees working overtime are entitled to overtime pay. Overtime pay is 150% their normal rate or 200% the rate for work on holidays.



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Social Security

The current contribution rate is 5% of the employee's salary.

The minimum salary to be calculated is THB 1,650 and the maximum is THB 15,000; therefore, the minimum contribution is THB 83, and the maximum is THB 750. Even though an employee's salary exceeds THB 15,000, the maximum contribution will be THB 750.

Contributions must be submitted to the Social Security Office within the 15th of the following month.

Type of Insurance	Employer %	Employee %
Pension	3.00%	3.00%
Health Insurance	1.50%	1.50%
Unemployment	0.50%	0.50%
Work Injury	0.20% - 1.00%	0.00%
Total %	5.20% - 6.00%	5.00%

Available Deductions and Allowances

Taxpayers can deduct the standard amount or actual expenses from the income received as follows:

Income Type	Deductible Expenses
Employment income (1)	50% of the assessable income capped at THB 100,000
Income from hiring of services (2)	50% of the assessable income capped at THB 100,000
Income from goodwill, copyright and other rights (3)	50% of the assessable income capped at THB 100,000 or the actual expenses
Income from interest, dividend (4)	Expenses cannot be deducted
Rental income (5)	10 - 30% of income or actual expenses
Income from liberal professions (6)	30 - 60% of income or actual expenses
Construction income (7)	60% of income or actual expenses
Income from business, commerce, agriculture, transportation or other income (8)	60% of income or actual expenses

Resident taxpayers can deduct personal and specific allowances in accordance with the table below:



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Allowances	Baht (THB)
Personal Allowances	
Personal allowances for taxpayers	60,000
Spouse allowance	60,000
Child allowance (maximum of three children each)	30,000 per child
Parent allowance	30,000 per parent (ages over 60)
Maternity and pregnancy allowance	Actual payment but not exceeding 60,000
Personal allowances for taxpayers	60,000
Spouse allowance	60,000
Care of disabled or incapacitated family member	60,000 each
Care of a disabled or an incapacitated person other than a family member	60,000
Special Allowances	
Social security fund contributions	Maximum of 9,000 per year
Life insurance premium	Not more than 100,000 per year
Health insurance premium	Not exceeding 15,000 per year (when combined with life insurance premium does not exceed 100,000)
Health insurance premium for parents	Not exceeding 15,000
Mortgage interest incurred for the purpose of purchase or construction of a residential building in Thailand	Maximum of 100,000 per year
Contributions to the Provident Fund	Contributions with a limit of 15% of total wages but not exceeding an allowance of 500,000
Contributions to the Retirement Mutual Fund	Contributions with a limit of 15% of total assessable income subject to tax with a maximum allowance of 500,000
Donations to specified charities	Actual donated amount up to 10% of taxable income after all other allowances are deducted



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Employment Law

The employer-employee relationship in Thailand is primarily governed by the Labor Protection Act of Thailand. Thai labor laws serve as the best safeguard of the rights regarding employment in Thailand. It sets the rights and obligations of the employers towards its employees and vice versa. Note the article on Thai work permits on this website.

The term “employer” in Thailand includes persons who agree to accept an employee for work by paying wages which includes any person authorized to act on behalf of the employer. In cases where the employer is a juridical person like a company, the term employer includes any authorized person acting on behalf of the corporation and any person acting on behalf of the authorized person. The existence of an employer-employee relationship in Thailand is determined by the contract concluded by the parties. However, the parties are allowed to form the employment contract either in writing or verbally.

At the commencement of contract of employment, the employer and the employee should agree to the duration of the employment as well as the terms and conditions of the contract. The Thai Labor Protection Act guarantees security of tenure, hence, the employment can only be terminated in cases such as, expiration of employment period, mutual termination of the employment, completion of the agreed work, and in cases where either party notifies the other of his desire to end the employment.

The employment can also be terminated in cases where the employer’s business was transferred to a third person without the consent of the employees. It can also end when the employer found justifiable cause to terminate the employee like gross misconduct. Where the period of employment is not specified in the contract of employment, either the employee or employer may terminate the employment, provided however that the party who wishes termination shall give in advance a notice in writing to the other party at or before any due date of wage payment in order to take effect on the following due date of wage payment.

Thai Labor Protection Act also provides for provisions regarding foreign workers or non workers or non resident aliens in Thailand. The said Act provides that an alien needs to secure an employment permit before they can work in Thailand. Foreign workers in Thailand however are prohibited from joining Trade Unions. If you are a foreigner in need of a labour lawyer in Thailand then seek advice before you appear before the labour courts.



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Employment Agreement

One of the best ways to stay compliant when hiring is through an employment contract. In Thailand, this contract can be oral or written. You should spell out an employee's compensation, benefits, and termination terms in the agreement before they officially start. Always put currency amounts in Thai baht (THB) instead of foreign currency.

Working hours in Thailand cannot exceed 48 hours a week, and employees cannot work more than 36 weekly hours of overtime. Thailand employment compliance also stipulates that employees get a minimum of one holiday per week, and the interval between those holidays cannot exceed six days.

According to the applicable regulations, a written employment contract should contain the following key terms:

- The identity of the parties.
- An agreement to hire.
- A description of the work to be performed.
- The length of employment (if for a definite term).
- The wages and other compensation to be paid.
- The effective date of the contract.
- Signatures of the parties.

Working Conditions

The categories of worker in Thai labor law.

- Hire of work (independent contractor relationship), governed by the Thai Civil and Commercial Code.
- Hire of service (employment relationship), primarily governed by the Thai Labour Protection Act BE 2541 (1998).

Employees can be either a:

- **Fixed-term employee.** Fixed-term employment, which is not subject to severance pay requirements, is only possible for a specific project outside of the normal business operations of the employer, or where the work is truly temporary or seasonal. In this case, the employee is not entitled to severance pay when the fixed employment period ends. The fixed employment period cannot be more than two years and the employment agreement setting out the terms must be in writing. A fixed-term employment contract must not have any clauses that allow the employer to terminate the employment at will or that provide for automatic renewal or a right of renewal for the employer.



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- **Permanent employee.** Permanent employees can be categorised further into those that are paid monthly, and those that are paid daily, hourly or by unit completion. An employee of the latter type is not entitled to pay on weekly holidays. However, they are entitled to a higher holiday overtime work rate for normal working hours on holidays (at twice their normal rate).

All employees are entitled to the minimum statutory entitlements under the Thai Labour Protection Act BE 2541 (1998), as well as benefits from the Social Securities Fund and Workmen's Compensation Fund. Independent contractors are not entitled to these employment rights and benefits, since the relationship with the employer is governed by the Thai Civil and Commercial Code.

Any dispute relating to an employment relationship must be brought before the Thai Labour Court, while disputes relating to the independent contractor relationship are brought before the Thai Civil Court.

There is no maximum period of time for engaging any categories of workers in Thailand. A fixed-term employee is not entitled to severance pay at the end of the employment period, as long as the requirements for fixed-term employment are met.

Leaves

Public Holidays

Paid Time Off: An employee who has worked continuously for one full year is entitled to an annual holiday of 6 days per year. If the employee works for less than one year, his or her annual leave is prorated. Sometimes, employers voluntarily give more than 6 days of annual leave to employees. If employees do not use their annual leave holiday within a year, it is carried over to the next year and added to the next year's annual leave. Yet some employers refuse to carry unused annual leave to the next year, annulling it when the year to which it belongs ends.

Sick Leave: Employees are eligible to take up to 30 days of paid sick leave per year. If the employee is absent for more than 3 consecutive days, the employer can ask for a doctor's note verifying the illness.

Maternity Leave: Employed expectant mothers are granted a minimum of 98 days of maternity leave. 45 days out of these 98 days are paid. Whether the remaining days are paid for or not depends on the employer's agreement with the pregnant employee.

Paternity Leave: The rights enjoyed by fathers of new-born babies vary depending on the sector in which they work. Fathers working in the private sector receive no paternity leave. The public sector, by contrast, gives fathers 15 days of paternity leave to take care of their new-born babies.



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Parental Leave: No statutory law for parental leave.

Other Leave: Work-related injury leave: If the employee needs to receive medical treatment due to work-related injury or occupational disease, his or her work-related injury leave should not exceed more than 12 months. In case of serious injury or special circumstances, the work-related injury leave may be appropriately extended upon the confirmation by the municipal labor ability certifying committee. Yet again the extension shall not exceed 12 months. Injured employees are paid 100% of their daily wages while they receive the required medical treatment. Employers bear the full brunt of payments for employees' injury compensation.

Public Holidays of Thailand for 2022

Date	Day	Holiday
1 Jan	Sat	New Year's Day
3 Jan	Mon	New Year Holiday
1 Feb	Tue	Chinese New Year *
16 Feb	Wed	Makha Bucha Day
1 Jan	Sat	New Year's Day
3 Jan	Mon	New Year Holiday
1 Feb	Tue	Chinese New Year *
16 Feb	Wed	Makha Bucha Day
6 Apr	Wed	Chakri Day
13 Apr to 15 Apr	Wed to Fri	Songkran Festival
1 May	Sun	Labour Day *
2 May	Mon	Labour Day Holiday *
2 May	Mon	End of Ramadan *
4 May	Wed	Coronation of King Vajiralongkorn
13 May	Fri	Royal Ploughing Ceremony *
15 May	Sun	Visakha Bucha Day
16 May	Mon	Visakha Bucha Holiday
3 Jun	Fri	Queen Suthida's Birthday
13 Jul	Wed	Asahna Bucha Day
14 Jul	Thu	Khao Phansa Day *
28 Jul	Thu	King Vajiralongkorn's Birthday
12 Aug	Fri	Her Majesty the Queen Mother's Birthday
13 Oct	Thu	Passing of His Majesty the Late King
23 Oct	Sun	Chulalongkorn Memorial Day
24 Oct	Mon	Chulalongkorn Memorial Day Holiday
5 Dec	Mon	His Majesty the Late King's Birthday
10 Dec	Sat	Constitution Day
12 Dec	Mon	Constitution Day Holiday
25 Dec	Sun	Christmas Day *
31 Dec	Sat	New Year's Eve



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Note:

Chinese New Year, Christmas Day and End of Ramadan are observed in Narathiwat, Pattani, Yala and Satun provinces only.

Labour Day is observed by all sectors except the Government sector.

Royal Ploughing Ceremony and Khao Phansa Day are observed by the Government sector only.

Employment Termination

Termination Procedure: An employer can give a termination notice orally or in writing to an employee and is not required to state the reasons for dismissal to the employee. However, on termination for serious misconduct, it must supply a written termination notice stating the reason for the dismissal in order to use that ground as a defence in case the employee pursues a claim for severance pay and unfair dismissal.

When an employment contract is terminated, the employer must notify the termination to the Social Security Office. When the termination concerns a foreign employee, the employer must notify the termination to the Department of Employment of the Ministry of Labour, and the Immigration Bureau.

Under the Labour Relations Act BE 2518 (1975) (LRA), if an employer wishes to dismiss an employee who is a member of an employees' committee, the employer must obtain a consent from the Labour Court before the dismissal. The LRA permits employees to establish an employees' committee in workplaces that have 50 or more employees.

Notice Period: An employer or employee can terminate an employment contract by giving an advance notice in writing to the other party. This notice must be given before the date wages are due in order to take effect the following wages due date. Therefore, it is generally a one-month advance notice period, unless other terms are provided for under the employment contract.

If the employer wishes to terminate the employment contract with immediate effect, without an advance notice period, the employer must pay the wage that the employee would have received during the advance notice period, called payment in lieu of advance notice.

Severance Payment: The amount of statutory severance pay is based on the employee's length of service within the company, as follows:

- At least 120 days but less than one year's service: at least 30 days' basic salary.
- At least one year but less than three years' service: at least 90 days' basic salary.
- At least three years but less than six years' service: at least 180 days' basic salary.
- At least six years but less than ten years' service: at least 240 days' basic salary.



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- At least ten years but less than 20 years' service: at least 300 days' basic salary.
- More than 20 years' service: at least 400 days' basic salary.

A dismissed employee is also entitled to:

- Any outstanding salary or other expenses.
- Payment of in lieu of advance notice, if advance notice is not given.
- Payment for accumulated holidays in the previous year.
- Payment for unused leave of the current year on a pro-rata basis.

The employee is not entitled to severance payments if the employment relationship is terminated due to their serious misconduct.



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Immigration

Thailand offers diplomatic, official, tourist, sports, business, research, religion, education, transit, investment through ministry, and other types of visas.

The visa system of Thailand is divided into three categories. People of the first category need to apply for a visa before immigration to Thailand. The people of the second category may obtain a visa on arrival at international airports in Thailand or at some immigration border checkpoints. While the third category includes those people who are mostly from developed countries and exempted from Thailand visa requirements. These people are allowed to visit Thailand as tourists for not more than 30 days.

The ministerial law defines nine types of visas, some of which are issued to individuals who wish to relocate to Thailand for permanent residency, some types of visas are only issued to holders of diplomatic passports and the remaining types of visas are issued to those aspirants who enter in Thailand for a temporary stay.

Thai Elite Visa

Thailand Elite Visa is a long-term visa categorized under Privilege Entry Visa allowing residency in Thailand along with benefits for a period between 5 and 20 years depending of the chosen package in exchange of a membership fee. The Elite Visa is a 5-year renewable multiple entry visa with an extendable 1-year length of stay per each entry.

This visa is appropriate for anyone who lives or regularly comes to Thailand but doesn't want to deal with Thailand's bureaucratic visa system. This includes digital nomads that don't want to do visa runs, retirees who don't want to be stressed with the new complicated regulations that have been regularly introduced, or investors or business people who need to fly in and out of Thailand several times a year.

Tourist Visa

This is a 60-day Tourist Visa to Thailand that can either be a multiple or single entry and can be extended for up to another 30 days by means of a visa run. Well if you want to extend longer than 30 days, you can convert the visa to a Non-Immigrant Visa which will require you to go to the nearby city or country such as Penang and Kuala Lumpur, Malaysia.



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Non-Immigrant Visa

This is normally a single entry visa to Thailand valid for 90 days. Like the tourist visa, you can extend your stay by doing a visa run going to the border or nearby city/country. Obtaining a work permit and opening a bank account is possible.

UPDATE: Some embassies will reject your COE application if you do not have the correct format for the Health Insurance.

One Year Non-Immigrant Visa

This visa is often a Multiple Entry Visa to Thailand valid for use for a period of 1 year. You are allowed to stay 90 days per entry which means, every 90 days, you will have to go to border and have your visa stamped at the immigration (visa run).

Marriage Visa and Retirement Visa

There is no direct application for this 2 visa types. But don't worry it's not going to be a complicated process, as long as you will meet the special financial requirements for the application. How to obtain a Marriage Visa in Thailand? You must simply be married to a Thai National. Otherwise, if you want a Retirement Visa in Thailand, you need to be 50 years old or above.

The process is as easy as 1 2 3. The first step, you obtain a non-immigrant visa. Next, convert the non-immigrant visa to either Marriage Visa or Retirement Visa. These are the visa types that will allow you to stay in Thailand for the whole 1 year (renewable) without going to the border or not leaving the kingdom anymore at all.

Business Visa

This visa is specially designed for people who want to do business legally in Thailand. It is also known as Non-Immigrant Business Visa. You can get a work permit, open a bank account however you still need to do a visa run every 90 days.

Permanent Resident Visa

To qualify for this visa, you must have stayed in Thailand for 3 consecutive with the one-year-visa extensions. If you are married to a Thai for 5 years, you must be earning 30,000 Baht/month. If you are single, at least your monthly income should be 80,000 Baht. You just simply present your three years of personal tax statements proving the above-stated income requirements to qualify for a Permanent Resident Visa in Thailand.



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Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

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Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

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