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## New Labor Protection Act to Introduce Changes to Employer Regulations

A number of amendments have been introduced to Thailand's Labor Protection Act (LPA) and are pending royal assent and publication in the *Government Gazette*. Notable changes include provisions aimed at protecting the benefits of specific groups or categories of employees, reducing requirements on registration of work rules by businesses, and protecting employees by helping them receive statutory severance at retirement. The details of each key change are outlined below.

The Ministry of Labor's Wage Committee will be empowered with the authority not only to set minimum wages based on types of businesses, specific categories of work, and locations, but also to set minimum wages for specific groups (e.g., student employees, etc.), in order to encourage businesses to hire and to protect specific employees or categories of employees.

Businesses with 10 or more employees will no longer be required to submit their work rules, or amendments to work rules, to the Director General of the Department of Labor Protection and Welfare or designee, in order to ease administrative burden. Businesses will still be required to:

- ▶ announce the implementation of the work rules within 15 days from the date on which the employer has 10 or more employees, or amended work rules;
- ▶ keep work rules or amendments to the work rules on the premises or at their office at all times; and
- ▶ openly post work rules or the amendments at the employees' workplace (the employer may also post the work rules or amendments in electronic format for ease of access and review by employees).

Provisions on retirement have been introduced, with retirement deemed to be termination of employment. Thus, retiring employees will be entitled to receive statutory severance if:

- ▶ the employer's work rules set a retirement age of 60 years and the employee reaches 60 years of age;
- ▶ the employer's work rules or agreements do not set a retirement age and the employee reaches 60 years of age, would like to retire, and has informed the employer of their intent to retire; or
- ▶ the employer's work rules or agreements set a retirement age above 60 years of age and the employee reaches 60 years of age, would like to retire, and has informed the employer of their intent to retire.

The new amendments also increase penalties for certain labor offenses, including those related to child labor protection, in an effort to deter exploitation of employees.

Once in force, it is expected that the new LPA will effectively address the following important challenges in the current LPA:

- ▶ The Wage Committee may only set minimum wages based on types of businesses, specific categories of work, and locations, but is not authorized to set a minimum wage for specific groups of employees, thus excluding certain groups from receiving fair minimum wages.
- ▶ Work rules and amendments to work rules must be submitted by employers to the Department of Labor Protection and Welfare, creating an administrative burden both for employers submitting documents and for government officers receiving them.
- ▶ There are no provisions on retirement, and retirement terms in the workplace therefore depend on work rules and agreements between employers and employees. In practice, some employers had tried to avoid paying severance by asking employees to voluntarily resign when the employees reached retirement age under the work rules or agreement. Compounding the problem is the fact that some companies have not set a retirement age for employees in their work rules. In other cases, employers applied a retirement age greater than 60 years of age, and when some older employees had physical problems and could not work, they had to resign, or even passed away before reaching retirement age. Under these circumstances, the employees did not receive statutory severance.

The amendments in the new LPA appear to be highly beneficial to both employers and employees. Nonetheless, employers in Thailand may wish to review their existing policies for compliance as the new provisions are likely to take effect in the very near future. 🏛️