

# Compliance and labour

## The legal implications of COVID-19 on employment in Thailand

### Employee rights to continuous payment even when there's no work

Under the Thai Labour Protection Act (LPA), if the employee is hired on a monthly basis, even if there's no work to do at that time, an employer must continue to pay salary.

### Legal requests an employer can ask of their employees during the COVID-19 situation

Employers have the following options:

#### Annual leave

Under the LPA and the current COVID-19 situation, the employer may require employees to take annual leave during the period of closure or suspension of business by giving them advance notice.

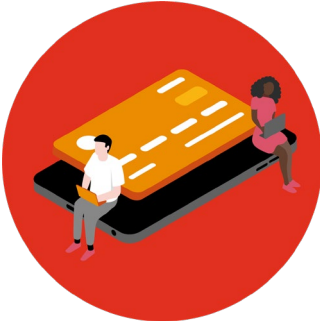
This measure would help the employers to save expenses because if the employees don't use the annual leave, the employer must pay wages to the employees.



#### Sick leave

Under the LPA, an employee is allowed 30 days per year for paid sick leave. If an employee takes additional sick leave, an employer is not required to pay salary for the excess. For the quarantine period under the government's requirement, it shall be counted as sick leave.





### **Unpaid leave or pay reduction**

Employers must receive consent from employees for either leave without pay or a reduction in pay, and they must agree on the duration of either measure.



### **Temporary suspension of the business**

Businesses closed as a result of the government's shutdowns measures may apply for a temporary cessation of operations under LPA Section 75. The employer must continue to pay 75% of the employee's wages during the cessation. The employers can't require the employees to do any work during this period.

## **Termination of employment contracts due to COVID-19**

Under Thai labour law, the employer may terminate or lay off employees under the following conditions:

- Employers must inform employees of planned layoffs at least one pay period in advance. Otherwise the employer is required to pay remuneration in lieu of advance notice. If relevant employment contracts, collective bargaining agreements (CBA), or work rules state a longer period for informing the employee of layoffs, the employer must comply with the contract or CBA.

Regarding severance, LPA Section 118 states that the employer must pay severance to employees whose employment is terminated without just cause.

- Other benefits under the employment contract, work rules, and laws, such as unused annual leave, must be paid by the employer.