

## LABOR LAW IN THAILAND: PART 9 – The Social Security Act

The Social Security Act (the “**Act**”) requires employers, employees and the government to contribute the Social Security Fund (the “**Fund**”). The purpose of the Fund is to insure employees against costs incurred by: non-work related injury; illness; invalidity; death; maternity; child support; retirement pension; or unemployment.

Employees between the ages of fifteen and sixty are required to be insured under the Act. However, some employees — such as: government officials; employees of foreign governments or international organizations; employees working in foreign countries for Thai companies; teachers at private schools; and students or nurse students who work for schools, universities or hospitals, are specifically excluded from coverage under the Act.

The Act requires all relevant employers to submit a statement specifying the name of each insured employee, their wage, and any other details to the Social Security Office within thirty days from the date when the employee becomes insured. If the employment is terminated, the employer must notify the Social Security Office within the fifteenth day of the month following the month of which the termination occurs. Any employer who does not submit the said statement or notification, or who submits false statements, is subject to imprisonment for a term not exceeding six months or a fine not exceeding Thai Baht 20,000 or both.

All relevant employers must also deduct Fund contributions from the wages of covered employees (currently, at the rate of 5% of such wages — but not less than Thai Baht 83 and not exceeding Thai Baht 750 per month). The employer must then also match this amount from the employer’s own funds for each such covered employee and then pay the total combined amount to the Social Security Office within the fifteenth day of the month following the month of each such deduction and submit a

statement (in a required format) detailing the payments of all such contributions. If an employer fails to comply with the Act and pay the Fund within the specified time, that employer will be liable to pay the outstanding Fund contributions and a penalty equal to 2% of such outstanding contributions per month of such deficiency.

---

DUENSING KIPPEN is an international law firm specializing in business transaction and dispute resolution matters, with offices in Bangkok and Phuket, Thailand and affiliated offices in 45 other countries. Visit them at: [duensingkippen.com](http://duensingkippen.com)