
Employment

New Labour Protection Law

Introduction

On 13 December 2018, the meeting of the National Legislative Assembly (“**NLA**”) passed the Draft Labour Protection Act B.E. 2541 (1998) (“**Amended LPA**”).

The Amended LPA is now pending publication in the Royal Gazette. Based on the draft Amended LPA publicly available, which is the draft proposed to the NLA for consideration, the Amended LPA will come into force 30 days from the date of publication in the Royal Gazette.

The key amendments include the following areas.

Wages and Payments

Employees who work for more than 10 years but less than 20 years will continue to be paid severance pay for 300 days (equivalent to 10 months) of their last wage rate, but if an employee works for at least 20 years, the amount of severance pay would be increased from 300 to 400 days of the last wage rate.

Employers are required to pay 15 percent of default interest on money owed to employees, if the employer fails to pay the employee, for:

- (i) payment of wages in lieu of advance notice;
- (ii) wages, overtime payments, payment for working on holidays, and payments for working overtime on holidays;
- (iii) wages during temporary cessation of the employer’s operations; and
- (iv) severance pay and special severance pay, within the prescribed time.

Employers must pay wages, overtime payments, payments for working on holidays, and payments for working overtime on holidays, at the same rate for both male and female employees who undertake work of the same type, quality, and quantity. These payments are required to be made within the period prescribed under the Amended LPA.

Transfer and Termination

Where a change in the employer results in any employees being transferred, the employer must obtain prior consent from the employee. The concept is the same as the current practice, but the new provision

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has been included for the purposes of clarity regarding the requirement for the employee's consent for the transfer of employment.

Where the employer terminates an indefinite term employment contract without notifying the employee at least one payment cycle in advance, the employer must pay wages in lieu of advance notice to the employee on the termination date.

Leave

Employers must grant employees at least three days of business leave per year.

Pregnant employees are entitled to 98 days of maternity leave, which includes leave taken for pre-natal examination before the delivery date, and holidays that fall during the maternity leave period. The employer must pay up to 45 days of wages during maternity leave.

Suspension and Relocation

If an employer is incapable of operating business as normal and temporarily suspends its business (either in whole or in part) for a reason other than force majeure, the employer must pay wages during the period of suspension within one month at the place of business where the employee works.

The concept is the same as that which exists under the current law (i.e. that the employer must pay 75 percent of the wage rate during the period of suspension); however, the new provision has been enacted for the purposes of clarity regarding the place of payment.

If the employer relocates its current workplace to a new establishment, or to another one of its existing work locations, the employer must post a conspicuous announcement at the current work place for a continuous period of at least 30 days in advance of the relocation. The announcement must include the details of the list of relocating employees, the new workplace and the timing of the relocation.

Penalties

Criminal procedures against employers shall no longer be pursued when the employer complies with any condition prescribed by relevant authorities (i.e. the labour officer or the court, as the case may be).

Several penalties for employers that fail to comply with the provisions in the LPA have also been amended.

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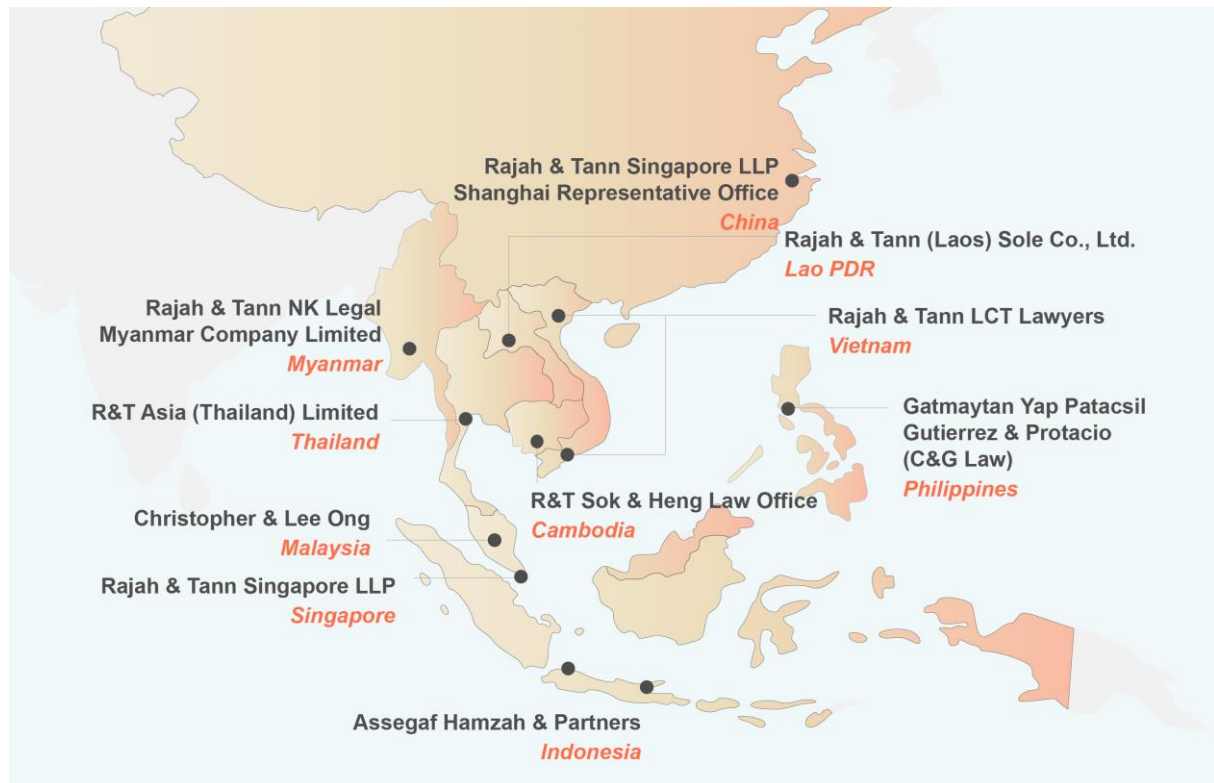
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