

Client Alert

August 2020

Additional Relief Measures for Employers and Workers

Despite the relative success that Thailand has made in controlling the COVID-19 situation, Thailand's economy has been compromised. At the early phase of the pandemic, various relief measures were issued by the government to help alleviate the impact on businesses and workers affected by the lockdown measures ([link to our previous article](#)). A number of measures have been added recently to address some of the gaps and further alleviate the impact of the pandemic on the local economy, particularly for workers and employers.

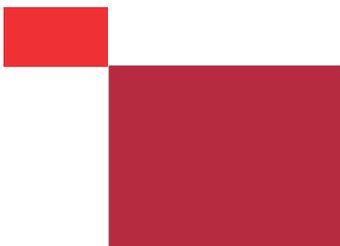
We have summarized some of the recent measures that have been issued or are being considered as follows:

- Reduced rate for mandatory Social Security Fund contributions by employers and employees from 5% to 2% for the period of August-October 2020. The newly proposed rate was approved by the Social Security Board and will be proposed to the Cabinet for approval.
- One-time cash subsidies of THB 5,000 per month for three months for employees of places of business affected by COVID-19 who so far have not benefited from the relief measures introduced by the government. Eligible employees must be those employed by businesses affected by COVID-19 during the period of March-May 2020 and who were insured under the Social Security system but whose contributions to the Social Security Fund were less than six months, thus failing to meet the eligibility criteria for the compensations from the Social Security Fund. The cash subsidies will be deposited to the saving accounts of the employees meeting the above criteria once as a lump sum of THB 15,000.
- A royal decree has recently been issued entitling companies and juristic persons who employ former convicts with Thai nationality who have been released from prison less than three years since the date of release to record taxable expenses of the expense used for the purpose of hiring former convicts at an additional 50 percent based on the portion not exceeding THB 15,000 per person per month.
- Low-interest loans being considered by the Social Security Fund for employees under the Social Security Act (1990), similar to the loan scheme currently available to employers affected by COVID-19 with an interest rate of 3%. In connection with this, the Social

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Security Fund is also considering the feasibility of allowing the employees to early withdraw their old-age benefits, a practice which is not allowed under the current regulations and will require the amendment of regulations.

Some of the above measures are pending details and confirmation and also subject to further changes. We will keep you posted on any further developments. Meanwhile, if you need more information, please contact our Employment team.