



Newsletter No. 57 (EN)

**The Thai Social Security System**

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## I. Governing Law

The Social Security Scheme is operated according to the Social Security Act B.E. 2533 (1990) and its Amendments B.E. 2537 (1994), B.E. 2542 (1999) and B.E. 2558 (2015). The latest amendment came into effect on 20 October 2015.

## II. Members

In accordance with the laws concerned, despite the nationality of the person, a business entity which has at least one employee is obliged to subscribe to the system. Without any exception, subscribers, whether foreigners or Thai, will enjoy all the same benefits under the scheme.

## III. Contributions

The current rate of contributions to the Social Security Fund is 5% of the employee's gross salary per month. These contributions are paid by both the employer and the employee (5% each). A supplement of 2.75% is paid by the government. In total, the contribution to the Fund is 12.75 % per month.

The employee's contribution is deducted from the salary. The monthly remuneration on which the above rates apply is capped at THB 15,000. In other words, the maximum amount to be deducted is THB 750. In addition to the employee's contribution, the employer pays its contribution under the same scheme as the employee. Both contributions must be submitted to the Social Security Office within the 15<sup>th</sup> day of the following month.

## IV. Benefits

All below benefits will be awarded in case the employee uses a hospital shown in the medical card issued by the Social Security Office.

### ➤ Accident, sickness, child birth, dental treatment

In case of accident or sickness of an insured person who has contributed to the Fund for at least three months, within foregoing 15 months, governmental medical service is free of charge except extra facilities required by the employee himself (e.g. room and meal). The employee is also entitled to additional compensation for health promotion and disease prevention expenses.

In case of childbirth, an insured person who has contributed to the Fund for at least 5 months, within foregoing 15 months, is eligible to receive THB 13,000 per child for an unlimited number of children. If both husband and wife are insured persons, the benefit can only be used by one person.

For compensation for the loss of income resulting from all mentioned cases, the employee receives 50% of his salary (which again is capped at THB 15,000) for a maximum of 90 days per incident.

For dental treatment, the applicant is eligible to reimbursement for the following medical treatment: extraction of teeth, filling teeth, wisdom teeth surgery, and removal of dental plaque up to THB 900 per year. Additionally, the applicant is also entitled to reimbursement for acrylic-based overdenture for up to five teeth at a cost not exceeding THB 1,300, and overdenture for more than 5 teeth at a cost not exceeding THB 1,500.

## ➤ Disability

For an insured person who has contributed to the Fund for at least three months, within foregoing 15 months, medical services in case of disability are free at governmental hospitals. In case of private hospitals, the medical service is free of charge up to the amount of THB 2,000 per month for the Outpatient Department and up to THB 4,000 for the Inpatient Department. Transportation fee and medical service fee are provided in the amount of THB 500 per month (flat rate). Other additional costs have to be paid by the employee. For severe disability, the compensation for the loss of income (50% of the monthly salary capped at THB 15,000) is not limited to a certain period of time. Moreover, a disabled insured person is entitled to an extra THB 40,000 for funeral expenses in case of death, and additional allowance due to death, to be paid to the heir.

## ➤ Death

With at least one-month contribution, within foregoing 6 months, in case of death, the insured person is entitled to funeral expenses up to an amount of THB 40,000, paid by the Social Security Fund. If the employee has paid contributions to the Fund for at least 36 months but less than 120 months, his family or any other person specified by the employee will get a one-time payment amounting to two times of his last monthly salary. If the employee contributed to the Fund for 120 months or more, his family or any other specified person will get a one-time payment of six times of his last monthly salary.

## ➤ Children

With at least 12 months contribution, within foregoing 36 months, the child allowance of THB 600 per child (only legitimate child, not including adopted child) per month for a maximum of three children under the age of 6 years is granted for the insured person.

## ➤ Pension benefits

With regard to pension benefits, each period of time in which contributions to the social

security system have been made needs to be looked at separately.

Employees who have paid contributions for less than 180 months do not receive retirement pay. If they paid contributions for 12 months or more and are 55 years of age or become disabled, they get a one-time payment amounting to the sum of the contributions they have made to the social security system plus interest, which will be fixed by the Social Security Office (e.g. 2017: 3.61%). In the case of death, their families receive the money.

An employee who has paid contributions for at least 180 months will receive retirement pay, which is 20% of the average monthly salary (capped at THB 15,000) for the last 60 months plus 1.5% of the average monthly salary multiplied by the number of years he has paid contributions for over 180 months.

If the employee dies before receiving any retirement pay, his family will receive the sum of the contributions to the social security system made by him and by his employer. If he has already received retirement pay for less than 60 months, his family will get a one-time payment amounting to ten retirement payments.

Prior to the 2015 amendment, non-Thai nationals who ceased to be insured and did not wish to reside in Thailand were not entitled to pension benefits. Since the 2015 amendment, non-Thai nationals can claim pension benefits even if they do not reside in Thailand.

## ➤ Unemployment benefits

In the case of unemployment, the former employee (who has paid contributions for more than six months, within foregoing 15 months,) receives 30% of his average salary (again capped at THB 15,000) for a maximum of 90 days if he resigned or the contract has expired, and 50% of his average salary for up to 180 days in case of termination.

Employees are also covered if the employer has temporarily ceased its business operation

due to force majeure and the employee has yet to be terminated.

*We hope that the information provided in this newsletter was helpful for you.*

*If you have any further questions please do not hesitate to contact us.*

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