

**Termination of Employment and Severance Pay**

**In accordance with  
the Labour Protection Act B.E. 2541**

**Labour Protection Bureau  
Department of Labour Protection and Welfare  
Ministry of Labour**

## **Termination of Employment and Severance Pay**

In case of termination of employment, the Labour Protection Act B.E. 2541 prescribes the employer's duty and the employee's rights in accordance with the ILO Convention 158, which specifies on termination of employment that;

1. The employment of a worker shall not be terminated unless there is a valid reason for such termination connected with the capacity or conduct of the worker.
2. A worker whose employment is to be terminated shall be entitled to a reasonable period of notice or compensation in lieu thereof, unless he is guilty of serious misconduct.
3. If the termination is unjustified and the employer cannot propose reinstatement to the worker, he shall be entitled for adequate compensation as may be deemed appropriate.

According to the ILO Convention standards on the termination of employment as mentioned above, the Labour Protection Act B.E. 2541 prescribes that an employer terminated a worker must pay the severance pay to the terminated employee. Termination of Employment under the Act is meant any act where the employer refuses to allow an employee to work without paying wages on expiry of contract of employment or any other cause, and includes where the employee does not work and receive no wages on the grounds that the employer is unable to continue the undertaking. The intention of the Act is to protect any terminated employee to get severance pay whether he or she is terminated, employer quit his or her enterprise, or the contract of employment is expired, excluded the following case;

1. The employee voluntarily resigns from the job.
2. The employee whose employment is for a definite period and is terminated at the end of the period of not exceed two years, and the employer had made a written contract with the employee at the beginning of the employment, or the employment is made for work which is occasional with a definite ending or completion. The completion of work is the significant to specify the period of employment as of follows;

2.1 Employment in a specific project which is not the normal business or trade of the employer and requires a definite date to commence and end the work, for example, experimental research, survey research, which may be a new production examination and bring to the normal production process of the employer, or oil drill exploration in oil refinery establishment, which such work is not the normal business of such enterprise.

2.2 Employment which is made for work which is occasional with a definite ending or completion, for example, worker employed to be carpenter, mason, or blacksmith in construction enterprise and the work shall be completed when the job is finished, or the employer who produces finishing goods and employs workers to enlarge the building or repair the factory wall.

2.3 Employment which is made for work which is a seasonal work, and the employment is made during the season, for example, worker employed to produce product which uses seasonal crops as raw material such as, sugar cane factory, fruit canning factory.

If employment in other than these 3 types of work is for the definite period of work, it is not under the exemption of the severance pay.

The terminated employee who is not under the above exemption and not included under the article 119 of the Labour Protection Act must be entitled to receive severance pay according to the period of work in his or her workplace as follows;

1. An employee who has worked in an uninterrupted period of 120 days but less than 1 year must be entitled to receive severance pay for not less than his or her wages for 30 days
2. An employee who has worked in an uninterrupted period of 1 years but less than 3 years must be entitled to receive severance pay for not less than his or her wages for 90 days
3. An employee who has worked in an uninterrupted period of 3 years but less than 6 years must be entitled to receive severance pay for not less than his or her wages for 180 days

4. An employee who has worked in an uninterrupted period of 6 years but less than 10 years must be entitled to receive severance pay for not less than his or her wages for 240 days

5. An employee who has worked in an uninterrupted period of more than 10 years must be entitled to receive severance pay for not less than his or her wages for 300 days

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