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The situation of Covid-19 has drastically affected the economy in many countries including in Thailand, many measures to deal with the spread of the virus has been announced including, mandatory quarantine procedures, the temporary shutdown of portions of the public and private sectors, restriction of travel, curfews and lockdowns.

Regarding these measures, many companies and businesses have to be temporarily closed or eventually shut down. To continue operating their business, many employees decide to reduce salary and working hours of employees. Here's our legal advice on how to pay your employees during this pandemic crisis.

- **Mandatory Closure**

In case your business is required by the government to temporarily be closed down, the “no work no pay” principal shall be applied. Therefore, the employee does not have to perform the work and the employer does not have to pay the wage to the employee.

- **No Mandatory Closure**

The employer is still obliged to pay the wage to the employee in full in the event that your business is not required by the government authority to be temporarily closed down in order to comply with the mandatory measures. Nevertheless, due to the pandemic crisis, the employer may exercise the right under Section 75 of the Labor Protection Act B.E. 2541 (1998) in order to temporarily cease the business either entirely or partially since the employer cannot carry on the operation as usual, the employer shall pay the employee at least 75% of normal wage the employee was receiving before the cessation during this epidemic period. However, the employer must provide an advance notice to the employee and the Labor Inspector at least 3 working days before the date of the cessation.



- **Reduction of Salary and Working Hours**

Besides those specified under Section 75 as mentioned above, the employer has no right to reduce salary or working hours of employee unless having a consent by each employee, ideally in written form.



- **Leave Without Pay**

The employer has no right to require the employee to take a leave without paying the wage unless receiving the consent from the employee in writing.

- **Work from Home**

The employee shall receive the full wage from the employer since working from home is a policy of the company where the employee is still obliged to work.

- **Termination of Employment**

In the event that the Employee refuses to comply with company's instruction, the employer has the right to cease an employment of that refusing employee. However, according to Thai Labor Law,



the employee shall receive: (a) a severance payment; (b) notice payment; (c) payment of any unused leave of that year; and (d) a payment of carried over unused annual leave (if any).