

Social Security System in Thailand

1. Background

Social Protection in Thailand composes of several schemes such as social security or social insurance, social assistance, provident funds, social services, etc. For social security scheme, it is under the responsibility of Social Security Office.

Social Security Office (SSO), Thailand is a government department under the Ministry of Labour. It was established on 3 September 1990 according to the Social Security Act, 1990. The main responsibility of SSO is to manage two funds including (1) Social Security Fund and (2) Workmen's Compensation Fund according to the Social Security Act, 1990 and Workmen's Compensation Act, 1994 respectively.

The Social Security Act provides the basis and framework for the gradual development of a comprehensive social security system in stages.

Stage 1: Starting March 1991, four types of benefits – sickness, invalidity, maternity and death are provided for employees of enterprises with 20 or more workers.

Stage 2: Starting September 1993, the coverage extended to enterprises with 10 or more workers. The registration of those enterprises has been enforced since June 1993.

During stage 3 the Workmen's Compensation Act passed in June 1994 and came into force on July 1, 1994.

Stage 3: Starting September 1994, voluntary insurance service was introduced.

Stage 4: Starting December 1998, Old – Age pension insurance and child allowance schemes were implemented.

Stage 5: Starting April 2002, the coverage extended to enterprises with one or more workers. Then unemployment benefit was introduced in January 2004.

Types of insured persons under social security scheme

Under social security scheme, there are three types of insured persons as follows:

1. *Compulsory insured person under Article 33 of Social Security Act, 1990*

Social Security Scheme is a compulsory scheme which covers enterprises with one or more employees. The insured persons will receive 7 benefits including sickness, maternity, invalidity, death, old-age, child allowance and unemployment.

2. *Voluntary insured person under Article 39 of Social Security Act, 1990*

If the compulsory insured person under Article 33 is terminated from employment, they can choose to be insured person under social security scheme by paying contribution solely at 432 baht per month. They will receive the same benefits as the compulsory insured person except unemployment benefit.

3. *Informal Workers (voluntary insured person) under Article 40 of Social Security Act 1990*
Social security program under Article 40 is voluntary basis with subsidy from government for people who are excluded from compulsory and voluntary program under Article 33 and 39 subsequently. This group focuses on workers in the informal sector. The insured person can choose the benefit package according to their needs.

2. Economic and Social Security

2.1 Economic Indicators

Indicators	Year of Valuation	
	2017	2018
GDP per Capita (Baht)	228,412	240,545
GDP growth rate (average p/a)	4.0	4.1
Gross National Savings (% of GNP)	33.39	N/A
(% of GDP)	31.84	N/A
Household Savings (Billion Baht)	N/A	N/A
Inflation rate (%)	0.7	1.1

Source: National Economic and Social Development Board

2.2 Social Indicators

Indicators	Year of Valuation	
	2017	2018
Population (million)	56.11	56.42
Population Growth (%)	0.39	0.34
Birth rate (per 1000 population)	10.1	10.2
Fertility Rate (per 1000 woman)	1.6	1.6
Death Rate (per 1000 population)	7.0	7.1
Infant Mortality Rate (per 1000 live births) (%)	5.9	N/A
Natural Increase (%)	0.3	0.2

Source: National Statistical Office and Ministry of Public Health, Thailand

2.3 Life Expectancy (Years)

	Year of Valuation	Year of Valuation	
		2017	2018
At Birth	Male	72.0	72.2
	Female	78.8	78.9
At 60 years	Male	20.2	20.2
	Female	23.5	23.6
At 65 years	Male	16.5	16.5
	Female	19.4	19.5
At 80 years	Male	N/A	N/A
	Female	N/A	N/A

Source: National Statistical Office of Thailand

2.4 Dependency Ratio

Indicators		Year of Valuation	
		2017	2018
Total	Defined as population 0-14 and 60 and over as a percent of working age population	32.83	32.60
Aged (60 + years)	Defined as population aged 65 and over as a percent of working age population	26.23	27.37

Source: Office of the National Economic and Social Development Council

2.5 Population Distribution (%)

Indicators	Year of Valuation	
	2017	2018
Male	49.05	49.02
Female	50.95	50.98

Source: National Statistical Office of Thailand

2.6 Age Distribution

Indicators	Year of Valuation	
	2017 (%)	2018 (%)
0 – 14	17.54	17.27
15 – 59	65.32	64.94
60 +	17.13	17.77

Source: Office of the National Economic and Social Development Council

2.7 Labour Force

Indicators		Year of Valuation	
		2017	2018
Participation rate (%)		68.09	68.29
(Economically active population)	Male (Total)	76.91	77.10
	Female (Total)	59.84	60.07

Source: National Statistical Office of Thailand

2.8 Unemployment Rate

Indicators	Year of Valuation	
	2017	2018
Total (%)	1.0	0.9
Male (%)	1.1	0.9
Female (%)	0.8	0.9

Source: National Statistical Office of Thailand

2.9 Employment to Population Ratio

Indicators	Year of Valuation	
	2017	2018
Total	67.31	68.06
Male/ whole labour population (only labour)	36.84	37.04
Female/ whole labour population (only labour)	30.46	31.01

2.10 Employment Growth (% in period)

Indicators	Year of Valuation	
	2017	2018
Growth %	-0.47	0.75

3. Detailed Description of the Social security Schemes

3.1 Workmen's Compensation Fund

3.1.1 Administration Organisation

The Social Security Office, Thailand

3.1.2 Liability

All employers with one or more workers

3.1.3 Coverage

Workmen's Compensation Fund covers enterprises with one or more employees.

The Workmen's Compensation Act is **not** applicable to:

- Government officials and permanent employees of central administration, provincial administration and local administration;
- Employees of state owned enterprises as specified by the State Enterprise Labour Relations Act;
- Officials or staff members of foreign governments and international organizations who are not locally recruited;
- Other employers as prescribed in the Ministerial Regulation.

3.1.4 Contribution Rate

The Fund is financed by employers only at the rate of 0.2 % - 1.0 % of payroll per year depending on the risk classification. For the fifth year, contribution rate depends on experience rate and degree of loss.

3.1.5 Types of Benefits

- **Medical services**

The medical compensation benefit is provided fee for service as required for the treatment of employment injuries or diseases. The maximum expenditure is paid up to 50,000 baht per case. In case of severe injury or chronic diseases, medical expense can be additionally paid from 100,000 to 150,000 baht. If such amount is not sufficient, it can be added up to 2,000,000 baht under the consideration of the Medical Committee with the approval of the Workmen's Compensation Fund Committee.

- **Cash benefits** (monthly payment equal to 70% of monthly wages)

Employee will receive medical expense, compensation at the rate of 70% of monthly wage where he/she is unable to work

- Temporary disability: 1 year
- Partially disability: 10 years
- Totally disability: at least 15 years
- Death: 10 years and funeral grant is equal 100 times of the highest rate of minimum daily wages.

- **Rehabilitation services**

The rehabilitation expenses are as follows,

- The expenses of occupational rehabilitation will be paid to disabled employees only the curriculum operated by the SSO for not exceeding 24,000 baht.
- The expenses in the process of medical rehabilitation will be paid for the expenses of physical therapy for not more than 200 baht/day and the expense of treatment activities is payable for not more than 100 baht/day but totally not exceeding 24,000 baht.
- The expenses of treatment process and the surgery to facilitate occupational rehabilitation will be paid for not exceeding 40,000 baht. If needed, the additional cost is up to 110,000 baht under the consideration of the Medical Committee and the Workmen's Compensation Fund Committee.
- The expenses of material and equipment for medical rehabilitation shall not exceed the rate specified by the Ministry of Finance and totally it must not exceed 160,000 baht.

3.2 Social Security Fund

3.2.1 Administration Organisation

Social Security Office

3.2.2 Liability

All enterprises with one or more employees

3.2.3 Coverage

Since April 1, 2002, the SSO has covered enterprises with one or more employees.

The Social Security Act is **not** applicable to:

- Government officials and permanent employees of central administration, provincial administration and local administration;
- Students, nurse students and undergraduates who are employees of schools, medical establishments, colleges or universities;
- Employees of foreign governments or international organizations;
- Other undertakings or employees as prescribed in the Royal Decree.

3.2.4 Contribution Rate

Financing of the Social Security Fund is by tripartite contributions (employers, employees and the government) at the rate of 1.5 per cent each of the employees' wages, within certain limit of wage of 15,000 baht/month. If the salary exceeds such amount, it is not to bring for calculation of contribution.

The additional contribution for old – age benefits and child allowance schemes is 3% from employers and employees and 1% from the government. For the last benefit, the unemployment benefit, employers and employees pay 0.5% of wages while the government pays 0.25% of wages.

3.2.5 Types of Benefits

1. Sickness

The insured persons have to pay 3 months contribution within last 15 months, then they will receive medical care free of charge at the registered hospital and cash benefit 50% of wages maximum 90 days each time and not more than 180 days each year.

2. Maternity

The insured persons have to pay 5 months contribution within last 15 months and they will receive 13,000 baht cash for each delivery and cash benefits 50% of wages for 90 days: no limit of confinements.

3. Invalidity

The insured persons have to pay 3 months contribution within last 15 months and they can reimburse medical fee up to 2,000 baht per month and receive cash benefits 50% of wages for the whole life.

4. Death

Death benefit, or funeral grant, is payable on the death of an insured person who had paid contribution for not less than 1 month within the period of 6 months before death. The amount of 40,000 baht of the funeral grant shall be paid to the person who arranged the funeral plus grant fund for survivor.

5. Child allowance

The insured persons have to pay 12 months contribution within 36 months and they will receive cash benefits for 600 baht per month per child for legitimate child who is under 6 years old: maximum 3 children.

6. Old – age benefits

- Old Age pension

If the insured persons have to pay contributions for not less than 180 months irrespective of whether the period is consecutive and shall be completely 55 years of age, they will receive 20% of average wage of the last 60 months or 20% and 1.5% per additional 12 months of contributions above 180 months.

- **Old Age Lump sum**

- In case the insured persons have paid contributions for less than 12 months, they will receive old-age lump sum at the age of 55 equal to the amount of contributions that they have paid to the fund.
- If the insured persons have paid contributions for more than 12 months, the old-age lump sum shall be paid equal to the contributions made by both insured person and employer plus interest at the rate set up by the SSO.

7. Unemployment

The insured persons have to pay contributions for a period of not less than 6 months within a period of 15 months, then, the laid off insured persons will receive 50% of wages for more than 180 days within 1 year and those who quit their jobs voluntarily will get 30% of wages for not more than 90 days and the accumulation days of receiving benefits are not more than 180 days within 1 calendar year, under the condition that the insured persons have to register with the government Employment Office at which his or her presentation is frequently required for not less than once a month.

In case of inevitable event such as natural disaster causing the cessation of enterprises, unemployment benefit will be provided based on the rate prescribed by the Ministerial Regulation.

3.2.6 Social Security Coverage for Voluntary Insured Persons under Article 40 of the Social Security Act, 1990.

Qualification

- Person whose age is between 15 – 60 years old
- Not the compulsory insured persons under Article 33 and voluntary insured persons under Article 39

There are three options of which contribution collection and benefit packages vary according to the insured person's choice as follows,

Options	Contribution (baht/month)	Benefit packages
Option 1	70	1. Injuries/Sickness, 2. Disability, 3. Death
Option 2	100	1. Injuries/Sickness, 2. Disability, 3. Death, 4. Old Age
Option 3	300	1. Injuries/Sickness, 2. Disability, 3. Death, 4. Old Age, 5. Child Allowance

**Social Security Coverage for Voluntary Insured Persons
under Article 40 of the Social Security Act, 1990**

Qualifying conditions	Benefits		
	Option 1	Option 2	Option 3
<p>1. Injury/Sickness</p> <p>Qualifying Condition</p> <p><u>Contribution</u></p> <p>3 months within a period of 4 months prior to injury/sickness</p>	<p>1. <u>Inpatient</u>: If an insured person is admitted as inpatient in a hospital more than one day, 300 bht. of cash benefits will be provided.</p> <p>2. <u>Sickness leave</u>: In case of taking leave for 3 days or more (with medical certificate), 200 bht. of cash benefits will be provided within one year but not exceed 30 days.</p> <p>3. <u>Outpatient</u>: In case of seeing the physician and having medical certificate, 50 bht. of cash benefit will be provided but can claim for benefits 3 times / year.</p> <p><u>Note</u>: If the physician suggest to take leave, it must not exceed 2 days to be entitled to cash benefit</p>	<p>Insured persons are entitled to the same benefits as Option 1 and 2. However, for sickness leave, cash benefits will be provided for not exceeding 90 days.</p>	
<p>2. Invalidity</p> <p>Qualifying Condition</p> <p><u>Contribution</u></p> <ul style="list-style-type: none"> - 6 months within a period of 10 months = 500 bht. of cash benefits. - 12 months within a period of 20 month = 650 bht. of cash benefits. - 24 months within a period of 40 months = 800 bht. of cash benefits. - 36 months within a period of 60 months = 1,000 bht. of cash benefits. 	<p>1. Cash benefits vary from 500 - 1,000 bht./month depending on contribution period and will be provided for up to 15 years.</p> <p>2. In case of death during receiving benefits, 20,000 bht. of funeral grant will be also provided.</p>	<p>1. Cash benefits for whole life</p> <p>2. if the insured person death during receiving benefits, 40,000 bht. of funeral grant will be provided.</p>	

Qualifying conditions	Benefits		
	Option 1	Option 2	Option 3
<p>3. Death</p> <p>Qualifying Condition</p> <p><u>Contribution</u></p> <ul style="list-style-type: none"> - Not less than 6 months within a period of 12 month before death. - Except accident, contribution must be paid 1 month within 6 months before death. 	<ul style="list-style-type: none"> - Funeral grant = 20,000 bht. - Additional 3,000 bht. of survivor grant will be provided if the insured person pay contribution for at least 60 months. 		<p>Funeral grant = 40,000 bht.</p>
<p>4. Old – age lump sum</p> <p>Qualifying Condition</p> <ol style="list-style-type: none"> 1. Must reach 60 years old and ceasing from being insured person. 2. <u>Contribution</u> <p><u>Option 2</u></p> <p>50 bht./ month (additional savings is allowed up to 1,000 bht./ month)</p> <p><u>Option 3</u></p> <p>150 bht./month (additional savings is allowed up to 1,000 bht./ month)</p>	-	<p>Lump sum = (50 bht. x contributory months) + additional savings + annual interest specified by the SSO.</p>	<ul style="list-style-type: none"> - Lump sum = (150 bht. x contributory months) + additional savings + annual interest specified by the SSO. - If the insured persons pay contribution for at least 180 month, additional 10,000 bht. will be provided.
<p>5 Child allowance.</p> <p>Qualifying Condition</p> <p><u>Contribution</u></p> <p>24 months within a period of 36 months</p> <p>* Note - late contribution is not allowed.</p>	-		<p>Cash benefits = 200 bht. / month for maximum 2 children per time (until 6 years old).</p>