

REDUCTION IN SOCIAL SECURITY CONTRIBUTION RATE TO 3%

COVID-19 does not seem to stay in just 2019 and 2020. A new outbreak has now put the country into confusion on so many levels. Thanks to the first wave of the disease, the social security contribution rate has been reduced and according to the plan, the rate would be bounced back to the normal rate in 2021.

On 22 December 2020, the cabinet has just approved of reducing social security contribution rate for both employer and employee. From the months of January to March 2021, the contribution rate will be 3% instead of 5%. It is aimed that this would help business owners and employees under Section 33 of Social Security Act B.E. 2533 (1990) (“SSA”) to keep more cash in their pockets during this challenging time.

For those who make contribution under Section 39 of SSA, from January up to March 2021 the contribution will be reduced from THB 432 to THB 278.

In addition to the contribution rates cut off, the Social Security Fund will raise childcare allowance from THB 600 to THB 800 per child per month effective from 1 January 2021.

The measures will officially be announced again in the form of Ministry Regulation.



ONE LAW'S COMMENTS:

It is safe to say that Thailand's economy has not yet been recovered from the hit of the COVID-19. We should all keep up with the policy launched by our government as it is one of the proofs that reflects how well the crisis is being handled and what direction our country is heading.

If the country is to enter full lockdown causing thousands job losses, we might also see the return of the compensation scheme owing to the COVID-19 crisis (but we all hope not to see such return at all).