Country Report

Employment Injury Insurance in Thailand


1. Overview of WCF

Historical Background

THAILAND’S Workmen’s Compensation Fund was set up in the Department of Labour, the Ministry of interior in accordance with the Announcement No. 103 of the National Executive Council. The fund commenced operation on January 1, 1974. Sixteen years later, when the Social Security Office (SSO) was set up in 1990, the WCF was transferred from the Department of labour to the SSO. The Workmen Compensation Act passed in June 1994 and came into force on July 1, 1994.

The purpose of the fund is to replace employer’s liability and to give prompt and equitable protection against injury, disease, disability or death resulting from employment.

Coverage

The Fund covers enterprises with 1 or more employees except,

(a) employees in agriculture, forestry, fishery and livestock that do not hire the employees throughout the year,

(b) employees in government officials of the central, provincial and local administration,

(c) employee of non – profit organizations,

(d) state enterprises employees,

(e) private school teachers and headmasters (according to Private Scholl Law)

In 2010, the total number of 332,579 employers registered to pay contribution to the Workmen’s Compensation Fund (WCF). There were 8,177,618 employees who are covered for work-related injury and sickness. This was an increase over the 2009 at the amount of 0.9% for the number of employers and 3.0% for the number of employees.
Contributions

The Workmen’s Compensation Scheme is financed by employers only at rates based on risk ratings of establishment type, classified by industrial classification. At present, there are 131 industrial classifications for which the rates range from 0.2%-1.0% of wages. This rate is called “Basic Rate”. The contributions are assessed on total wages of employees up to a maximum of 240,000 baht/year/person. After an employer has contributed to the Fund for four years, the contribution rate which was based initially on industrial classification is adjusted annually based on “Experience rate”. The contribution rate is increased or decreased for the next year to reflect actuarial experience, total contribution is divided by total compensation to obtain loss ratio.

The experience rate will decreased in proportion from 20% to 80% if the enterprises have statistics of low compensation payment or none. If any employer has high number of work injury or compensation claim due to its negligence, the contribution rate will be increased in proportion of 20% to 150%. This can motivate employers to realize the importance of safety in their workplaces.

In 2010, the WCF set up contribution rate consisted of 335,419 industry codes. Of these, there were 120,946 employers or 36.06% using “Basic Rate” and 214,473 employers or 63.94% using “Experience Rate”. Of those, 214,473 employers using the Experience Rate, 189,746 employers or 56.58% were allowed to use reduced contribution rate, 22,450 employers or 6.69% had to pay increased contribution rate and 2,259 employers of 0.67% paid contribution at the basic rate of the total amount of 334,193 employers.

Compensation Benefits

In 2010, the total amount of 1,592.63 million baht or 54.41% of WCF was paid as compensation benefits to 145,216 employees. The total number of 817.04 million baht was paid as compensation which was the highest expense, followed by 759.56 million baht for medical services expense, funeral grants and rehabilitation expense which were 13.46 million baht and 2.57 million baht respectively.
Medical compensation benefit

The medical compensation benefit is provided fee for service as required for the treatment of employment injuries or diseases. The minimum expenditure limits of 45,000 baht per case. In case where the medical service expense is not sufficient, it can be added up as necessary to not exceeding 65,000 baht. In case of severe injury and chronic diseases, it can be paid up to 300,000 baht as stipulated in the Ministerial Regulation on Rates of medical services expenses, 2008.

Temporary Disability Benefits

Temporary disability benefits is a monthly payment equal to 60% of wages with the minimum of 60% of daily minimum wage up to a maximum of 12,000 baht. This benefit is payable retroactively after 3 day waiting period (i.e. no benefit is payable unless the employee is incapacitated for 3 days or more, the benefits is paid from the first day of incapacity). The maximum duration of benefit payment is up to 1 year.

However, We are going to amend the law to reduce the 3 day waiting period to only 1 day.

Permanent Partial Disability Compensation

The employee will receive
- monthly payment equal to 60% wages
- the payment shall be made according to the category of the organ lost and the period of payment as prescribed, but not exceeding 10 years

Permanent Total Disability Compensation

The employee will receive
- monthly payment equals to 60% of wages
- the payment shall be according to the categories of disablement and for the period of payment as prescribed, but not exceeding 15 years

In this matter, we are going to amend the law to the whole life.
Survivors' benefit

The monthly payment equal to 60% of wage and is shared equally among the widow, children under age 18 (or over 18 who are disabled or undertaking advanced studies) and parents. The benefit is payable within eight year period. At this moment we are going to increase duration from 8 years to 12 years.

Funeral grant

The amount of Lump sum funeral grant is equal to 100 times highest minimum daily wage under the Labour Protection Act. (In 2010, the highest minimum daily wage is 206 baht.)

Rehabilitation Expenses

The rehabilitation services provided as required for the rehabilitation of disabilities which result from employment injuries or diseases (includes the provision of prosthetic devices and equipment or articles used in assisting the disabled organ) Service expenses for rehabilitation activities shall not more than 20,000 baht per case and medical rehabilitation in order to be able to reutilize their own body parts not exceeding 20,000 baht.

The kind of services are provided by the Industrial Rehabilitation Centers (IRC) located in Muang District, Pathumthani Province and in Nikompatana District, Rayong Province.

The IRC provided medical and vocational rehabilitation services together with mental and social rehabilitation services. The IRC offered full process of rehabilitation including career counseling and employment promotion.

During rehabilitation, employee will receive medical and vocational rehabilitation. In part of vocational rehabilitation, the IRC will consider physical condition, type of job and requirement of the rehabilitants including the labor market condition during the time. When the rehabilitants are ready to reenter to the work system, the IRC will provide services for work preparation about 4 months.
Penalty Provisions

There are series of penalties under the Act for various types of offences including

(a) any employer who fails to provide medical treatment to the employee who suffers from injuries or illness or failing to comply with artical 17, 44 or 48 under the Workmen’s Compensation Act – imprisonment for a term not exceeding six month or a fine not exceeding 10,000 bath or both

- Article 17 : the employer shall make funeral arrangement in case the employee death without having any funeral.
- Article 44 : The employer submit forms of registration of payment of contributions within 30 days as from the date on which the employer is required to pay contributions (when has 1 employee)
- Article 48 : The employer shall inform work injury to SSO within 15 days which the employer has been known.

(b) any employer who fails to comply with the order of WCF Committee, Medical Committee or Subcommittee or the order of the competent official or failing to provide appropriate facilities to the competent official who is performing his duties – imprisonment for a term not exceeding one month or a fine not exceeding 2,000 baht or both

(c) any employer who fails to pay compensation according to the order of competent official, and did not appeal or did not to bring the case to the court - imprisonment for a term not exceeding 20,000 baht or both

(d) any person who discloses confidential fact in regard to the undertaking of an employer which is reserved for not disclosing while performing his duty – imprisonment for a term not exceeding one month or a fine not exceeding 2,000 baht or both unless such disclosure is for the purpose of official performance under the WCF Act or for Labour Protection
Appeal Provision

Under the Act, appeals may be made by employer or employee against the decision of the administration within 30 days as from the date of receiving the said order. The Workmen’s Compensation Fund Committee has powers to decide upon the appeals and conveys its decision in writing to the appellants. The appellant has the right to bring the case to a Labor court if dissatisfied with the decision.

2. Coordination system among relate institution.

In the year 2010, the important performances regarding the international affairs are as follows


(2) Participation in the ASIAN WORKERS’ COMPENSATION FORUM: AWCF of Korea Workers’ Compensation and Welfare Service (COMWEL). On 14 September 2010, Mr. SHIN, Young-chul, President of COMWEL and delegation totally 6 persons paid a courtesy call to the Secretary-General and discuss about the ASIAN Workers’ Compensation Forum which Vietnam, Mongolia and Banghladesh has already paid attention to be member. After that, COMWEL invited the SSO to be member of the AWCF and the SSO sent application to COMWEL on 10 November 2010. It is expected that next year the SSO will have advantage from the Forum.

(3) The role of SSO as a member of the International Social Security Association (ISSA) In the year 2010, the ISSA held the International Conference and Technical Seminars in collaboration with social security institutions of the host countries in very useful topics for the SSO. Then, the SSO sent the executives, employers and employees’ representatives in the Social Security Committee and related officers to participate in 3 conferences and seminars as follows
- Technical Seminar on High Performance in Social Security by Innovation, Change Management and Risk Management at Kuala Lumpur, Malaysia, 29-31 March 2010. This project was due to the participation of SSO to the research project of the International Social Security Association (ISSA) on High Performance in Social Security Administration. The objective is to identify and analyze High Performance and Good Practice taking into account regional differences in social security administration with a particular focus on risk management, innovation and change management in three main areas which are Operational efficiency, Human capital management and Citizen service. The research was operated by Accenture on behalf of the International Social Security Association. This research was a two steps research process. The first phase was in-depth interviews with key members through telephone. The second phase was an online survey with a new group of ISSA members which was quantitative research. The Technical Seminar provided an opportunity to present findings of the study on high performance (Phase 1) and group discussion in 6 topics of High performance enablers as follows

  Topic 1 Empowering Employees
  Topic 2 Promoting social security services
  Topic 3 Innovation centered on citizens
  Topic 4 Embedding risk management
  Topic 5 Leveraging external experience and expertise
  Topic 6 Positioning the institution as an active contributor to society

- Technical Seminar on Governance Principles for Board, Management and Investment of Social Security Institutions. It was held at the invitation of the Social Security Corporation of Jordan in Amman from 5-6 May 2010. The main theme of the technical seminar is to address the ISSA Handbook on Social Security Principles and Guidelines for Social Security Institutions. The ISSA Programme and Budget for the period 2008-2010 has a project on governance and social security in cooperation with the ISSA Secretariat, the Technical Commission on Organization, Management and Innovation and the Technical Commission on the
Investment of Social Security Funds. The ISSA Good Governance Framework consists of Financial Sustainability, Investment, Member coverage and contribution and member benefits and services including Human and IT resources. The session presented ISSA Handbook on good governance consisting of guidelines for the Board and Management, Service standards for members and beneficiaries, Staffing policies and performance appraisals, Investment in ICT infrastructure etc. In addition, the Seminar in the second day devoted to discussion on Good Governance of the Investment Process of Security Security Funds consisting of Transparency in Managing Assets and Liabilities of Social Security Pension Plans and Revisiting Risk Management Models in Times of Crisis.

- The World Social Security Forum (30th ISSA General Assembly) in Cape Town, Republic of South Africa from 29 November - 4 December 2010. The Social Security Office, as the International Social Security Association’s (ISSA) member, was invited by ISSA Secretary - General, to attend this triennium forum. This conference consisted of the meetings of the ISSA Bureau, the presentations and group discussion on important topics, as well as the presentations of projects carried out by eight Technical Commissions including (1) Employment Policies and Unemployment Insurance, (2) Statistical, Actuarial and Financial Studies, (3) Family Benefits, (4) Special Commission on Prevention, (5) Insurance against Employment Accidents and Occupational Diseases, (6) Investment of Social Security Funds, (7) Old age, Invalidity and Survivors’ Insurance and (8) Medical Care and Sickness Insurance. The Forum also included the 34th Session of the Council, a meeting for considering ISSA’s activities and budgets in the next three year (2011 - 2013) and the election of ISSA Officers and members of the Control Commission.
(4) The role of SSO as a member of the ASEAN Social Security Association (ASSA) The SSO has been member of ASSA since 1998. In that year, the ASSA Memorandum of Agreement (MOA) was signed by top officials of ASEAN social security organization and the first ASSA Board meeting was held (during 13 – 15 February) in Thailand. The ASSA Board meeting now brings together the social security institutions in 8 countries consisting of Republic of Indonesia, Malaysia, The Philippines, Thailand, Vietnam, Brunei, and LAO PDR (except Cambodia and Myanmar). At present, there are 21 member organizations. The ASSA Board meeting was held for 26 times. The SSO executives and the officials concerned always participate in the meeting. Recently, the ASSA meeting was held twice in 2010 comprising of the 25th meeting in the Philippines, 24 – 26 March 2010 and the 26th meeting in Vietnam, 16 – 17 September 2009

(5) Technical Assistance to Social Security Organizations from foreign Countries. In the year 2010, the SSO welcomed and arranged the study visit programs for 5 groups of 70 delegates for Member of Social Security from Ministry of Labor of Myanmar, Members of parliament from the Commission IX of the House of Representatives (Parliament) of the Republic of Indonesia, Officers of Lao

(6) Performance on the Agreement between the Government of the Kingdom of Thailand and the Government of the Kingdom of the Netherlands The Government of the Kingdom of Thailand and the Government of the Kingdom of the Netherlands signed on Agreement on the Export of Social Insurance Benefits on 11th November 2002. The SSO has responsibility to cooperate with the Social Verzekeringsbank (SVB) to verify the identity of applicants / beneficiaries and concerned document that are critical for payment of social security benefits to SVB claimants who live or stay in Thailand. In 2010, the SSO provided services to 540 SVB applicants.

3. Policy of responses toward the recent global economic crisis since 2008

At the end of 2008 until the year 2009, global economic crisis caused widespread effect to all manufacturing sector and service sector in Thailand. In particular, the export sector slowed down. The government issued the economic stimulus package comprising of masseuse to stimulate domestic consumption and masseuse for tax reduction while the Ministry of Labour issued 3 decreases and 3 increases measure to decrease lays-off, relieve suffering of those who receive the impact and increase employment. In this matter, the SSO played important role as follows,
- **Extension of the payment duration for unemployment benefit from 180 days to 240 days.** The economic crisis in 2009 caused massive unemployment in Thailand. The SSO, therefore, mapped out measures to alleviate suffering burden of the laid off insured persons. In case where the insured persons pay contribution for 6 months within 15 months and were laid off without any fault (except laid off due to neglecting duty for seven consecutive days without reasonable cause or in case where they resigned voluntarily). The insured persons have to register at the government employment Service Area Office in Bangkok or Provincial Employment Service Office throughout the country within 30 days after termination of jobs at which his or her presentation is frequently required for not less than once a month. During unemployment, they will receive cash benefits while they are seeking for a new job as follows,

1. laid off insured persons will receive 50% of wages and the SSO extended the payment duration from not exceeding 180 days to not exceeding 240 days.
2. the insured persons who quit their job voluntarily will get 30% of wages for not more than 90 days as usual. The measure to extend payment duration for unemployment benefit for the laid-off from 180 days to 240 days protected the laid off insured persons during 1 December 2008 to 31 December 2009 according to the criteria and rate of unemployment benefit for the laid-off during economic crisis 2009. By this measure, the SSO paid the unemployment benefit to 82,704 insured persons at the amount of 2,587.07 million baht.

4. **Challenger**

The SSO launched the new projects to support and enhance operation efficiency for the benefit of the insured persons **Law Amendment and Benefits Improvement in** part of the amendment of the Workmen’s Compensation Act B.E. 2537, the SSO has amended the following matters: (1) to cover the temporary public employees in all government offices (2) to increase monthly compensation from 60% to 80% of wages (3) to increase funeral grant at not less than 100 times the maximum rate of the daily minimum wages (4) to increase duration
of payment for disability to more than 15 years (5) to increase the period of payment
to survivors of the dead employees from 8 years to 12 years and (6) to reduce additional payment
for those who fail to pay contribution in due time from the rate of 3 percent per month to 2 percent
per month.

5. Follow-ups and results

A work with Welfare & Service (COMWEL) and Other Employment Injury Insurance schemes
of neighbouring countries, Workmen's Compensation Fund (WCF), I would like to learn the Korea
Worker's Compensation eg, Cambodia, Indonesia, Laos, Mongolia and Vietnam. This is to broaden
my vision and develop working skill for my responsibility I would also like to gain benefits from the
course to take part in developing Work men’s compensation fund in Thailand to be in accord with
international standard. I want to create good understanding about WCF for employee and employer
to promote equitable projection against injury, diseases or death resulting frame employment
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