



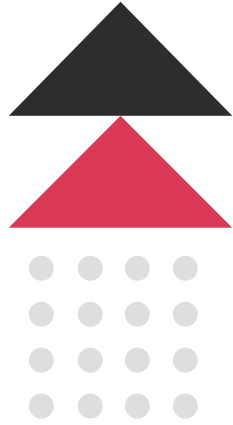
# PwC Thailand Legal Alert

#01/2025

**Understanding Thailand's new  
Employee Welfare Fund regulation**



# Understanding Thailand's new Employee Welfare Fund regulation



**The following alert may be of interest to:**

All clients

## In brief

The Employee Welfare Fund (EWF) is a government-mandated fund introduced to improve employees' welfare benefits and financial security. Set to take effect on 1 October 2025, the EWF will apply to businesses with ten or more employees, providing crucial financial assistance in cases such as resignation and death.

This tax alert delves into the implications of the EWF, including contribution deductions, classifications of employer expenses, and potential effects of upcoming legislation on payroll systems and tax obligations. Stay informed as we explore these important changes that may influence your financial planning and compliance strategies.

## In detail

**Effective date:** 1 October 2025

As part of Thailand's commitment to employee welfare protection, the EWF marks a big shift in strengthening workforce benefits and financial security. Under the newly enacted regulation, businesses with ten or more employees are required to contribute to the EWF. The EWF will provide financial assistance in cases of resignation, death and other specified circumstances.

## Key details:

### 1. Establishment and scope:

- The EWF is established by law. Participation is mandatory for businesses with ten or more employees, unless contributions to the Provident Fund (PVD) or similar are already in place. If employees opt not to contribute to the PVD, employers will now be required to enrol them in the EWF.
- Employers will be exempt from EWF contributions if they provide welfare benefits by setting up individual bank accounts for each employee and depositing the necessary funds into these accounts. The employer is responsible for managing these savings and ensuring contributions are properly allocated to each employee's account.

### 2. Contribution rates:

- From 1 October 2025 to 30 September 2030: the contribution rate for both the employer and employee is 0.25% of the employee's wages.
- From 1 October 2030 onwards: the contribution rate will increase to 0.5%.

### 3. Payment and penalties:

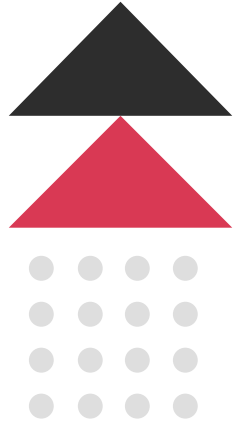
- Contributions are due by the 15th of the following month.
- Late submissions or incomplete contributions could incur penalties of 5% per month.
- Employers who fail to submit the form listing employees who are members of the EWF by the deadline, fail to report any changes to this information, or submit false information to the Department of Welfare and Labour Protection could face up to six months in jail, a fine of up to THB10,000, or both.

### 4. Assistance criteria:

- Employees are eligible to receive lump sum payments from the EWF when they leave their employment. To start this process, they must submit their own application form for the EWF payment.
- When an employee resigns, is terminated or their employment contract is otherwise ended, the employer is required to submit a change of information form to the Department of Labour Protection and Welfare by the 15th of the following month.
- For employers who are EWF exempt because they have provided welfare benefits by setting up individual bank accounts for each employee, the savings account used for collecting the contributions must be returned and a certificate of termination of employment must be issued within 30 days from the termination date. This certificate enables the employee to withdraw their funds from the bank.
- In the event of an employee's death, designated beneficiaries will receive the funds. If no beneficiaries have been designated, the funds will be equally distributed among the surviving children, spouse, father and mother.

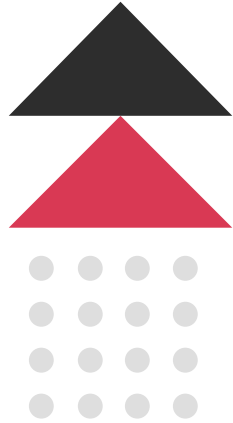
### 5. Tax implications:

- Currently, there is no specific legislation regarding the tax deductibility of EWF contributions, but businesses should prepare for potential additional laws that could redefine obligations and tax treatments.
- Unlike contributions to the PVD, which offer specific tax deductions, EWF contributions are still subject to regulatory clarifications.



## Our observations:

- The introduction of the EWF will significantly impact companies required to implement it, especially those without prior obligations. Employers must integrate EWF contributions into their payroll processes, necessitating updates to financial systems and potential employee training to ensure compliance. This change requires careful budgeting and financial forecasting as businesses adapt to new responsibilities.
- Currently, no specific legislation outlines the tax implications of the EWF. Businesses should stay alert to possible new laws, similar to those for the PVD, which could affect deductibility and tax treatments. Potential outcomes include tax deductions for employer and employee contributions, requiring adjustments to payroll systems. Companies should proactively prepare for these changes to maintain compliance and optimise financial practices.



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