

CHAPTER 10

Employment Termination

As earlier mentioned, Thailand is an at-will jurisdiction, so respectively an employment relationship under Thai law is built upon at-will presumption. At-will employment generally means that an employer is free to hire, free to lay off, or free to fire an employee as the employer deems appropriate at any time. Likewise, an employee is free to resign or free to leave a job for any reason. With the existence of at-will rule, Thailand's labor market is relatively flexible when it comes to the employment termination. An employer has only a few legal constraints to terminate the employment of any employee. Of course, there is a heavy financial constraint. Normally the most challenging issue, which is also likely to become the subject of a future claim, is the employee's entitlements upon termination. This includes any payment of the severance pay, advance notice, unused leave, unfair termination, or other associated payments to a terminated employee. These chapters 10, 11 and 12 are dedicated to address a range of financial terms arising from the departure of an employee from the employment

As the issue of termination is contentious, it is always advisable to handle this matter with care from the outset. The employment contract should be clearly and properly drafted to ensure that the interest of the employer be well protected. The employer and the employee both should contractually agree on the duties of the employer and the rights of the employees upon termination. In the absent of clear provisions, the employer may find itself unexpectedly liable to hand out a fat paycheck to the terminated employee. Thus, every termination must be carried out in proper and fair manner to avoid having to deal with a wrongful dismissal lawsuit.