

Abstract

Normally, the employment contract that employers in Thailand always use in making employment agreement with their seafarers is fixed-term contracts. Fixed-term contracts will automatically terminate the employment contract and it is considered as a discharge according to the second paragraph of Section 118 of the Labor Protection Act B.E.2541. According to the Labor Protection Act B.E.2541, employers have to compensate employees when the employment contracts have been terminated, however practically, employers will pay an amount of money, called “Leave Pay”, instead of the severance pay. This “Leave Pay” comes from universal practical rule of this fixed-term contract among the countries that had ratified the Seafarers’ Annual Leave with Pay Convention, 1976 (No. 146) which was later amended and had been combined to be a portion of the Maritime Labour Convention 2006.

However, “Leave Pay” is not severance pay, thus Thai employers should compensate seafarers with severance pay according to the law used to protect the maritime labor in Thailand which is the Labor Protection

Act B.E.2541. Moreover, Thailand should regulate an internal law or consider ratifying such ILO Convention in order to regulate and clarify rules and detail about “Leave Pay”.