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INCOME BENEFITS OF THAI RETIRED GOVERNMENT OFFICIALS

Abstract:

When Thailand is going to the society of ageing, to prepare for the situation is to select the stable career. For Thai, this type of career is a government official because the welfare covers medical charges and after the retirement, they will obtain financial aid for the rest of their lives. For the pension system of Thailand, it can be divided into 4 types which are special pension, inherited pension, living support pension, and general pension. According to the second edition of the Civil Service Act B.E. 2558 (2015), the pension rate depends on the duration of works and salary, resulting in the great different between low-level position and a high-level position. Therefore, should the financial aids be equally appropriate to all level of officials?

Keywords:

Income, Retirement, Government officer

Introduction

When Thailand stepped into the aging society in 2005, people who were going to enter the working age prepared for the situation. One principal is the career selection. Nowadays, Thai society gives priority to government official work due to the fact that it provides stability, pension throughout the life and when people have an illness, they have the right to earn the support. Most Thai people, therefore, want to work in the government units. In consequence, this research would study the income system of the retired government officials at every level to find the development pathway of the welfare system for the elderly.

Objectives

To study the income benefits system of the retired government officials in Thailand and to apply the result as the development pathway of the welfare system for the elderly later.

Methodology

This is a qualitative research studying documents, research, laws, and acts relating to pension and salary of government officials at every level.

Retirement Income System

After retirement, Thai government officer has normally the right to receive government help through gratuity and pension system. Thai pension system consists of the following 4 pillars; Special pension, Bequesting gratuity, Living gratuity and Ordinary gratuity or pension:

1. “Special pension” means the money paid to government official (if alive) or heir (if dead) on a monthly in case of an injury during his/her official service, and such injury causing his/her disability or permanent disability or loss of life, or an injury by committing a crime causing his/her disability or permanent disability or loss of life unless such injury resulting from his/her severe negligence or wilful misconduct.

It is necessary for eligible pensioner to acquire document certified by physician if such disability or permanent disability making it impossible to work in his/her duty. If pensioner is alive, he/she shall be eligible for “special pension for permanent disability”. In addition, if the pensioner is a person having the right for ordinary pension, he/she shall be also eligible for lump-sum benefit named “ordinary pension”. In case of death, heirs shall be eligible for “special pension for death of government officer” (payable to heirs); additionally, they also receives “inherited gratuity” in accordance with the law.

In general, government sector has the responsibility to consider and determine reasonably that such disability or permanent disability relating to the result of investigation

and approve to pay “special pension” to the eligible disable. Alternatively, eligible disable for “special pension for permanent disability” is able to disclaim “special pension for permanent disability” and change to choose the lump-sum benefit named “special gratuity” (sixty times of total special pension amount). In case of death of any pensioner, a bequesting gratuity shall be paid to his/her heirs in accordance with the following criteria:

- A child shall receive two parts of such gratuity. If a deceased has three children and above, they shall receive three parts of such gratuity, and they will receive this benefit until the full age of 20 or until the full age of 25 if they are students;
- A husband or wife shall receive one part of such gratuity throughout his/her life unless new marriage;
- The parents or father or mother who is still alive shall receive one part of such gratuity throughout his/her life;

In case where there is no such heir in any Subsection, the said gratuity shall be distributed to a person who takes care of pensioner or the dependant of pensioner in accordance with the form and procedures specified by the Ministry of Finance. If the age of the person taking care of pensioner or the dependant of pensioner is under 20, the Bequesting gratuity shall be distributed to such person as if he/she were the child of pensioner. For more details, please inquire from government sector which withdraw a salary for pensioner as the case may be.

2. The “Bequesting gratuity” to be paid to the heirs of a pensioner if the government officer was dead during his/her official service or the pensioner was dead, shall be paid thirty times as much as the rate of pension to which the deceased was entitled.

3. The “Living gratuity” means the money paid to pensioner for his/her living in fifteen times as much as the rate of monthly pension but shall not exceed 400,000 Baht. The “Living gratuity” shall be paid in 2 periods of time as follows:

- Age of 65, shall be paid not exceeding 200,000 Baht and;
- Over the age of 65, the pensioner is able to receive the leftover amount but a total of both amounts shall not exceed 400,000 Baht, where this money is deducted from the Bequesting gratuity. Therefore, if a pensioner was dead, his/her heirs will receive an incomplete amount of the Bequesting gratuity because the incomplete amount shall be deduced from the Living gratuity.

4. “Ordinary gratuity or pension”

- “Gratuity” means the money paid to a Member once and for all when his/her membership terminates and,

- "Pension" means the money paid to a Member on a monthly basis when his/her membership terminates. The person who is entitled to receive a Gratuity or Pension on account of any of the following 4 reasons;

1) "Reimbursement". A Gratuity or Pension on account of reimbursement shall be paid to a pensioner who is out of service by reasons of termination or dissolution of his/her office or removal order without fault or reasons of termination in accordance with the constitution of Thailand or in case of a military official who is out of allowance reserves.

2) "Disability". A Gratuity or Pension on account of disability shall be paid to a pensioner who is out of official service by reasons of illness or disability whom an officially certified physician has examined and is of the opinion that such person is no longer able to serve in his/her incumbent office, and such reasons of disability shall not result from his/her official service.

3) "Senility". A Gratuity or Pension on account of senility shall be paid to a pensioner who is out of service upon attaining full sixty years of age or upon resignation when attaining full fifty years of age.

4) "Long-term official service". A Gratuity or Pension on account of Long-term official service shall be paid to a pensioner who continues upon attaining full thirty years of his/her official term or upon resignation when attaining full fifty years of age. Most of government teachers and ordinary government officers will receive a Gratuity or Pension on account of Senility and Long-term official service.

The person who is entitled to receive a Gratuity or Pension on account of any of the following qualifications;

1. The eligible person to receive a "Gratuity".

1.1) having his/her official service term less than ten years and being out of service by reasons of Reimbursement, Disability, Retirement or upon resignation when attaining full fifty years of age;

1.2) upon resignation when attaining full ten years but not attaining twenty-five years of official service term or;

1.3) who is entitled to receive a Pension but choose to receive Gratuity instead.

2. The eligible person to receive a "Pension".

2.1) having his/her official service term from ten years and being out of service by reasons of removal order without fault or reasons of his/her age attaining the retirement, Disability, removal order when attaining full 30 years of official service term or upon resignation when attaining full fifty years of age or;

2.2) upon resignation when attaining full twenty-five years of official service term.

Amount of ordinary “Gratuity” and “Pension”

1. If the pensioner is not **Member** of GOVERNMENT PENSION FUND (GPF), the calculation of a “Gratuity” and “Pension” shall be made by using the formula as follows:

- Gratuity = (Salary of the last month x Official term)

- Pension = (Salary of the last month x Official term)/ and divided by fifty

The counting of Official term for a calculation of the amount of Gratuity or Pension shall include the Double Official term, and shall include number of years and their odds.

For example

25 years 6 months = 26 years and,

25 years 5 Months = 25 years without decimal point.

2. If the pensioner is **Member** of GOVERNMENT PENSION FUND (GPF), the calculation of a “Gratuity” and “Pension” shall be made by using the formula as follows:

- Gratuity = (Salary of the last month x Official term)

- Pension = (average Salaries for the last sixty months x Official term)/ and divided by fifty

But Pension shall not exceed seventy percent of the average Salaries for the last sixty months. The counting of Official term for a calculation of the amount of Gratuity or Pension shall include the Double Official term, shall include number of years and their odds, shall count 12 months = 1 year and 360 days = 1 year.

For example

25 years 6 months = 25.5 years (this Official term shall be used in the calculation).

In conclusion, “Gratuity” and “Pension” is regarded as welfare and benefit provided by government-to-government officer or his/her heirs. The term “Gratuity” refers to the money paid to a Member once and for all and the term “Pension” refers to means the money paid to a Member on a monthly throughout Member’s life. Gratuity and Pension System in Thailand; Special pension, Bequesting gratuity, Living gratuity and Ordinary gratuity or pension, all of them specify obviously their condition, term, right owner, type of right, amount of right according to the law enforced. To acquire a pension in normal case, it is upon resignation when attaining full twenty-five years of official term. In other cases, although total official term not attaining full twenty-five years, a pensioner is entitle to

receive a pension throughout his/her right.

Salary System

Base salary is the return paying for every type of officials and civilians depending on position and level. It reflects the job size, performance, and competency. In the present day, the salary account can be divided into 4 types which are administrative type, management type, academic type, and general type. Each has been specified high and low differently depending on the level.

Conclusion

The salary of the retired government officials consists of 4 types which are special pension, inherited pension, living support pension, and general pension. It can be seen that the pension directly relates to the duration of works and salary which mean the officials with the same rank might have the different sum of pension due to their low-and-high rate salary. And their monthly salary has been adjusted every year due to the performance evaluation.

Discussion and Recommendation

It was found the aid of pension is really unequal among the government officials with the low and high ranks. Although to earn high salary shall obtain a higher pension, the duration of works for the unit and the country after the retirement is another thing. When we compare the duration of work of every rank of officials, their duration is equal and after the retirement, the return is different. If we regard that the high rank shall earn a higher pension after the retirement but when they are working they also earn salary and benefits higher; therefore, is it time to set the appropriate pension for the government officials who work within the same period of time. As once they retire, they did not work for the country anymore, their pension after the retirement should not be over-differentiated.

References

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