



# PAYROLL IN THAILAND

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# OVERVIEW

In Thailand, payroll must comply with local labor laws, tax regulations, and social security requirements. Employers are responsible for accurate salary calculation, statutory deductions, and timely reporting to government authorities.



## COMPONENTS OF PAYROLL

### Salary Structure

- Basic Salary: The fixed monthly wage agreed between employer and employee.
- Allowances: Such as travel, meals, or housing allowances.
- Bonuses: Optional and based on performance or company policies.
- Overtime Pay: Employees working beyond standard hours (8 hours/day or 48 hours/week) are entitled to overtime pay at:
  - 1.5 times the normal hourly rate for regular overtime.
  - 2 times the normal hourly rate for work on holidays.
  - 3 times the normal hourly rate for overtime on public holidays.

### Deductions

- Personal Income Tax (PIT)
- Social Security Fund (SSF)
- Provident Fund (if applicable)
- Other deductions (loans, penalties, etc.)

# MINIMUM WAGE FOR EXPATRIATE

REGION	MINIMUM WAGE
<b>01</b> Countries in Europe (except Russia) and Countries in Australia, Canada, Japan, and the United States of America	50,000 baht/month
<b>02</b> South Korea, Singapore, Taiwan, and Hong Kong	45,000 baht/month
<b>03</b> Countries in Asia (except Japan, South Korea, Singapore, Taiwan, Hong Kong, Cambodia, Myanmar, Laos, and Vietnam), and Countries in South America, Eastern Europe, Central America, Mexico, Russia, and South Africa	35,000 baht/month
<b>04</b> Countries in Africa (except South Africa), Cambodia, Myanmar, Laos, and Vietnam	25,000 baht/month

# STATUTORY CONTRIBUTIONS & DEDUCTIONS

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ITEM RATE (EMPLOYEE)	ITEM RATE (EMPLOYER)
Social Security Fund 5% (max THB 750)	Social Security Fund 5% (max THB 750)
Personal Income Tax (PIT) Progressive rate (5% - 35%)	N/A
Provident Fund (Optional) 3 - 15%	Depend on the company policy

## PAYROLL FREQUENCY

- Monthly (standard)
- Payment must be made within the agreed period (usually by the last working day of the month)





## TAXATION

- Personal Income Tax (PIT) is withheld monthly and submitted by the employer
- Annual tax filing by employees due by March 31st
- Employers must submit PND1 monthly to the Revenue Department

## SOCIAL SECURITY

- All employees earning over THB 1,650/month must be registered
- Covers medical care, unemployment, maternity, disability, child support and pension (for retirement)
- Monthly contributions via Form SSO1-10

## YEAR-END FILING

- PND1Kor: Employer's annual summary of all income tax withholdings
- 50 Bis Certificate: Yearly tax certificate provided to employees

A photograph of a document titled "Tax Incentives" in large, bold, black letters. The document is partially obscured by a red diagonal stripe. Below the title, there are fields for "Last name", "Phone Number", and "No.". The background is a light gray with a red diagonal stripe.

# SAMPLE PAYSリップ



## SALARY SLIP

25<sup>th</sup> Aug 2025

CONFIDENTIAL

Name : Somchai Dee	Title : Accountant
Employee ID : EMP12345	Project : PMD-01

Description	Earning	Deduction
Base Salary Housing Allowance Social Security Tax	THB 40,000.00 THB 5,000.00	THB 750.00 THB 1,216.67
Total	THB 45,000.00	THB 1,966.67
Payment Date: 25/08/2025	NET PAY	
Period: 01/08/2025 - 31/08/2025	THB 43,033.33	
Bank Name: KKK Bank Bank Account: 000-000-0009	Forty-three thousand thirty-three baht and thirty-three satang.	



# EMPLOYEE LEAVE & BENEFITS

## A. Paid Leave

- **Annual Leave:** Minimum 6 days per year (after 1 year of service).
- **Sick Leave:** Up to 30 days per year (paid).
- **Maternity Leave:**
  1. Eligible for up to 98 days of maternity leave, including public holidays and weekly holidays.
  2. Employers must pay wages for at least the first 45 days of leave at the normal wage rate.
  3. Social Security pays 50% of the average wage (THB 15,000) for a period of 90 days.
  4. Entitled to receive additional maternity allowance of 25,000 THB per child.
- **Public Holidays:** Minimum 13 days per year.
- **Military Service Leave:** Up to 60 days (paid).
- **Personal Leave:** 3 days. (paid)

## B. Severance Pay

Employers must provide severance pay based on years of service if terminating an employee without cause:

Years of Service	Severance Pay
120 days - 1 year	30 days' pay
1 - 3 years	90 days' pay
3 - 6 years	180 days' pay
6 - 10 years	240 days' pay
10 - 20 years	300 days' pay
20+ years	400 days' pay





## SEVERANCE TAX RATE IN THAILAND

In Thailand, severance pay is subject to personal income tax; however, certain exemptions apply. As of January 1, 2023, the tax exemption for severance pay has been increased to the lesser of the employee's last 400 days' wages or THB 600,000.

This is an increase from the previous limit of 300 days' wages or THB 300,000.

Severance pay exceeding the exempted amount is subject to personal income tax at the standard progressive rates.





It's important to note that these tax exemptions apply to statutory severance pay received due to termination, excluding cases of retirement or end of employment contracts.

Employers are required to withhold the applicable personal income tax from the severance pay at the time of payment.




## PENALTIES FOR NON-COMPLIANCE

- Late tax payments: Penalty of 1.5% per month.
- Failure to withhold tax: Employers may be fined or held liable for unpaid taxes.
- Late SSF contributions: 2% per month penalty.
- Severance violations: Employers can face legal action.

# REGULARLY REVIEW LEGAL UPDATES FROM:

-  Revenue Department ([www.rd.go.th](http://www.rd.go.th))
-  Social Security Office ([www.sso.go.th](http://www.sso.go.th))
-  Ministry of Labour
-  Revenue Department: 1161

## CONTACT COMPANY FOR MORE INFORMATION

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