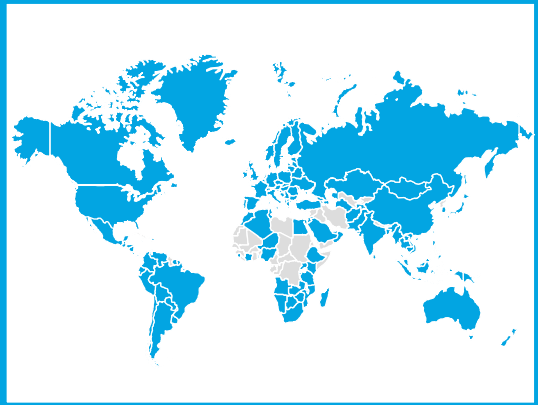


EXPATRIATES

Korea

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE

If he/she is deemed as a tax resident of Korea, he/she must continue to file Korean personal income tax returns reporting worldwide income even when residing outside of Korea.

Principally, a resident is any individual who has his/her domicile in Korea or a place of residence for 183 days or more in Korea. The domicile shall be judged by the objective facts of the living relationship such as the existence of a family living together in Korea and of the property located in Korea. The 'place of residence' means the place where a person has dwelt for a long time besides his address.

The due date for the tax returns and payment of any tax due remains May 31st of the following year, without any extension.

Wages received for services furnish abroad are non-taxable with below limit. Amount of less than ₩1,000,000 per month(₩3,000,000 per month when receiving remuneration in exchange for labor on a pelagic fishing vessel or in a vessel serving overseas routes or in an overseas construction work site) from among remuneration received by a person by providing labor abroad (including furnishing labor on a pelagic fishing vessel, in a vessel or aircraft serving overseas routes, or in an overseas construction work site, etc.).

On income that is not excluded from Korean tax and taxes are paid to a foreign jurisdiction, Korea will allow a foreign tax credit up to the amount of the applicable Korean taxes that would have been paid. Any excess foreign taxes can be carried forward 5 years.

BREAKING RESIDENCY - EXIT PROCEDURES

There is no special breaking residency procedure in Korea. As written above, he/she is deemed as resident or not shall be judged by the objective facts of the living relationship such as the existence of a family living together in Korea and of the property located in Korea.

Any individual other than a resident is a non-resident, who is liable to income tax only on the income derived from sources within Korea.

INCOME TAX RATES AND SOCIAL SECURITY CONTRIBUTIONS

INCOME TAX RATES

Tax base	Tax rates
12 million won or less	6%
12-46 million won or less	720,000 won + 15% of the amount exceeding 12 million won
46-88 million won or less	5,820,000 won + 24% of the amount exceeding 46 million won
88-150 million won or less	15,900,000 won + 35% of the amount exceeding 88 million won
150-300 million won or less	37,600,000 won + 38% of the amount exceeding 150 million won
300-500 million won or less	94,600,000 won + 40% of the amount over 300 million won
500-1,000 million won or less	174,600,000 won + 42% of the amount over 500 million won
Over 1 billion won	384,600,000 + 45% of the amount over 1 billion won

SOCIAL TAX RATES

There are 4 compulsory social insurance - employment insurance, industrial accident compensation insurance, national pension and health insurance - in Korea.

Basically, 4 compulsory insurances are borne by employer and employee to the extent of 50% of all contributions. Contribution is calculated by multiplying the contribution rate to the standard monthly wage. The amount calculated is distributed 50% respectively to the employee and the employer. Some of insurances are borne only by employer. The rate of each social insurance is as follows:

Employment insurance

- Employee: 0.9% of the total wage (unemployment benefit)
- Employer:
 - Unemployment benefit: 0.9%
 - Employment stabilization project + occupational ability development: 0.25 - 0.85% (depending on company size)

Industrial accident compensation insurance

- Employee: None
- Employer: 6/1000 - 185/1000 of total salary (depending on business category)

National pension

- Employee: 4.5% of standard monthly wage (Upper limit: KRW 248,850)
- Employer: 4.5% of standard monthly wage (Upper limit: KRW 248,850)

Health insurance

- Employee: Approx. 3.5% of standard monthly wage
- Employer : Approx. 3.5% of standard monthly wage

For further information and to register for future updates contact expat@bdo.global

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