COUNTRY PAYROLL GUIDE

# Taiwan Payroll, Benefits and Tax 2026

What employing someone in Taiwan costs across all four schemes, what your employee takes home, and the two costs that sit outside a simple percentage of salary.

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## The headline numbers

| 17.7% | 13.7% | 6% | NT$29,500 |
|---|---|---|---|
| Employer contributions at an NT$60,000 salary | The same contributions at NT$150,000 | Labour pension, the largest single employer line | Monthly minimum wage from 1 January 2026 |

Taiwan runs four separate employer contributions across three different salary ceilings, which is why a single percentage never describes it well. The labour pension at 6% is the largest line and caps highest, so the burden falls less here than in most of the region.

**Bonuses attract a supplementary health premium**

Where bonuses in a year exceed four times the employee's monthly insured salary, a supplementary national health insurance premium of about 2.11% applies to the excess. A model built on twelve monthly salaries will understate the cost of any package with a meaningful bonus component.

## Four schemes, three ceilings

| Scheme | Employer pays | Insured salary ceiling |
|---|---|---|
| **Labour insurance** | About 8.05%, being 70% of a 11.5% premium | NT$45,800 a month |
| **Employment insurance** | About 0.7%, being 70% of 1% | NT$45,800 a month |
| **National health insurance** | About 4.84%, including the dependant factor | Far higher, above NT$300,000 |
| **Labour pension** | At least 6% into the employee's own account | NT$150,000 a month |
| **Occupational accident** | 0.11% to 0.93% by industry risk | Follows labour insurance |
| **Wage arrears fund** | 0.025% | Follows labour insurance |

Labour and employment insurance split 70% employer, 20% employee, 10% government. Health insurance splits 60%, 30% and 10%. The employer health figure includes an average dependant factor, which is why it exceeds 60% of the 5.17% headline rate.

## What a hire actually costs

Single employed resident taking the standard deductions, low-risk employer, bonuses excluded. NT$ per month.

| | Gross NT$60,000 | Gross NT$150,000 |
|---|---|---|
| **Labour and employment insurance** | 4,007.50 | 4,007.50 |
| **National health insurance** | 2,904.00 | 7,260.00 |
| **Labour pension** | 3,600.00 | 9,000.00 |
| **Employer contributions** | 10,646.50 | 20,605.00 |
| **Effective employer uplift** | 17.74% | 13.74% |
| **Employee contributions** | 2,075.60 | 3,471.50 |
| **Income tax** | 1,066.67 | 9,958.33 |
| **Employee takes home** | 56,857.73 | 136,570.17 |
| **Total cost to employer** | 70,646.50 | 170,605.00 |

At NT$60,000 the pension is NT$3,600 of a NT$10,647 employer bill. At NT$150,000 it is NT$9,000 of NT$20,605, so it grows from a third of the total to nearly half.

## Income tax

Progressive consolidated income tax. A single employed resident deducts NT$464,000 before any tax is due.

| Net taxable income (NT$) | Rate |
|---|---|
| **Up to 590,000** | 5% |
| **590,001 to 1,330,000** | 12% |
| **1,330,001 to 2,660,000** | 20% |
| **2,660,001 to 4,980,000** | 30% |
| **Over 4,980,000** | 40% |

For the 2026 tax year a single filer deducts a personal exemption of NT$101,000, a standard deduction of NT$136,000 and a salary special deduction of NT$227,000. Non-residents present under 183 days pay a flat 18% on salary instead, which is usually worse than the resident schedule for a professional salary.

## Annual leave scales steeply

| Length of service | Paid annual leave |
|---|---|
| **6 months** | 3 days |
| **1 year** | 7 days |
| **2 years** | 10 days |
| **3 to 4 years** | 14 days |
| **5 to 9 years** | 15 days |
| **10 years and beyond** | One extra day per year, capped at 30 |

Unused leave must be paid out at year end or carried one further year by agreement. It is a real accrual rather than a use-it-or-lose-it entitlement, so track it as a liability.

- **Hours:** 8 a day and 40 a week, overtime capped at 46 hours a month, extendable to 54 in a month and 138 a quarter by agreement.
- **Sick leave:** up to 30 days a year of ordinary sick leave at half pay, with longer unpaid provision for hospitalisation.
- **Maternity:** 8 weeks, paid in full at six months of service. **Paternity:** 7 days of paid leave.
- **Public holidays:** the calendar was expanded by 2025 legislation, so confirm the current year's schedule rather than reusing an older list.

## Severance is capped, unlike most of the region

Under the current labour pension system, severance is half a month of average wages per year of service, capped at six months in total. That is a genuine outlier in a region where ladders run to twenty months and beyond. The cap exists because the pension is already funded monthly into the employee's own account.

- **Notice:** 10 days for 3 months to under 1 year of service, 20 days for 1 to under 3 years, 30 days beyond 3 years.
- **Statutory grounds:** termination requires a listed ground such as business contraction, restructuring or demonstrated incapability. There is no at-will employment.
- **Mass redundancy** triggers advance notification and a consultation process.
- **Employees on the old pension scheme** retain the uncapped severance formula, so check which scheme any long-tenured employee sits on. This matters in acquisitions.

The capped severance is why Taiwan reads as a moderate-cost market overall despite a mid-teens employer percentage. You pay more monthly than in Thailand or Hong Kong and far less on exit than in Indonesia or Thailand.

# Foreign nationals, benefits and registration

- **Work permit route:** employer-sponsored permit, then a resident visa and an Alien Resident Certificate. Specialist permits carry a minimum monthly salary requirement that is reviewed periodically.
- **Employment Gold Card:** combines work permit, residence and re-entry in one document, valid one to three years, with no employer sponsor needed. A holder arrives already permitted to work.
- **No nationality split.** Foreign employees join labour insurance and health insurance on the same basis as locals once they hold an ARC, unlike Singapore's CPF treatment.
- **Year-end bonus:** not statutory but deeply embedded. One to two months before Lunar New Year is the norm, and candidates quote annual package rather than monthly salary because of it.
- **Meal allowance** is exempt from income tax up to NT$2,400 a month, one of the more efficient ways to raise net pay.
- **Registration:** investment approval for a foreign-invested company, company registration with the Ministry of Economic Affairs, tax registration, insured unit registration with the Bureau of Labor Insurance and the NHI Administration, and a labour pension account.

> **Employees must be enrolled on their first day**
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> Same-day enrolment is stricter than most of the region. You cannot hire and then register, so the insured unit has to exist before the start date. Late enrolment carries a penalty and leaves the employer liable for benefits the employee would otherwise have claimed.

# Sources


- Bureau of Labor Insurance: labour insurance and employment insurance premium rates, the 70/20/10 split and the NT$45,800 insured salary ceiling.
- National Health Insurance Administration: 5.17% premium rate confirmed for 2026, the 60/30/10 split and the supplementary premium on bonuses.
- Labor Pension Act: employer minimum contribution of 6% and the NT$150,000 insured wage ceiling.
- Ministry of Labor: monthly minimum wage of NT$29,500 and hourly rate of NT$196 from 1 January 2026.
- Ministry of Finance: 2026 individual income tax brackets, personal exemption, standard deduction and salary special deduction.
- Labor Standards Act: annual leave ladder, working hours, notice periods and the capped severance formula.


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