COUNTRY PAYROLL GUIDE

Thailand Payroll, Benefits and Tax 2026

What employing someone in Thailand costs, what your employee takes home, and why a market that is cheap to hire into is expensive to leave.

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Current as at August 2026
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The headline numbers

1.83%	THB 875	400 days	0 to 35%
Employer contributions at a THB 50,000 salary	Monthly social security cap per side	Statutory severance at twenty years of service	Personal income tax across eight bands

Thailand has the lowest statutory employer cost in the region by a wide margin. The Social Security Fund takes 5% from each side but stops at a wage of THB 17,500 a month, so employer contributions are about THB 915 a month whatever the salary. As a percentage that is 1.83% at THB 50,000 and 0.61% at THB 150,000.

> **The ceiling moved on 1 January 2026, and moves again twice**
> The SSF wage ceiling rose from THB 15,000 to THB 17,500, lifting the maximum contribution from THB 750 to THB 875 per side. It is a phased reform: THB 20,000 follows in 2029 and THB 23,000 in 2032. The floor stays at THB 1,650.

Statutory contributions

	Employer	Employee
Social Security Fund	5%	5%
Monthly cap	THB 875	THB 875
Workmen's Compensation Fund	0.2% to 1% by industry risk	None
WCF wage base	Annual wages up to THB 240,000	Not applicable
Provident fund	Voluntary, commonly 3% to 5%	Voluntary, commonly 3% to 5%
13th month	Not statutory	None

The SSF covers sickness, maternity, invalidity, death, child allowance, old age and unemployment. The WCF is employer-only and tops out near THB 480 a year for a low-risk employer.

What a hire actually costs

Single employee with the personal allowance only, low-risk employer, 2026 ceiling. THB per month.

	Gross THB 50,000	Gross THB 150,000
Social security, each side	875.00	875.00
Workmen's compensation	40.00	40.00
Employer contributions	915.00	915.00
Effective employer uplift	1.83%	0.61%
Income tax	1,704.17	22,697.92
Employee takes home	47,420.83	126,427.08
Total cost to employer	50,915.00	150,915.00

The employer line is identical in both columns. Every baht above THB 17,500 of salary carries no contribution at all, so model employer cost as a fixed line rather than a percentage.

Severance runs to 400 days

Labour Protection Act rates, due on termination without cause. Separate from notice pay.

Length of service	Days of wages	Roughly
120 days to under 1 year	30 days	1 month
1 to under 3 years	90 days	3 months
3 to under 6 years	180 days	6 months
6 to under 10 years	240 days	8 months
10 to under 20 years	300 days	10 months
20 years or more	400 days	Over 13 months

Where a relocation materially affects an employee's ordinary living they may refuse and claim special severance at the same rates.

> **Provision for the ladder from the first hire**
>
> Ten employees averaging five years of service carry roughly six months of payroll in contingent severance, and none of it appears in the monthly cost that made Thailand look cheap. Dismissal for serious cause removes the obligation, but the grounds are narrow and poor performance alone is not one of them.

Income tax

Eight progressive bands. Residency turns on presence of 180 days or more in a calendar year.

Annual net income (THB)	Rate
Up to 150,000	Exempt
150,001 to 300,000	5%
300,001 to 500,000	10%
500,001 to 750,000	15%
750,001 to 1,000,000	20%
1,000,001 to 2,000,000	25%
2,000,001 to 5,000,000	30%
Over 5,000,000	35%

Net income is gross pay less a 50% expense deduction capped at THB 100,000, the THB 60,000 personal allowance, social security contributions and any further allowances claimed.

Wages, leave and hours

- **Minimum wage:** no national figure. Provincial rates run from about THB 337 to THB 400 a day, with Bangkok, Phuket, Chonburi, Rayong, Chachoengsao and Koh Samui at the top. The rate is *daily*, and overtime, holiday pay and severance all compute from it.
- **Annual leave:** a minimum of 6 working days after one year. Market practice for professional roles is 10 to 15, so the statutory floor is not a benchmark.
- **Public holidays:** at least 13 paid days a year, set by the employer from the official list.
- **Sick leave:** up to 30 days a year on full pay, separate from annual leave. A medical certificate is required from the third consecutive day.
- **Maternity leave:** 120 days since December 2025, up from 98. The employer pays the first 45 days at full wages.
- **Business leave:** at least 3 paid days a year for necessary personal business.
- **Hours:** 8 a day and 48 a week maximum, overtime at 1.5 times and holiday work at 2 or 3 times the hourly rate.

Foreign nationals and entity setup

- **Visa then permit.** A foreign national needs a Non-Immigrant B visa followed by a work permit, both employer-sponsored. The sequence cannot be reversed.
- **Four Thai employees per work permit** is the general requirement for an ordinary Thai company, alongside registered capital of THB 2 million per foreign worker.
- **Board of Investment promotion and the Smart Visa** relax both, which is why technology companies hiring several foreign staff usually pursue one of them.
- **The Foreign Business Act** restricts foreign majority ownership across many service activities. Common routes around it are BOI promotion, a Treaty of Amity structure for United States shareholders, or a licence.

That ownership restriction is why Thailand is one of the markets where an employer of record earns its keep well past the usual five to eight employees. The blocker is not payroll cost, it is the right to own the entity that employs the staff.

The monthly cycle

- **Register** with the Department of Business Development, the Revenue Department, the Social Security Office within 30 days of the first hire, and the Workmen's Compensation Fund.
- **Withhold** personal income tax and the employee's 5% social security share at source.
- **Remit withholding tax** to the Revenue Department by the 7th of the following month, or the 15th if filing online.
- **Remit social security** to the Social Security Office by the 15th. The two deadlines differ: tax is due before social security, not with it.
- **Pay the WCF premium** annually on estimated wages, and reconcile after year end.

Sources

- Social Security Office: 2026 wage ceiling increase to THB 17,500, with further steps scheduled for 2029 and 2032.
- Workmen's Compensation Fund: employer-only premium of 0.2% to 1% by industry risk on annual wages up to THB 240,000.
- Labour Protection Act B.E. 2541: severance ladder, annual leave, sick leave, public holidays and working hours.
- Labour Protection Act amendment of December 2025: maternity leave extended from 98 to 120 days.
- Revenue Department: personal income tax bands, the 50% expense deduction capped at THB 100,000, and the THB 60,000 personal allowance.
- Provincial wage committee rates for 2026: THB 337 to THB 400 a day.
- Foreign Business Act and Board of Investment conditions on foreign ownership and work permit ratios.
