


# Guide to Expatriate Employment in Thailand



In this publication

Summaries of the three laws that  
impact on expatriate employment  
in Thailand

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**There are three distinct, but inter-related, laws that impact on expatriate employment in Thailand, and expatriates need to comply with all three of them:**

- Immigration law;
- Labor law; and
- Tax law.

### Immigration law

Immigration law requires foreigners entering Thailand for work purposes to have a Category B Visa. These Category B visas are obtained from Thai Embassies and Consulates outside Thailand and the visa must be obtained prior to arrival in Thailand.

Accompanying spouses (not intending to work) should obtain a Category O visa prior to his or her arrival in Thailand, again, from a Thai Embassy or Consulate outside Thailand.

Both Category B and O visas are valid for just 90 days, and if the period of work extends beyond this period of time, the visas need to be extended (within Thailand) upon their expiry.

Extension periods of 30 days (at a time) are granted as and when necessary for completion of the work permit application procedures, and following approval of the work permit application, a 1-year visa extension is then granted.

However, the Immigration authorities will only extend a visa, either for 30 days or for the 1-year period, after an expatriate employee proves to the Immigration authorities that a work permit has been obtained or is

in the process of being obtained and personal income tax has been paid in Thailand.

If an expatriate employee can't prove compliance with both requirements, the Immigration authorities will not extend the visa and the expatriate will have to leave the country to obtain another visa at a Thai Embassy or Consulate outside Thailand.

### Minimum salary levels

For the purposes of visa extensions, the Immigration Department requires the expatriate employee to earn the following minimum salary amounts in Thailand:

Nationality	Minimum Salary Amount
Europe, Australia, Canada, Japan and United States	THB 50,000
South Korea, Singapore, Taiwan and Hong Kong	45,000
Asia, South America, East Europe, Middle America, Mexico, Turkey, Russia and South Africa	35,000
Africa, Cambodia, Laos, Myanmar and Vietnam	25,000

You should note that whilst these minimum salary amounts are prescribed only for the purposes of visas and visa extensions. They should not be interpreted to mean maximum salary amounts for the purposes of the tax laws.

The tax laws (described below) tax all actual earnings in respect of duties performed in Thailand, whether such earnings are paid inside or outside Thailand.

## Labor law

The labor law prescribes that all foreigners working in Thailand must have a work permit.

The period of validity of work permits follow the same dates as the Category B visa. It is therefore necessary to re-apply for extension of work permits at the same time as applications are made to extend visas.

A work permit specifies the place where an expatriate employee is permitted to work, the employee's job description and the period of validity. A permit is non-transferable and if a permit holder changes employers whilst in Thailand, a new work permit application is generally required.

Work permit applications are a document intensive and cumbersome process, and the permits can be difficult to obtain, taking anywhere from a few weeks to a few months.

The Labor Department has an official list of documents that are required from the employee and the employer. Whilst it is an extensive list, more documents could be required to prove bona-fide employment in Thailand.

If your employer is of the type and size that allows you to use the One Stop Service Center, your work permit may take just a few hours.

## Tax law

Whilst not being sophisticated law, the income tax laws in Thailand are quite encompassing, and prescribe that the following earnings are subject to tax in Thailand:

- All earnings derived from performance of duties in Thailand, including duties performed in Thailand for an employer outside Thailand and earnings for duties performed in Thailand that are paid outside Thailand; and
- All earnings paid in Thailand regardless of where the duties are performed; and

- All other earnings that are derived from offshore sources that are remitted into Thailand in the same year in which they are derived.

The tax laws permit standard deductions and standard allowances to be claimed against your salary earnings in Thailand. These standard deductions and standard allowances are shown in our sister publication, Guide to Expatriate Taxation in Thailand.

The tax laws also contain strictly enforced withholding tax provisions that require all employers to withhold the employee's personal income tax liability at the time of payment, and remit such withholding tax to the Revenue Department on a monthly basis.

Foreign expatriate employees cannot opt out of the withholding tax provisions and volunteer to pay their own taxes. The employer must deduct withholding tax on all:

- Earnings physically paid in Thailand; and
- Earnings paid overseas, which has been or will be charged as an expense in Thailand.

If an expatriate employee has a work permit but all of his salary or wages costs are paid by and borne by an entity outside Thailand, a withholding tax requirement in Thailand still exists due to the Immigration and Labor laws.

## Double tax treaty considerations

When an expatriate employee is in Thailand for 183 or fewer days, it may be possible for the employee to be exempt from Thailand tax on his earnings pursuant to a double tax treaty.

But a double tax treaty does not override any of the Thai Immigration and Labor (work permit) laws.

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