

Thailand's natural beauty makes it an attractive destination for tourists looking to experience jungles and wildlife. Today, the country has also become a destination for foreign investors due to key exports such as electrical components, car parts, and textiles. However, some industries may find it is easier to conduct business in the country than others, and setting up Thailand payroll can take a while. Globalization Partners can simplify the process by hiring employees on your behalf and adding them to our compliant payroll.

Taxation Rules for Payroll

Employers are responsible for registering new employees with the social security office. Thailand's social security fund reduces the cost risk for medical care, child allowance, sickness, maternity, death, invalidity, old age, and unemployment. Both employers and employees contribute 5% to the social security fund.

Companies must also pay a corporate income tax, which is usually taxed around 20%. However, the rate can vary based on the size of the company, your profits, and whether you're listed on the stock exchange. Thailand operates under a progressive income tax scheme, so employees will owe more as their salary increases.

Thailand Payroll Options for Companies

Before you set up your Thailand payroll, you should research your options and decide which is best for your company. The four main Thailand payroll options are:

- Remote: If you want to run only one payroll, you can add your employees in Thailand to your parent company's payroll. However, you'll need to follow separate employment compliance laws for each employee.
- Internal: You can also set up payroll in your subsidiary's office. This option is more feasible for larger companies with bigger budgets who can hire a full HR staff.
- Thailand payroll processing company: If you would prefer to outsource, you could work with a local Thailand payroll processing company. However, you will still be held liable for any of their mistakes.
- Globalization Partners: Thailand payroll outsourcing is easier with Globalization

Partners. We'll add your employees to our payroll and shoulder the risk, so you don't have to.

What You Need to Set up Payroll in Thailand

Before you can set up payroll, you'll need to set up a subsidiary. The typical timeframe to establish a business in Thailand is two months unless you work with a subsidiary alternative like Globalization Partners. You must put together a Memorandum of Association and get it approved by several departments. You'll also have to fill out a Declaration of Business form and provide Articles of Association and a list of shareholders.

Necessary Entitlement and Termination Terms

The best way to hire employees is through a written employment contract that includes notice periods and entitlement terms. Employers have to give no less than one month's notice for termination without cause. Severance pay depends on the employee's length of service and can extend up to 300 days of salary and allowances.

Thailand Payroll Processing Company

When you are ready to expand to Thailand, Globalization Partners can help with our Thailand payroll outsourcing services. Contact us today to learn more.