



Important Update on Tax Exemption for Severance Pay 2024

We are pleased to inform you of a significant update regarding tax exemptions on severance pay. On July 17, 2024, the Ministerial Regulation no. 394 (B.E. 2567) under the Revenue Code regarding Revenue was published in the Royal Gazette. This regulation replaces the previous personal income tax exemption amount for those terminated employees.

Under the new regulation, the Thai Revenue Department has increased the tax exemption ceiling for severance pay amount equivalent to their last 400 days' wages or salary, capped at THB 600,000. This is an increase from the previous limit of 300 days wages and salary, capped at THB 300,000. This adjustment aligns with the maximum severance pay amount amended in the Labor Protection Act in 2019 and is intended to relieve the income tax burden for employees who have been impacted by layoffs.

Action for Affected Taxpayers:

Taxpayers who have already filed their personal income tax returns for the year 2023 with the effect from the change are encouraged to file an amended return to benefit from this updated exemption. Any over-withheld tax can be refunded, subject to the review of certain documents by tax authorities. Please be aware that requests for tax refunds must be submitted within three years from the filing deadline of the original return. Therefore, amendments to the 2023 personal income tax return, aimed at requesting a refund, must be submitted by March 31, 2027.

For further details, please refer to the official announcement from the Revenue Department available at the following link: [\(in Thai\) mr394A.pdf \(rd.go.th\)](#) / กฎกระทรวงฉบับที่ 126 | กรมสรรพากร - [The Revenue Department \(rd.go.th\)](#)

This newsletter has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Neither BDO Audit Company Limited nor its respective partners, employees and/or agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.