



# GMS Flash Alert



2021-065 | February 25, 2021

## Thailand – COVID-19: Tax Filing Extensions for 2020, Social Security Reduction for 2021

On 26 January 2021, the Thai Cabinet approved several relief measures to aid those who are affected by COVID-19 pandemic. These relief measures include extension of the personal income tax filing deadline<sup>1</sup> and reduction of social security contribution rates<sup>2</sup>.

We highlight below the relief measures.

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### WHY THIS MATTERS

The Director-General of the Revenue Department's comments<sup>3</sup> indicate that the extension of the tax return deadline to three months will help increase liquidity for people in Thailand and inject approximately THB 10.60 billion into Thailand's economy.

According to the Secretary-General of the Social Security Office,<sup>4</sup> the additional relief measure in respect of social security should ease the financial burdens of 12.92 million insured persons and 485,000 employers. It is expected that this will provide approximately THB 23 billion of cash flow into the Thai economy.

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### Tax Filing Extension via Electronic Filing

The extension of the personal income tax return filing and tax payment deadlines are granted on submission of tax returns via the Revenue Department's electronic filing system (E-Filing).

The 2020 personal income tax return (P.N.D. 90 and P.N.D. 91) filing deadline and filing of payments via E-Filing has been extended to 30 June 2021 (originally 8 April 2021). The filing and payment deadline via paper remains the same, i.e., 31 March 2021.

## Reduction of Social Security Contribution Rates

The compulsory social security contribution rates of the employer and insured persons under employment according to Section 33 (compulsory) and Section 39 (voluntary) of the Social Security Act B.E. 2533 (1990) are reduced for the two-month salary cycles from February 2021 to March 2021. The reduced rates will apply to the maximum salary of THB 15,000 on compulsory contributions. The summary of the reduction is as follows:

Contributor	Eligible period	Reduced rate	Further reduced rate
<b>Employer under Section 33 (mandatory)</b>	February and March 2021	3%	Not reduced
<b>Insured person/Employee under Section 33 (mandatory)</b>		3%	0.5%
<b>Insured person/Employee under Section 39 (voluntary)</b>		THB 432	THB 38

Source: KPMG in Thailand

The ministerial regulation relevant to this issue has been announced.<sup>5</sup>

### KPMG NOTE

- To take advantage of the 2020 tax return filing and payment deadline extension, individual taxpayers need to register for E-Filing with their username and password obtained from the Thai Revenue Department's website. However, E-filing may be restrictive as compared with paper filing in terms of tax payment processing. For individuals who do not have bank accounts held inside Thailand, to make tax payments in a manner acceptable to the Thai Revenue Department we recommend paper filing. The Thai Revenue Department is reluctant to accept tax payments from bank accounts held outside of Thailand and such transfers would need to go through an intermediary bank, which can take a long time to reach the Thai Revenue Department's bank account.

For individuals who have bank accounts held in Thailand and can make tax payments at the bank's service counter, ATM, internet banking, tele-banking, or bank transfer via online, we recommend E-filing so as to take advantage of the three-month extension deadline for personal income tax filings and payments.

- According to the mandatory social security contribution relief measures for Section 33, the maximum contributions by employers and employees are THB 450 and THB 75 per month, respectively, for February and March 2021. This is based on the maximum monthly base salary of THB 15,000 for social security contribution calculation purposes.
- Employers need to revise their payroll processes by updating employees' social security contributions withheld for the applicable two months.

## KPMG NOTE continued:

- Should there be any over-remittance of contributions made for the period, employers and/or insured persons can request a refund from the Thai Social Security Office. KPMG can assist with this.
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## FOOTNOTES:

- 1 See (in Thai): [news19\\_2564.pdf \(rd.go.th\)](#).
- 2 See (in Thai): [ข่าวประชาสัมพันธ์ - ข่าว : ครม. เห็นชอบลดอัตราเงินสมทบจากร้อยละ 3 เหลือ 0.5 ช่วยลูกจ้างฝ่าวิกฤตโควิด-19 : \(sso.go.th\)](#) .
- 3 See (in Thai): [news19\\_2564.pdf \(rd.go.th\)](#).
- 4 See (in Thai): [ข่าวประชาสัมพันธ์ - ข่าว : ครม. เห็นชอบลดอัตราเงินสมทบจากร้อยละ 3 เหลือ 0.5 ช่วยลูกจ้างฝ่าวิกฤตโควิด-19 : \(sso.go.th\)](#) .
- 5 See (in Thai): [T\\_0025.PDF \(soc.go.th\)](#) .

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THB 1 = EUR 0.027  
THB 1 = USD 0.033  
THB 1 = GBP 0.0235  
THB 1 = UD 0.042

## Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Thailand:



**Lynn Tastan**  
**Partner**

Tel. + 66 (0) 2 677 2477

[ltastan@kpmg.co.th](mailto:ltastan@kpmg.co.th)



**Panisa Srihera**  
**Director**

Tel. + 66 (0) 2 677 2544

[panisa@kpmg.co.th](mailto:panisa@kpmg.co.th)



**Araya Apiboonchaikru**  
**Manager**

Tel. + 66 (0) 2 677 2372

[araya@kpmg.co.th](mailto:araya@kpmg.co.th)

**The information contained in this newsletter was submitted by the KPMG International member firm in Thailand.**

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