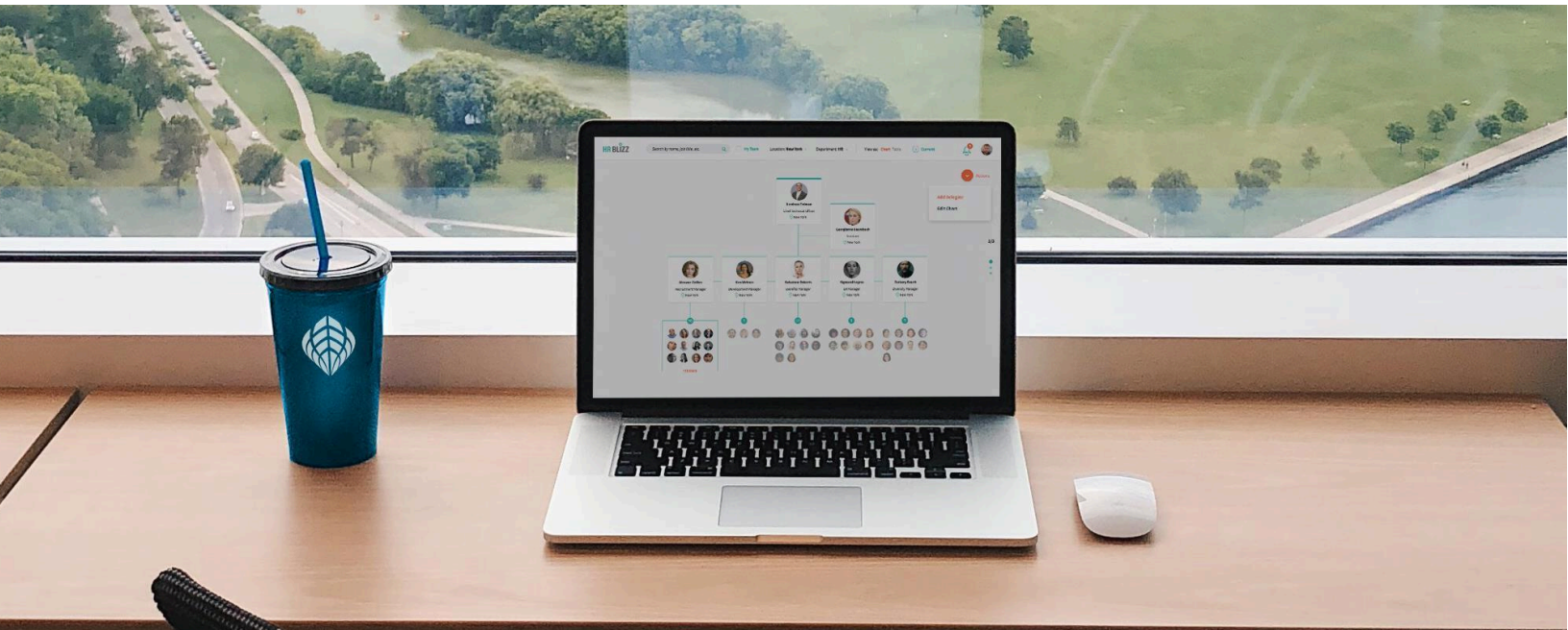




Simplifying Employment
Tasks Worldwide

Statutory Change Alert

**South Korea – Non-taxable and Year End Adjustment
changes – 1 January 2024**



SOUTH KOREA



Dec 12, 2024

© 2024 Mercans LLC



MERCANS

We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



PEO/GEO Services – Easily hire, deploy and manage your workforce abroad

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



Global Talent Acquisition – Quickly fill vacancies with only the best candidates

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesaar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



BPO Services – Reclaim the focus on your core activities to expand your business

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



HR Management SaaS – Access customizable cloud-based online platforms

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesaar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



MERCANS



Local Statutory Compliance – Forget the hassle of setting up branches abroad

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



MERCANS

Mercans at a Glance

160+ Countries	20 Years of Success	1K+ Payroll and HR Specialists
22k+ Clients Worldwide	97% Client Retention Rate	1.5X Annual Revenue Growth
95k+ Largest Single Country Payroll	25M+ Pay Slips per Annum	0 Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate certificate





Non-taxable and Year End Adjustment changes (YEA)

Aboard salary income non-taxable

Aboard salary income for Sailors of foreign ships and deep-sea fishing ships and overseas construction workers non-taxable limitation is increased from KRW 3,000,000 to KRW 5,000,000.

Credit Card usage (Income deduction)

Added for 2024 YEA. If total usage of 2024 credit card usage was more than 2023 usage. 10% of amount exceeding 105% of 2023 usage (2024 total - 2023 total*105%) will be deducted from taxable income up to KRW 1,000,000.

Principal interest payment of long-term mortgage loan (Income deduction)

Principal interest payment of long-term mortgage loan limitation is updated as below.

Item	2024 YEA Limitation	2023 YEA Limitation
Fixed interest rate and non-deferred repayment loan (more than 15 years)	KRW 20,000,000	KRW 18,000,000
Fixed interest rate or non-deferred repayment loan (more than 15 years)	KRW 18,000,000	KRW 15,000,000
Other (more than 15 years)	KRW 8,000,000	KRW 5,000,000
Fixed interest rate or non-deferred repayment loan	KRW 6,000,000	KRW 3,000,000



House-purchasing Savings (Income deduction)

Limitation is increased from KRW 2,400,000 to KRW 3,000,000.

Medical Expense (Tax credit)

- 1) Less than 6-year-old medical expenses are added to no limitation expense item.
- 2) Postpartum care center expense up to KRW 2,000,000 was only applicable to employees whose annual salary is less than KRW 70,000,000. Now the income condition is cancelled.

Donation (Tax credit)

General donation including religious donation and non-religious donation addition deduction level is added.

Donation Amount	2024 YEA Rate	2023 YEA Rate
Less than KRW 10,000,000	15%	15%
KRW 10,000,000 ~ KRW 30,000,000	30%	30%
More than KRW 30,000,000	40%	30%

Child exemption (Tax credit)

2nd child exemption is increased from KRW 150,000 to KRW 200,000.

Child condition, except child grandchildren is added.



Monthly Rent (Tax credit)

Annual salary condition is increased from KRW 70,000,000 to KRW 80,000,000.

Annual rent fee limitation is creased from KRW 7,500,000 to KRW 10,000,000.

Please [contact your Mercans' services delivery team](#) for any additional information regarding the implications of the above change.

They already trust Mercans





What Makes Mercans your HR and Payroll **Partner of Choice?**

We Simplify Employment Tasks Worldwide

Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



Simplifying Employment Tasks Worldwide

+1 877 MERCANS (637 2267) | Toll-Free

Europe: +44 20 328 777 62
Americas: +1 646 798 5541
Middle East: +971 43 999 260
Asia: +81 50 5539 5354

info@mercans.com | mercans.com

© 2024 Mercans LLC