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Marriage, Childbirth, and Childcare Benefits

1. New Marriage Tax Credit

- Couples who register their marriage **between 2024 and 2026** can now receive a tax credit of **up to ~~KRW~~ 1 million**.
- The credit provides up to **~~KRW~~ 500,000 per spouse**, for a maximum of ~~KRW~~ 1 million per couple, applicable to those with earned or comprehensive income.
 - This is a one-time lifetime benefit, regardless of age, and applies to both first marriages and remarriages.

2. Increased Non-Taxable Allowance for Childbirth and Childcare

Definition	The childbirth and childcare allowance is a company-sponsored benefit to support employees or their spouses upon the birth of a child or for childcare of children under 6 years old.
Applicable Income	The allowance applies to salaries received by the employee or their spouse for childbirth or childcare of children under 6 years old.
Revision	The monthly non-taxable limit has increased from KRW 100,000 to KRW 200,000.

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3. Full Tax Exemption on Company Childbirth Support Payments

Payments received for childbirth support from an employer within 2 years of the child’s birth are now fully exempt from income tax.

	Current	Revised
Deduction Limit	Tax-free amount was up to KRW 200,000 monthly, for payments related to the employee or their spouse’s childbirth.	Total amount provided within 2 years after the child’s birth, is fully tax-exempt , under standardised company policies (up to 2 payments).
Exceptions	-	Payments given to relatives in special relationships with the employer are excluded.
Eligibility	-	Applicable to childbirth assistance payments for children born from 2021 onward.



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4. Expanded Child Tax Credit

The child tax credit has been enhanced in 2024, increasing the scope of eligible dependents and the credit amounts as follows:

For 1 child	KRW 150,000 per year (no change)
For 2 children	The tax credit is increased from KRW 300,000 per year to KRW 350,000 per year
For 3 or more children	A base credit of KRW 350,000, plus an additional KRW 300,000 per year starting from the third child

5. Expanded Tax Benefits for Medical Expenses

	Current	Revised
Maternity Care	Tax deductions for maternity-related expenses were limited to employees with an income of less than KRW 70 million, with a cap of KRW 2 million	<ul style="list-style-type: none">Deductions apply to all family members with no income capFor dependents under 6 years old, all medical expenses are fully deductible without any limit
Disability Support Payments	-	Out-of-pocket expenses for disability support services are now eligible for tax deductions, based on actual expenses incurred

The application period is applied from those who report the tax base after 1st Jan 2025 or who settle the year-end tax.

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Housing-Related Tax Benefits

1. Increased Deduction Limit for Housing Subscription Savings

- Households without property ownership, with an annual salary of ~~KRW~~ 70 million or less, are eligible to deduct 40% of their housing subscription savings contributions from their taxable income.
- The revised annual deduction cap has **increased** from ~~KRW~~ 2.4 million to ~~KRW~~ 3 million.

2. Higher Income Cap and Deduction Limit for Monthly Rent Tax Credit

	Current	Revised
Eligible Income	Households with an annual salary of up to KRW 70 million (or comprehensive income up to KRW 60 million) who are without property ownership	Households with an annual salary of up to KRW 80 million (or comprehensive income up to KRW 70 million)
Deduction Limit	KRW 7.5 million annually	KRW 10 million annually

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Housing-Related Tax Benefits

3. Expanded Tax Deduction for Long-Term Housing Loan Interest Repayments

	Current	Revised
Deduction Limit	KRW 3 million to KRW 18 million annually	KRW 6 million to KRW 20 million annually
Eligible Housing	Homes with a market value of KRW 500 million or less	Homes with a market value of up to KRW 600 million
Special Provision	-	<ul style="list-style-type: none">Borrowers refinancing existing long-term housing loans immediately with new loans can also claim this benefitIn cases where previous rules are more favourable, the prior rules can still be applied for loans taken before 1st Jan 2012



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Donations and Other Areas

1. Special Tax Credit for Large Donations (Temporary Increase)

	Current	Revised
Tax Credit	<ul style="list-style-type: none">15% tax credit for donations up to KRW 10 million30% tax credit for donations exceeding KRW 10 million	<p>40% tax credit* for donations exceeding KRW 30 million made between 1st Jan 2024 and 31st Dec 2024</p> <p><i>*Temporary rate applies only to donations made during 2024</i></p>

2. Increased Valuation and Expanded Scope of Volunteer Services

	Current	Revised
Volunteer Service Valuation	<ul style="list-style-type: none">Service Days × KRW 50,000 (Service Hours ÷ 8 = Service Days)Additional costs directly related to volunteer work e.g. fuel or materials	Volunteer service valuation increased to KRW 80,000 per service day
Eligible Services	Volunteer work for disaster recovery in designated special disaster areas	<p>Includes volunteer work for organisations receiving special donations</p> <p>i.e. national/local governments, schools, hospitals, and professional fundraising institutions</p>



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Donations and Other Areas

3. Increased Non-Taxable Limit for Employee Invention Rewards

	Current	Revised
Tax Exemption	Applicable to rewards of up to KRW 5 million annually for inventions by employees, faculty, or students	Tax exemption limit is increased to KRW 7 million annually
Exclusions	-	Not eligible for employees in certain specific relationships with their employers e.g. family members of individual business owners, or controlling shareholders in corporations

4. New Additional Credit for Increased Card Spending

	Current	Revised
Tax Credit	Applicable to card spending exceeding 25% of total salary, with different rates based on payment methods and beneficiaries	<ul style="list-style-type: none">A new 10% tax deduction applies to the amount by which card spending in 2024 exceeds the previous year's by 5% or moreThe maximum additional credit is KRW 1 million

3 Donations and Other Areas

5. Extension of Flat Tax Rate for Foreign Workers

- The 19% flat tax rate for foreign workers' income has been **extended** from 31st Dec 2023 to **31st Dec 2028**.
- **Flat Tax Rate Special Rule**
Foreign workers are taxed at a consistent rate regardless of income levels, unlike the progressive tax rates for domestic workers.

6. Increased Non-Taxable Limit for Overseas Income

- The non-taxable limit for overseas income has **increased** from ~~KRW~~ 3 million to ~~KRW~~ 5 million per month.
- **Expanded Eligibility**
Includes individuals performing duties similar to embassy administrative staff and those designated by the Minister of Economy and Finance, such as employees of the Human Resources Development Service of Korea.