

Korea, South	
<b>When will I be taxed in relation to my plan benefits?</b>	<p><b>Award:</b> No income tax. No social security.</p> <p><b>Vesting:</b> The point of taxation is when the ownership rights in the shares transfer to the participant (including a nominee). If the ownership rights in the shares are transferred to the participant on the vesting date then income tax and social security (if any).</p> <p><b>Transfer to participant:</b> If the transfer of ownership rights in the shares is later than the vesting date, then point of taxation is the date ownership rights in the shares transfer to the participant.</p> <p><b>Sale by participant:</b> Capital gains tax on increase in value since vesting/transfer. No social security.</p>
<b>What is the maximum rate of income tax payable in relation to my plan benefits?</b>	49.5% (2025) including local income tax. Any change in tax rates usually takes effect from 1 January.
<b>Income tax rates</b>	The maximum progressive tax rate is 45% which is payable on a tax base over KRW 1,000million. Local income tax brings the top rate up to 49.5%.
<b>Will my employer withhold income tax in relation to my plan benefits?</b>	Employer withholding will apply if the plan benefits are paid through local payroll or there is a recharge.
<b>Are my plan benefits subject to social security contributions?</b>	Employer withholding will apply if the plan benefits are paid through local payroll or there is a recharge.
<b>Employee social security</b>	<p><b>Employee social security (max rate):</b> 9.404% (if all components are applicable). Social security consists of national pension, national health insurance premium and employment insurance, each of which has different rates. The max rate above is the sum of all social security rates.</p> <p><b>Employee social security (cap):</b> monthly salary cap depends on component. Monthly salary cap for national pension and national health insurance premium are KRW 6,170,000 and KRW 119,625,106, respectively, and there is no monthly salary cap for the employment insurance.</p>
<b>What is the maximum rate of capital gains tax?</b>	<p>22% for the sale of foreign shares, including 2% local income tax.</p> <p>Capital gains are included in income but are taxed separately.</p>
<b>What is the maximum tax rate payable on dividends?</b>	<p>49.5% (including local income tax).</p> <p>Dividends that are paid by foreign companies and that are not subject to withholding in Korea, are taxed at progressive tax rates (at least 15.4% including 10% local income tax). Dividends received from Korean companies will usually be subject to withholding tax at 15.4% (including 10% local income tax), unless the combined total of interest and dividend income from all sources exceeds KRW 20million, in which case the amount in excess of KRW 20million is taxed at progressive tax rates.</p>

<p><b>Do I have to report any income in relation to the plan to my local tax authority?</b></p>	<p>Yes, if not already subject to withholding by employer, including any dividends and capital gains.</p> <p>Korean residents are required to report foreign held assets to the tax authority, if those assets have a value over the equivalent of KRW0.5billion in an offshore account (including bank accounts and brokerage accounts), with a foreign financial company as at the end of any month in any given year.</p> <p><b>Report name:</b></p> <ul style="list-style-type: none"><li>• Individual Comprehensive Annual Tax Return;</li><li>• Capital Gains Tax Return; and</li><li>• foreign assets are reported on Form 45 - Report of Foreign Bank and Financial Accounts.</li></ul> <p><b>Tax period:</b> 1 January to 31 December.</p> <p><b>Reporting deadline:</b></p> <ul style="list-style-type: none"><li>• Individual Comprehensive Annual Tax Return: 31 May;</li><li>• Capital Gains Tax Return: 31 May; and</li><li>• Form 45 - Report of Foreign Bank and Financial Accounts: 30 June.</li></ul> <p><b>Payment of tax:</b> Class B income taxes can be declared and paid annually by the individual or monthly through a licensed taxpayers' association. If a tax return is required, tax is paid by 31 May of the following year.</p>
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## Tax - Employee Notes - Free shares / RSUs



This summary assumes that you only pay tax in one place. Different rules may apply if you pay tax in different places.

This summary is only a guide. It is limited to a general description of national tax laws and does not address various issues which may impact the tax result, including: local, city, regional, state or other provincial taxes; retention and holding periods; restrictions on the shares; clawback terms and periods; and your own individual circumstances. We do not guarantee any particular tax result. Therefore, we recommend that you consult your own tax advisor regularly to determine your tax position.

The information provided is understood to be correct as of 14 February 2025. Changes in legislation or practice after this date may affect the tax treatment.

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