The following tax information is translated from the Korean for foreign-invested companies and is not legally binding.

Q. How do I claim a refund when my year-end tax settlement tells me that I am due for one?
A. When you are to get a refund, your employer will directly refund the difference to you. No application for a claim is required.

Q. Are there frequent errors in conducting a year-end tax settlement?
A. Frequent Errors in Conducting Year-end Tax Settlement
   • Deduction for dependents whose annual income exceeds KRW 1,000,000
     - The dependent whose total annual income, including wages & salary income, capital gain, business income and retirement income, exceeds KRW 1,000,000 is not entitled to basic deduction and special deduction.
     - The dependent, as a wage & salary income earner, whose total annual salary (excluding non-taxable income) exceeds KRW 5,000,000 is not entitled to basic deduction.
   
   • Total salary (KRW 5,000,000) - Deduction for wages & salary income (KRW 4,000,000) = Wages & salary income (KRW 1,000,000)

   • Duplicated deduction for dependents & deduction for the deceased
     - A working couple makes a duplicate application of basic deduction for a child.
     - Basic deduction is asked to be allowed for the deceased or emigrant dependents.

   • Excessive tax credit for educational expenses
     - Deduction for a lineal descendant’s or a sibling’s educational expenses of a graduate school at home or abroad
     - Deduction for educational expenses, including a scholarship, which is not subject to deduction

   • Excessive tax credit for medical expenses
     - Costs for nursing or a postnatal care center are deducted as a medical expense.
     - Medical expenses paid by insurance (ex. accident insurance, etc.) are deducted.

   • Excessive deduction for the amount spent on credit cards
     - Deduction for credit card usage, including the amount spent on dependents’ (siblings) cards, etc. that is not permitted to be deducted
     - A working couple files a duplicate application for deduction on the amount spent on their child's credit cards, etc.
     - Deduction for the amount spent during a period when labor was not provided
Q. I retired from work during the attributable taxation period and claimed a refund through a year-end tax settlement. However, my company keeps delaying the payment of the refund. Can I get the refund from a district tax office instead of through the company?

A. The refund occurred as a result of the year-end tax settlement for wages, and salary income earners are to be paid by the withholding agent (employer).

If a refund occurs as a result of the year-end tax settlement and the withholding agent keeps delaying the payment of the refund, then the worker has the right to claim the refund from the withholding agent. That is, the worker can claim the refund in the same way one would claim overdue wages. Regarding wages and salary, retirement pay and dismissal, you can contact the worker's call center at the Ministry of Employment and Labor (TEL.1350).