

Tax Incentive for the National Saving Fund

The National Saving Fund was established to allocate social benefit for self-employed people who are not covered by pension scheme or social security system, and particularly enhance their awareness to begin saving. The amount of fund is basically generated by two sources: firstly, each member is required to contribute money into the fund with at least 50 baht per month, but not exceeding 13,200 baht in a tax year. Secondly, the government will support this project by investing a budget which will depend on the age of the members. The members will receive their saving and part of interests as a part of pension when they turn 60 years old.

The government is trying to induce people to join the National Saving Fund through various instruments. A tax incentive is the one that has been proposed to urge people register into the fund. The benefit is in terms of a tax allowance which belongs to the individual who contributes money for the saving purpose. The individual can claim the amount of annual invested money by using the actual amount to reduce taxable income in a process of the personal income tax computation. However, in accordance with legal conditions the total amount the tax allowance must not exceed 500,000 baht in the tax year when includes the amount from the Provident Fund, the Government Pension Fund, Private Teacher Aid Fund, Retirement Mutual Fund and Pension Life Insurance.
