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2024
Labor Laws in Korea

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Korea Trade-Investment
Promotion Agency

2024
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2024 Labor Laws in **Korea**

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I Overview of Labor Laws

(1) | Purpose

- To regulate the terms and conditions of employment and labor-management relations to ensure workers' humane living conditions and equality between workers and employers

(2) | Classification

- Labor laws can be largely classified into four groups as follows: laws on individual labor relations, laws on collective labor relations, laws on collaborative labor relations, and other employment-related laws.

① Laws on individual labor relations

- To regulate labor relations between individual workers and employers.
- To present criteria for entering into an employment contract, the details of labor relations and its revision and termination, etc. in order to protect workers' terms and conditions of employment.

② Laws on collective labor relations

- To regulate labor relations between workers' groups such as labor unions and workers' representatives and employers.

- To ensure the association of workers who are at a financial and social disadvantage so that they can maintain an equal relationship with employers, thereby realizing labor-management autonomy.

③ Laws on collaborative labor relations

- To regulate the matters required to enhance the profit of employers and workers through participation and cooperation between employers and workers in order to contribute to corporate growth, industrial peace and the development of the national economy.
- To avoid confrontation and struggle between workers and employers and to overcome the limits of labor relations.

④ Other employment-related laws

- To regulate matters pertaining to ensuring the balance of supply and demand in the labor market, and the stability of workers' livelihoods and the development of the national economy through stabilization of employment.



Types of labor laws

Types	Major laws	Major contents
Laws on individual labor relations	Labor Standards Act	Labor contracts, wage, work hours/ breaks, working women/ young people, disaster compensation, rules of employment
	Minimum Wage Act	Fixing minimum wage, minimum wage committee
	Guarantee of Workers' Retirement Benefits Act	Retirement allowance, retirement pension, retirement pension trustees
	Act on the Protection, etc. of Fixed Term and Part - Time Workers	Prohibition of discrimination against fixed-term workers and part-time workers
	Protection, etc. of Dispatched Workers Act	Period of dispatch, obligation to hire, prohibition of discrimination against dispatched workers
	Industrial Safety and Health Act	Safety/health management system, workers' health management
	Act on Equal Employment Opportunity and Work-Family Balance Assistance Act	Prohibition of workplace sexual harassment, maternity leave, childcare leave
Laws on collective labor relations	Trade Union and Labor Relations Adjustment Act	Trade union, collective bargaining and collective agreement, industrial actions
	Labor Relations Commission Act	Organization, rights
Laws on collaborative labor relations	Act on the Promotion of Workers' Participation and Cooperation	Labor-management council, listening to complaints
Other employment-related laws	Employment Insurance Act	Unemployment allowance, pay for childcare leave
	Act on the Prohibition of Discrimination of Disabled Persons, Remedy against Infringement of Their Rights, etc.	Prohibition of discrimination and remedies
	Act on Prohibition of Age Discrimination in Employment and Elderly Employment Promotion	Prohibition of age discrimination, encouragement of hiring of elderlies

〔3〕| Legal bases

Meaning

- Generally, “legal bases” refers to subsistence and formality of laws.
- Herein, “legal bases” exist to understand the normative contents of labor laws.

Types

- The Constitution, laws and ordinances, labor-related customary laws, management practices, collective agreement, rules of employment, trade union rules, etc.

※ ILO conventions have no domestic legal effectiveness until they are ratified by the National Assembly.

Contradiction of legal bases

- Where norms that serve as legal bases of labor laws contradict, which one should be given priority becomes an issue of debate.

① The upper law-first principle

Constitution 〉 Acts 〉 Enforcement decrees 〉 Collective agreement 〉 Employment rules 〉 Employment contract 〉 Instructions by employers

② The new law-first principle

Where two or more laws are applicable, the newest one should apply even if it is more disadvantageous to workers

③ The special law-first principle

Where a law is applicable to a specific object or purpose, it should be applied to the relevant object or purpose

④ The more advantageous condition-first principle

(a) Where a lower legal basis has a more advantageous content than an upper legal basis, the lower one should apply.

(b) Where an upper legal basis has a content more disadvantageous to workers than a lower legal basis, it should be nullified.

(c) Where the new law-first principle is in conflict with the more advantageous condition-first principle, the new law-first principle should prevail.





Individual Labor Relations

(1) | Labor contracts

Meaning

- A "labor contract" refers to a contract, in which a worker offers labor to an employer for the purpose of earning wages (Article 2 (1), Labor Standards Act).

Clear statement of the terms and conditions of employment (Article 17, the above Act)

- An employer should state the following clearly in a labor contract signed with a worker: ⓐ wages, ⓑ contractual work hours, ⓒ holidays, ⓓ annual paid leaves, ⓔ other terms and conditions of employment* prescribed by Presidential Decree.

  * "Other terms/conditions of employment prescribed by Presidential Decree" refers to the following: Matters pertaining to the place of work and the business, dormitory-related rules, matters to be included in the rules of employment, and matters to be reported to the relevant authorities.

- The matters should be stated identically when changing the labor contract after it is signed.
- Especially, wage-related matters (items comprising wage, method of calculation/payment), contractual work hours, holidays, and annual paid leaves should be stated in writing (including electronic documents) and distributed to workers.

Period for labor contract

- The period should be fixed through an agreement made between a worker and an employer. There is no particular stipulation about it in the law.

※ With regard to the contents about workers with a fixed contract period, refer to “Non-regular workers”.

Probation

- Generally, “probation” refers to a period workers are made to go through to build their work skills or adaptability to business situations.
- The Labor Standards Act applies to probationary workers.
- Probationary workers should not be dismissed without a justifiable reason.
- The minimum wage* may be offered to a person for whom three months have not passed since the beginning of his/her probation at work under a one-year or longer labor contract (Article 5 (2), Minimum Wage Act).

* Up to 10% of the minimum wage (Article 3 of the Enforcement Decree of the Act)

Recruiting and employment

- Gender discrimination when recruiting and employing workers is prohibited.
- Exhibiting or demanding physical conditions such as appearance, height and weight and unmarried status are prohibited.

Sample of standard labor contract - Ministry of Employment and Labor (MOEL)

Standard Labor Contract (where the period of employment is not fixed)

This labor contract is made and entered into by and between xxxx ("EMPLOYER") and xxxx ("WORKER").

1. Work commencement date: (MMDDYYYY)
2. Place of work :
3. Description of work :
4. Contractual work hours: xx: xx through xx: xx (Recess: xx: xx through xx: xx)
5. Work days & holidays: Work days of _____ days a week, weekly holiday every _____
6. Wages
   - Monthly (daily/hourly) wage : KRW
   - Bonus: KRW ( ) ; No bonus : ( )
   - Allowances: Yes ( ); No ( )
     · KRW _____, · KRW _____
     · KRW _____, · KRW _____
   - Wage payment : The____th of each month (to be paid on the day preceding the said day if it falls on a public holiday.)
   - Method of payment : to be paid to workers in person ( ); to be deposited to the workers' bank accounts ( )
7. Paid annual leave
   - To be provided per the Labor Standards Act.
8. Application of social insurance [Please put a check (√) mark where applicable.]
   ☐ Employment insurance ☐ Industrial disaster insurance
   ☐ National pension ☐ National health insurance
9. Distribution of labor contract
   - Upon signing this labor contract, the EMPLOYER shall distribute a copy to the WORKER regardless of the WORKER's request. (Article 17, Labor Standards Act)
10. Due diligence obligation
    - The EMPLOYER and the WORKER shall fulfill his/her contractual obligations, rules of employment and collective agreement in good faith.
11. Others
    - Matters not stipulated in this Contract shall follow the Labor Standards Act.

Date (MMDDYYYY):

(FOR EMPLOYER)	Name of business :	(Contact number)
	Address :	
	Name of representative :	(Signed)
(FOR WORKER)	Address :	
	Contact number :	
	Name :	(Signed)

Sample of standard labor contract - Ministry of Employment and Labor (MOEL)

Standard Labor Contract (where the period of employment is fixed)

This labor contract is made and entered into by and between xxxx ("EMPLOYER") and xxxx ("WORKER").

1. Period of employment (MMDDYYYY): From _____ to _____
2. Place of work :
3. Description of work
4. Contractual work hours: xx: xx through xx: xx (Recess: xx: xx through xx: xx)
5. Work days & holidays: Work days of _____ days a week, weekly holiday every _____
6. Wages
   - Monthly (daily/hourly) wage: KRW
   - Bonus: KRW ( ) ; No bonus: ( )
   - Allowances: Yes ( ); No ( )
     · KRW _____, · KRW _____
     · KRW _____, · KRW _____
   - Wage payment :____th of each month (to be paid on the day preceding the said day if it falls on a public holiday.)
   - Method of payment: to be paid to workers in person ( ); to be deposited to the workers' bank accounts ( )
7. Paid annual leave
   - To be provided per the Labor Standards Act.
8. Application of social insurance [Please put a check (√) mark where applicable.]
   ☐ Employment insurance ☐ Industrial disaster insurance
   ☐ National pension ☐ National health insurance
9. Distribution of labor contract
   - Upon signing this labor contract, the EMPLOYER shall distribute a copy to the WORKER regardless of the WORKER's request. (Article 17, Labor Standards Act)
10. Due diligence obligation
    - The EMPLOYER and the WORKER shall fulfill his/her contractual obligations and rules of employment/ collective agreement in good faith.
11. Others
    - Matters not stipulated in this Contract shall follow the Labor Standards Act.

Date (MMDDYYYY):

(FOR EMPLOYER)	Name of business :	(Contact number)
	Address :	
	Name of representative :	(Signed)
(FOR WORKER)	Address :	
	Contact number :	
	Name :	(Signed)

〔2〕| Rules of employment

Meaning

- "Rules of employment" means norms concerning the rules* of service and the terms and conditions of employment set unilaterally by an employer for his/ her place of business.

  * Applicable to company policies or rules, HR or service regulations, retirement allowance regulations irrespective of their names.

Obligation of preparation and reporting

- An employer who employs at least 10 workers regularly should draw up a rules of employment on matters prescribed by law and submit them to the Ministry of Employment and Labor (Article 93, Labor Standards Act).
- An alteration in the rules of employment should also be reported as well.

Obligation to display the rules of employment and to make them accessible (Article 14, Labor Standards Act)

- The rules of employment should be placed at locations easily accessible by workers.



Workers' participation in drawing up or altering the rules of employment

① Listening to opinions

- With regard to the preparation or alteration of the rules of employment, an employer shall: ⓐ hear the opinion of a trade union if there is such a trade union composed of the majority of the employees in the business or workplace concerned, or ⓑ otherwise hear the opinion of the majority of the said employees if there is no trade union composed of the majority of the employees (Article 94 (1), the above Act).
- When an employer reports the rules of employment, he/she shall attach a document stating the opinion as referred to in the foregoing paragraph (Article 94 (2), the above Act).

② Consent

- In case of amending the rules of employment unfavorably to employees, the employer shall obtain their consent thereto (Article 94 (1), the above Act, latter part).

Relationship between rules of employment and labor contracts

- The part of a labor contract containing terms/conditions of employment falling short of the standards stipulated in rules of employment should be invalid.
- The said part that has become invalid should follow the standards stipulated in the rules of employment.

〔3〕| Wages

Meaning

- "Wages" refers to all money and valuables including pay and the like paid by an employer his/her workers in exchange for their service.

Wage payment-related principles

- Paid in a currency
- Paid directly to workers
- Full amount of wage paid to workers
- Paid at least once a month at a given date(s)

※ Wage payment on extraordinary occasions:

Where a worker asks for wage payment for the service already provided by him/her before the monthly payday due to childbirth, disease, disaster or an extraordinary situation (e.g. wedding, death or an inevitable situation requiring him/her to stay away from his/her workplace for more than a week) prescribed by Presidential Decree, the employer should comply with the request.

Wage ledger and specification of wages

- An employer shall prepare a wage ledger for each place of business.
- When paying wages, the employer shall deliver a specification of wage stating matters such as the items that comprise wages, method of calculation of wages, and deductions via written or electronic document to the employees (newly inserted on May 18, 2021).

Average wage

① Meaning

- "Average wages" means the amount calculated by dividing the total amount of wages paid to a relevant employee during three calendar months immediately before the day grounds for calculating his/her average wages occurred by the total number of calendar days during the three months.

$$\text{Average wages} = \frac{\text{The total amount of wages paid to a relevant employee during three calendar months immediately before the day grounds for calculating his/her average wages occurred}}{\text{The total number of calendar days during the three months before the day grounds for calculating his/her average wages occurred}}$$

② Occasions where average wages are used

- Calculation of retirement allowance
- Calculation of disaster compensation (e.g. compensation for medical treatment, compensation for business suspension, accidental compensation, compensation for the bereaved family, compensation for funeral expenses)
- Restrictions on a punitive wage cut* (Article 95, Labor Standards Act)

  * Punitive wage cut: To reduce the wage bonds incurred if there is justifiable reason for the worker.

Ordinary wages

① Meaning

- "Ordinary wages" means the amount of hourly wage, daily wage, weekly wage, monthly wage or contract amount that an employer has agreed to pay to a worker regularly and uniformly in return for the service provided by the worker.

② Cases that fall under the category of ordinary wage

- Redundancy pay
- Overtime allowance
- Holiday pay
- The other types of work stipulated in the law as to be paid

Minimum wage system

① Meaning

- A system that requires employers to follow the government-set minimum level of wage to be paid to a worker

※ Minimum wage applied from Jan. 1 through Dec. 31, 2024
: KRW 9,860 per hour, KRW 2,060,740 per month
(based on 209 hours)

② Eligibility

- All workers are eligible regardless of the type of their employment including temporary workers

③ Method of application

- Items of wage falling under the category of minimum wage translated into hourly wage

④ Items not included in calculation of minimum wage

- Refer to Article 6 (4) of the Minimum Wage Act, Article 2 of the Enforcement Rules of the Act

Shutdown allowances (Article 46, Labor Standards Act)

- When a business shuts down due to a cause attributable to the employer, he/she shall pay the employees concerned allowances of not less than 70% of their average wages during the period of shutdown: Provided, That if the amount equivalent to 70% of their average wages exceeds that of their ordinary wages, their ordinary wages may be paid as their shutdown allowances.
- Where the employer is unable to continue to carry on the business for any unavoidable reason, he/she may, with the approval of the Labor Relations Commission concerned, pay the employees shutdown allowances lower than the standards as prescribed in the foregoing paragraph.



[4] | Work hours

Statutory work hours

- Not to exceed eight hours a day and 40 hours a week (recess hours not included).

Work hours per the Labor Standards Act

Workers	Work hours		Overtime work	Night work*	Holiday work
	A day	A week			
Male workers	8 hours	40 hours	Up to 12 hours a week per mutual agreement (Article 53 (1), Labor Standards Act)	-	-
Female workers	8 hours	40 hours	Up to 12 hours a week per mutual agreement	Requiring worker's consent	Requiring worker's consent
Workers in the first year after giving childbirth	8 hours	40 hours	Requiring worker's consent (Up to 2 hours a day; 6 hours a week; 150 hours a year) (Article 71, Labor Standards Act)	Requiring worker's consent and the Labor Minister's approval	Requiring worker's consent and the Labor Minister's approval
Pregnant workers	8 hours	40 hours	Not allowed (Article 74 (5), Labor Standards Act)	Requiring worker's explicit request and the Labor Minister's approval	Requiring worker's explicit request and the Labor Minister's approval
Workers under 18	7 hours	35 hours	Up to 1 hour a day; 5 hours a week per mutual agreement (Article 69, Labor Standards Act)	Requiring worker's consent and the Labor Minister's approval	Requiring worker's consent and the Labor Minister's approval

※ Night work: Work performed between 10:00 p.m.-6:00 a.m. in the following morning

Recess

- At least 30 minutes for four hours of work; at least one hour for eight hours of work
- In a method freely chosen by workers

Overtime work

- Up to 12 hours a week per mutual agreement
- Overtime pay: at least 150% of ordinary wage

Night work

- An additional 50% or more of the ordinary wage shall be paid for work performed during nighttime hours.

Holiday work (Article 56 (2), the above Act)

- An additional 50% or more of the ordinary wage shall be paid for work performed on holidays (up to 8 hours).
- An additional 100% or more of the ordinary wage shall be paid for work performed on holidays (over 8 hours).

Special overtime work (Article 53 (4), the above Act)

- Under special circumstances,* an employer may extend work hours with the authorization of the Minister of Employment and Labor and the consent of employees.

  * Special Circumstances (Article 9 (1), Enforcement Rules of the Labor Standards Act)

    : Preventative measures against disasters and accidents, measures to protect human lives or to secure safety, management of equipment or facilities failure or breakdown, management of drastic increase in

workload compared to normal situations, research and development on parts and materials which are recognized by the Minister of Labor and Employment

- Where the employer does not have enough time to obtain authorization of the Minister of Employment and Labor as the situation is urgent, he/she shall, without delay, obtain approval after the extension of work hours.

52 hour workweek

① Meaning

- The law defines “one week” as seven days including holidays and stipulates that work hours in any particular week shall not exceed 52 hours to put a stop to the practice of long hours of work.

② Expanded to businesses with five or more employees

- Effective starting Jul. 1, 2021

③ Special cases concerning work hours and recess hours (Article 59, the above Act).

- (Details) Business types regarded as exceptions may have employees work extended hours in excess of 12 hours per week or change the recess hours through a written agreement reached in writing with the labor representative.
- (Business types regarded as exceptions) ⓐ Land transportation and pipeline transportation services (excluding route passenger auto transport business), ⓑ Water-borne transportation services, ⓒ Air-borne transportation services, ⓓ Other transportation-related services, ⓔ Health care services.
- (Obligation) An employer shall give employees at least 11 hours of uninterrupted recess starting from the end of a working day until the beginning of the next working day.

Flexible work hours

① Meaning

- A system making it possible to fix work hours flexibly
- More flexible and efficient operation of work hours by allocating them per the volume of business to be done or by leaving it to workers' choice
- Recognition of separately fixed work hours where it is difficult to calculate work hours

② Flexible work hours

(a) Flexible work hours within 3 months

(1) Flexible work hours within 2 weeks

(Article 51 (1), the above Act)

- (Requirement) To be introduced based on the rules of employment or an equivalent
- (Eligible workers) All workers or limited to specific workers
- (Work hours for each work day) The work days and work hours should be specified so that workers can be prepared.
- (Validity period) It is not mandatory, but desirable to state the validity period to avoid controversy.
- (Restriction) The work hours in any given week should not exceed 48 hours.

(2) Flexible work hours within 3 months

(Article 51 (2), the above Act)

- (Requirement) Need to reach an agreement in writing with the labor representative.
- (Eligible workers) All workers or limited to specific workers.

- (Applicable period) The applicable period for calculating the average daily and weekly work hours should be no longer than three months (e.g. one month, three months).
- (Work hours per work day) The work days and work hours per work day should be specified so that workers can be prepared.

  ※ It is desirable to post a detailed work hour table.
- (Valid period) It is necessary to fix the valid period for a written agreement (Article 28 (1), Enforcement Decree of the Labor Standards Act), but there is no restriction over how long the valid period should be.
- (Preservation of written agreement) The written agreement should be kept for three years.
- (Restriction) Work hours in any given week and day should not exceed 52 hours and 12 hours, respectively.

(b) Flexible work hours over 3 months (Article 51-2, the above Act)

- (Requirements) A written agreement with the employee representative is required.
- (Unit period) A period of over three months and within six months
- (Items to be agreed on in writing) The scope of subject employees, unit hours, weekly work hours in unit periods, and other matters provided under Presidential Decree.
- (Restrictions) Work in the given weeks shall not exceed 52 hours, and the number of work hours on given days shall not exceed 12 hours.

- (Others)
  (1) A total of 11 or more consecutive hours of rest shall be provided before the start of the following work day.
  (2) Employees shall be notified of the number of daily work hours planned for the relevant week two weeks in advance.
  (3) The number of weekly work hours may be modified after a consultation with the employee representative in the case of unexpected causes such as natural disaster.
  (4) Wage compensation measures shall be reported to the Minister of Employment and Labor Affairs.
- (Restriction of application) These provisions shall not apply to employees who are aged 15 less than 18 years or pregnant women.

③ Selective work hours

(a) Types

- (Completely selective work hours) This system allows workers to fix their daily work hours without the employer's intervention.
- (Partially selective work hours) This system allows workers to fix their daily work hours outside given time slots, during which they are subject to certain rules, restrictions and instructions.

(b) Required conditions

- (Relevant clauses in rules of employment, etc.) Clauses concerning the decision to let employees decide the work hours and the decision-making employee.

- (Written agreement with the labor representative) Including the scope of eligible employees, the relevant period, total work hours, slots of selective work hours, obligatory work hours and standard work hours.

  ※ Settlement period: Within 1 month (3 months in the case of work related to the research and development of new products or technologies) (Amended on Jan. 05, 2021).

④ Deemed work hours system outside the workplace

- Work should be performed outside the normal workplace.
- It is difficult to calculate work hours.
- The hours recognized as work hours should be defined.

(a) Where it is recognized as fixed work hours: The hours agreed upon by the labor and management within the statutory work hours

(b) Where it is recognized as hours normally needed: The hours needed to carry out the relevant work

(c) Where it is recognized as hours agreed upon by the labor and management in writing

⑤ Discretionary work hours system

(a) Required conditions

- The work should fall under the category of “discretionary work”.
  : Article 31 of the Enforcement Decree of the Labor Standards Act; MOEL Notice No. 2019-36.
- The discretionary nature of the work should be recognized.

- The employer and the labor representative should reach an agreement in writing including the following:
  (1) Eligible work
  (2) A statement to the effect that the employer will not instruct the employees specifically concerning the means and time allotted for the performance of their works
  (3) Work hours shall be calculated as agreed upon in writing.
- Documents about agreements in writing should be kept for three years.

⑥ Compensatory leave

(a) Required conditions

- Based on a written agreement between the employer and the labor representative, days of leave can be given instead of paying wages for extended, night or holiday work.
- Details should be worked out voluntarily by both the employer and the labor representative.

(b) Notes

- Where workers have not used their leave, the employer should make up for it with pay.
- An employer is not released of his/her duty to make up for unused leave with pay by urging workers to take leave they are entitled to.

[5] | Holidays and leave

Statutory/designated holiday and leave

	Statutory	Designated
Holidays	• Saturday and Sunday • Labor Day (May 1) • Public holidays*	• Company foundation day • Other days off
Leave	• Paid annual leave • Maternity leave • Miscarriage/ stillbirth leave • Childbirth leave • Childcare leave • Family care leave • Hours spent for prenatal visits	• Summer holidays • Celebratory or condolatory leave

* Public holidays

Paid public holidays applied to public officials apply equally to private companies with five or more full-time employees. (Article 55 (2) of the Labor Standards Act, Article 30 (2) of the Enforcement Decree of the Act, Articles 2, 3 of the Regulations on Holidays of Government Offices).

Public holidays	① Samiljeol (Independence Movement Day/March 1), Gwangbokjeol (Liberation Day/August 15), Gaecheonjeol (National Foundation Day/October 3), Hangeulnal (Korean Alphabet Day/October 9) ② January 1 ③ Lunar New Year/Chuseok holidays (3 days each) ④ Buddha's birthday ⑤ Children's Day (May 5) ⑥ Memorial Day (June 6) ⑦ Christmas	15 days in total
	• The election day for each election to be held at the expiration of the term per the Public Official Election Act, Article 34 • Other days designated by the government as needed (temporary public holidays)	
Substitute holidays	**In the following cases, the first non-public holiday that comes after the public holiday shall be a substitute holiday:** • Samiljeol, Gwangbokjeol, Gaecheonjeol, Hangeulnal, Children's Day: Where the day falls on a Saturday or Sunday • Lunar New Year & Chuseok holidays (3 days): Where one of the days falls on a Sunday • Samiljeol, Gwangbokjeol, Gaecheonjeol, Hangeulnal, Children's Day, Lunar New Year & Chuseok holidays (3 days): Where the day falls on another public holiday which is not a Saturday or Sunday ※ Where substitute holidays overlap, the first non-public holiday after the overlapping substitute holiday shall be a substitute holiday.	

Paid weekly holidays (Article 55 (1), the above Act)

- At least one paid holiday per week
- Workers should use a weekly holiday on that particular week (not necessarily a Sunday).
- Weekly holidays cannot be accumulated and used consecutively.

Substitution of holidays (Article 55 (2) of the above Act)

- Before a particular holiday arrives, an employee may designate an alternative holiday for replacement and replace the original holiday with a working day.
- The original holiday is a contractual workday, and therefore holiday work allowance may not be paid even if labor is provided.

Paid annual leave

① Meaning

- Compensation for employees who have worked continuously for one year or longer.
- The system is intended to enhance workers' welfare and provide work-life balance.

② Number of days provided

- 15 days of paid leave provided to a worker who has worked for at least 80% of a year*

* A year: With regard to a period exceeding a year, an employer is not obligated to include the excess period in the number of days for paid annual leave on a pro rata basis, unless such is stipulated in the labor contract.

- For a worker who has continued to worked for less than a year or who has worked for less than 80% of a year: one day of paid annual leave for each month of service.
- For a worker who has continued to work for three years or longer: one additional day of paid annual leave for every two years of continued service exceeding the first year (up to 25 days).

③ When to grant paid annual leave

- Employers should grant paid annual leave as requested by workers, but the period may be changed if the leave period may seriously disrupt business.

④ Allowance for unused paid annual leave

- A worker's right to claim paid annual leave extinguishes if unused for that particular year, but the right to claim compensation through pay does not extinguish.

⑤ Measures to urge workers to take annual paid leave (Article 61, the above Act)

(a) Meaning

- Where a worker's right to use annual leave is extinguished despite the employer's efforts to urge workers to use them, the employer is not obligated to make up for the unused leave.

(b) Method of enforcement

- Steps taken over two phases

(1) The employer's notice of the unused leave within 10 days of six months ahead of the one year mark after the occurrence of the right to claim annual leave; and then a written urging to inform the employer of the schedule of using the leave.

(2) The employer's written notice about by when the leave should be used two months ahead of the one year mark after the occurrence of the right to claim annual leave.

(c) Effect

- A worker's right to use annual leave is extinguished if it is not used due to a reason attributable to him/her despite the employer's urging to use it.
- The employer may choose to not pay allowance for annual paid leave not used.

(d) Encouragement of employees who have continually served for less than one year to consume their annual leave (Newly inserted on March 31, 2020)

- The employer shall inform the employees of any unused leave of up to 10 days three months before the end of the first one- year service period, and shall encourage them in writing to notify him/her of their planned period of use of their outstanding annual leave.
  (However, the employer shall encourage the employees to inform the employer within five days regarding the leave days accrued after the employer's written encouragement, as of one month prior to the end of the first one-year service period).
- If the employees fail to notify the employer of their plans to use all or a part of the remaining leave days within 10 days of receiving such encouragement, the employer shall notify the employees in writing of the time limit on their use of the remaining leave days no later than one month before the end of the first one-year service period.

(For the leave days encouraged to be used pursuant to the above proviso, employees shall be notified in writing at least 10 days before the end of the first one-year employment period).

Compensatory leave system (Article 57, the above Act)

① Meaning

- An employer may choose to let a worker use leave rather than paying for overtime work, night work, or holiday work if so agreed in writing with the labor representative.
- Details may be included in a written agreement reached between the employer and the labor representative per the law.

② Number of days provided

- Overtime work, night work, or holiday work hours plus relevant additional wage translated into work hours (e.g. in the case of two hours of holiday work, normally the employer should pay wage equal to three hours of work including what is added, so the worker is entitled to three hours of compensatory leave).

③ Unused compensatory leave

- The employer should pay the wage (The employer should not urge the worker to use the leave).

Designated holidays

- The employer and the labor representative should agree on the details (such as conditions and methods for providing the holidays).
- The methods of compensation for unused holidays should be decided by both parties

〔 6 〕 | Retirement and dismissal

Retirement

① Payment/provision of retirement allowance/valuables

- With regard to a worker's retirement (including death), the employer should pay/provide what is due (wage, compensation or valuables) within 14 days.*

  * Within 14 days of the day the labor relations are terminated due to retirement (including death) or dismissal.

- In the event of an extraordinary situation, the period may be extended per what is agreed between the employer and the labor representative.

② Work experience certificate

- Upon a retired worker's request, the employer should issue a certificate containing the following information: period of work, job type, position, wages paid, etc.

③ No obstruction of job seeking effort

- An employer should not engage in an act (including the use of a secret sign, list or means of communications) of obstructing an ex-employee's job seeking effort.

④ Retirement allowance

(a) Retirement allowance

- A certain sum of money paid to workers who have worked for a certain period of time
- At least 30 days' worth of average wage per every year of continued work

(b) Retirement pension

(1) (Description) A system designed to pay retirement allowance out of a relevant fund established with an outside institution

(2) (Types) Defined Benefit (DB), Defined Contribution (DC), and Individual Retirement Pension (IRP)

(3) (Adoption and operation)

i. Adopted with the consent of the labor representative

ii. Retirement pension agreement containing information required by the law to be reported to the local labor office

iii. Signing a contract for operation of retirement pension and asset management with a retirement pension provider selected

iv. The retirement pension provider's operation of pension funds

Retirement allowance and retirement pension

Classification	Retirement allowance	Defined Benefit (DB)	Defined Contribution (DC)	Individual Retirement Pension (IRP)
Retirement allowance types	Lump sum payment	Regular pension payments or lump sum payment		
Amount paid	30 days' worth of average wages per year of continued work	Equal to lump sum payment of retirement allowance	Depending on result of individual workers' operation	Depending on result of individual subscribers' operation
What is to be reported to the local labor office	Rules of employment	Retirement pension agreement		N/A
Amount deposited with an outside (financial) institution	At individual workers' discretion	100% of estimated retirement allowance (effective 2023)	At least 1/12 of total annual wages	At individual workers' discretion

Classification	Retirement allowance	Defined Benefit (DB)	Defined Contribution (DC)	Individual Retirement Pension (IRP)
Deposits to be made by	Individual employers			Individual subscribers
Relevant fees to be paid by	N/A	Fees for operation/asset management: by the employer What is due additionally: by individual workers		By individual subscribers
Operation of accumulated funds	N/A	Employer	Workers	By individual subscribers
Condition for receiving pension	N/A	55 years or older; subscription period of at least 10 years		55 years or older
Halfway withdrawal (Intermediate settlement)	Possible (Cause for interim settlement*)	Impossible	Possible (Cause for interim withdrawal**)	

Source: The MOEL, refer to retirement pension system education, etc.

* Causes of interim settlement (Article 3 (1), Enforcement Decree of Act on the Guarantee of Employees Retirement Benefits).

** Causes of interim withdrawal (Articles 14, 18 of the Enforcement Decree of the Act).

Dismissal

① Meaning

- Termination of labor relations against the worker's will
- An employer should not take a punitive measure (such as [temporary] dismissal, suspension, transfer or pay cut) against employees without a justifiable reason (excluding businesses and place of businesses with not more than four full-time employees).

② Dismissal as part of punishment

- (Meaning) Termination of labor relations due to a reason attributable to the worker
- (Justifiable reason) A reason that can meet the criterion of being unable to maintain labor relations under the generally accepted social norms
- (Criteria of judgement) Judgment to be made in overall consideration of relevant factors, such as purpose of punishment, nature of business, relevant worker's job, worker's wrongdoing, impact on the way the business is operated

③ Dismissal due to a management reason

- (Meaning) Dismissal of some workers per certain conditions due to management needs to keep a business going
- (Justifiable causes)
  - (a) Pressing management needs
  - (b) Efforts to avoid dismissal as much as possible
  - (c) Selection of those to be dismissed according to reasonable and fair criteria
  - (d) Giving relevant workers at least a 50-day notice and engaging in a faithful discussion
- (Other) A plan for dismissal of workers beyond a certain limit* should be submitted to the Minister of Employment and Labor.

  * Beyond a certain limit:
    - 10 workers or more for a business/workplace with 99 regular workers or less
    - 10% or more of the workers or more for a business/workplace with 100 workers or more, but 999 or less
    - 100 workers or more for a business/workplace with 1,000 workers or more

④ Dismissal procedures

(a) Dismissal notice

- To dismiss a worker, the employer should give at least a 30-day notice or pay 30 days' worth of ordinary wage.
- Exemptions from dismissal notice

(1) Where an employee's continued employment period is less than 3 months

(2) Where it is impossible to continue business due to natural disasters, incidents or other unavoidable circumstances

(3) Where the worker has intentionally caused serious damage to the business or property loss, which falls under the reasons prescribed by Ordinance of the Ministry of Employment and Labor

* Refer to causes where the worker is accountable, which exempts employers from giving a dismissal notice (attached Table 1 of the Enforcement Rules of the Employment Standards Act).

(b) Written notice of dismissal

- Dismissal of a worker should be communicated to the worker, along with the reason for dismissal and the timing. Failure to follow what is stated in the foregoing sentence makes the dismissal invalid.

(c) Period in which a dismissal should not be executed

- Period during which a worker takes time off due to any injury or sickness arising out of duty and for 30 days thereafter
- Period during which a female worker takes time off due to maternity leave and for 30 days thereafter

(d) Procedure provided under the employment rules or by a collective agreement

- Failure to follow the given procedure may nullify the punitive action, including advance notice of the reasons for disciplinary actions, the holding of the Employee Disciplinary Punishment Committee meeting

⑤ Request for remedy from unfair dismissal, order for remedy, compelling performance

- Where an employer unfairly dismisses an employee, the employee may request remedy to a labor relations commission within three months

  ※ Exempted for businesses and places of businesses with not more than 4 full-time employees.

- If a dismissal is judged to be unfair, the labor relations commission shall issue to the employer an order for remedy, and if the dismissal, etc. is judged not to be unfair, make a decision to reject the request for remedy.

- The labor relations commission shall issue an order for remedy or make a decision to request for remedy even when the employee is unable to be reinstated in his or her former office (restored to the original position for causes other than dismissal) due to expiration of the employment contract, arrival of the retirement age, etc. (Newly inserted on May 18, 2021)

- The labor relations commission shall impose a charge for compelling performance of not exceeding KRW 30 million on an employer who fails to comply with an order for remedy (Amended on May 18, 2021).

〔7〕| Maternity protection and support for work-Life balance

Maternity protection

① Maternity leave (Article 74 (1), (2), Labor Standards Act)

- An employer shall grant a pregnant worker a total of a 90-day maternity leave (120-day maternity leave, if she is pregnant with two or more children at a time) before and after childbirth.
- In such cases, at least 45 days (60 days, if she is pregnant with two or more children at a time) of the leave period after childbirth shall be allowed.
- A pregnant worker is allowed to use her maternity leave at multiple times any time before her childbirth in the following cases:
  (a) Where she has an experience of miscarriage or stillbirth
  (b) Where she is at the age of 40 or more when she applies for a maternity leave
  (c) Where she submits a medical institution's diagnosis stating that she has the risk of miscarriage/stillbirth

② Leave related to miscarriage or stillbirth (Article 74 (3), Labor Standards Act, Article 43 (3) of the Enforcement Decree of the Act)

- Where a pregnant worker has a miscarriage or stillbirth, the employer shall, upon the relevant employee's request, grant her a miscarriage/stillbirth leave as follows:
  (a) Where her period of pregnancy comes to not more than 11 weeks: Up to five days of miscarriage or stillbirth

(b) Where her period of pregnancy comes to not less than 12 weeks, but not more than 15 weeks: Up to 10 days of miscarriage or stillbirth

(c) Where her period of pregnancy comes to not less than 16 weeks, but not more than 21 weeks: Up to 30 days of miscarriage or stillbirth

(d) Where her period of pregnancy comes to not less than 22 weeks, but not more than 27 weeks: Up to 60 days of miscarriage or stillbirth

(e) Where her period of pregnancy comes to not less than 28 weeks: Up to 90 days of miscarriage or stillbirth

③ Reduction of work hours for pregnant workers (Article 74 (7) and (8), Labor Standards Act)

- Where a female worker who has been pregnant for not more than 12 weeks or for not less than 36 weeks requests the reduction of her work hours by two hours a day, the employer shall permit it.
- An employer may permit to reduce the work hours of a female worker to six hours if her work hours are shorter than eight hours a day.
- No employer shall reduce a worker's wages for reason of reduction of work hours.

④ Change of work hours of pregnant employees (Article 74 (9) and (10), Labor Standards Act)

- Where a pregnant employee maintains certain work hours per day and requests change in the starting and ending time of work, the employer should accept such request.

- However, this shall not apply where there are major disruptions to normal operation of business, etc.

⑤ Paternity leave (The Act on Equal Employment Opportunity and Work- Family Balance Assistance, Article 18-2, amended on Aug. 27, 2019)

- Where a worker requests leave on grounds of his spouse's childbirth, the employer should grant paid leave for 10 days
- Paternity leave should be requested within 90 days of childbirth
- Paternity leave may be used over two occasions.

Work-family balance assistance

① Childcare leave (Childcare leave for pregnant worker added)

- Where a worker parenting his/her children (including adopted children) aged eight years or younger or in the second grade or lower of elementary school applies for a leave of absence or a pregnant worker applies for a leave of absence for protection of motherhood, the employer shall grant permission therefor (Article 19 (1), Act on Equal Employment Opportunity and Work-Family Balance Assistance).

  Childcare leave may not be granted for employees who have worked continuously for less than six months at the relevant business as of one day prior to the day on which the employee intends to start childcare leave (day of commencement of leave) (Article 10 of the Enforcement Decree of the Act).
- The period of childcare leave shall not exceed one year.

- The employer should not dismiss, or take any other disadvantageous measure against, a worker on account of childcare leave, or dismiss the relevant worker during the period of childcare leave.
- After a worker uses childcare leave, the employer should reinstate the relevant employee in the same work as before the leave, or any other work paying the same level of wages.
- The period of childcare leave should be included in the period of his/her continuous service.
- Childcare leave may be used in up to two instances (Article 19-4 (1), the above Act, amended on Dec. 8, 2020). However, the instances of childcare leave used for protection of motherhood shall not be included (Amended May 18, 2021).

② Reduction of work hours for period of childcare (Article 19- 2, the above Act, amended on Aug. 27, 2019)

- Where a worker applies for a reduction of working hours to rear his/her children aged eight years or younger or in the second grade or lower of elementary school, the employer should grant it.
- Where the employer grants a reduction of working hours for a period of childcare, the working hours after reduction should be at least 15 hours a week, but shall not exceed 35 hours a week.
- A reduction of working hours for a period of childcare shall be granted for up to one year. where an employee who is eligible to apply for childcare leave pursuant to Article 19 (1) have not fully used such leave for a period of childcare leave, the remaining period shall be added to the period for reduction of working hours.

- An employer should not dismiss, or take any disadvantageous measures against, an employee on grounds of a reduction of working hours for a period of childcare.
- After an employee completes a reduction period of working hours for a period of childcare, the employer should reinstate him/her in the same work as before a reduction of working hours, or any other work paying the same level of wages.
- An employer should not apply unfavorable working conditions to an employee on reduced hours for a period of childcare except for applying them in proportion to working hours, on grounds of a reduction of working hours for a period of childcare (Article 19-3 (1), the above Act).
- The relevant terms and conditions of employment should be determined in writing (Article 19-3 (2), the above Act).
- The reduced work hours may be used in division flexibly during the childcare period (Article 19-4 (2), the same Act).

③ Family care leave, etc. (Article 22-2, (1), (2) the above Act,)

- (Family care temporary retirement) Where a worker applies for a leave of absence to care for his/her grandparents, parents, spouse, parents of his/her spouse, or grandchildren (hereinafter referred to as “family”) on grounds of their disease, accident, or senility, the employer shall grant it.
- (Family care leave) Where a worker applies for leave to urgently care for his/her family (excluding cases prescribed by Presidential Decree, such as where grandparents or grandchildren have other lineal descendants or lineal ascendants than the employee) on grounds of their disease, accident, or

senility or to rear his/her children (hereinafter referred to as "short-term family care leave"), the employer shall grant it.

- (Period, use on several occasions) (Article 22-2 (4), the above Act, Newly inserted on Aug. 27, 2019, Amended on Sep. 8, 2020)

(a) Family care temporary retirement: Up to 90 days per year; the period taken for one occasion shall be at least 30 days where the worker chooses to use it over several occasions.

(b) Family care leave: Up to 10 days per year (20 days when the period is extended due to a pandemic, disaster, etc.; 25 days for an employee falling under Article 4 subparagraph 1 of the Single-Parent Family Support Act); to be used on a daily basis (The period of short-term family care leave shall be included in the period of family care temporary retirement).

④ Reduction of working hours for family care, etc.
(Article 22-3 of the Act)

- Where any employee applies for a reduction of working hours for reasons such as family care, his/her health issues, preparation for retirement (employees aged 55 or older) or pursuit of studies, the employer shall grant it.
- The work hours shall be reduced to at least 15 hours a week to not more than 30 hours per week.
- The period for reduction of working hours shall not be over one year, and can be extended once up to two years where there are reasonable causes (extension for pursuit of studies is not permitted).

[8] | Safety and health

Safety and health education (Article 29, Industrial Safety and Health Act)

- Periodic safety/health education
- Safety/health education when hiring new workers or when there is a change in the contents of the work
- Add relevant contents to safety and health education when hiring new workers for hazardous or dangerous work or when there is a change in the contents of such work

Hours to be spent on safety and health education for workers

Refer to attached Table 4 of the Enforcement Rules of the Industrial Safety and Health Act.

Types of education	Education recipients		Hours of education
Periodic education	Office workers		At least 3 hours a quarter
	All except for office workers	Sales workers	At least 3 hours a quarter
		All other than sales workers	At least 6 hours a quarter
	Supervisor-level workers		At least 16 hours a year
Education when hired	Daily workers		At least 1 hour
	All other than day-to-day workers		At least 8 hours
Education concerning a change in work contents	Daily workers		At least 1 hour
	All other than daily workers		At least 2 hours

Types of education	Education recipients	Hours of education
Special education	Daily workers engaging in the work stated in Item d, Subparagraph 1 of attached Table 5 (except for No. 40)	At least 2 hours
	Day-to-day workers engaging in tower crane signal work stated in Item d, Subparagraph 1 of attached Table 5 (No. 40)	At least 8 hours
	Workers other than daily workers engaging in the work stated in Item d, Subparagraph 1 of attached Table 5	• At least 16 hours (at least 4 hours before work commencement; the remaining 12 hours over several occasions within the first 3 months) • At least 2 hours in the case of short-term or intermittent work
Basic safety/ health education in construction	Daily construction workers	4 hours

Health diagnosis for workers

• Conduct health diagnosis for workers

: General, special, occasional, and temporary health diagnosis

General health diagnosis

• For office workers (other than sales workers): At least once every two years.

• For the others: At least once a year.

- An employer should take appropriate measures (such as a change in the place of work, reduction of work hours, restriction on night work, measurement of work environment or improvement in facilities, etc.) where it is considered that such is necessary to maintain workers' health as a result of health diagnosis.
- An employer should not use health diagnosis results for a purpose other than protection and maintenance of workers' health.

Measures for preventing health impairments caused by abusive language of customers (Occupational Safety and Health Act, Article 41)

- With respect to employees mainly engaged in selling goods or providing services directly to customers or speaking with customers through an information and communications network, the business owner should take necessary measures to prevent health impairments caused by abusive language, assault, or any other conduct of customers inflicting physical or mental pains beyond a certain limit.
- Where any customer service employee suffers or is highly likely to suffer health impairments due to abusive language, etc. of customers, a business owner shall take necessary measures prescribed by Presidential Decree, such as temporarily suspending his or her work or transferring him or her to another position.

[9] | Non-regular workers

Fixed-term workers

① Meaning

- "Fixed-term workers" refers to those who signed a labor contract for a fixed term.

② Basis and scope of application

- The Act on the Protection, etc. of Fixed Term and Part-Time Employees governs major matters concerning application and restrictions.
- The said Act is applied to businesses or workplaces with at least five regular workers.

※ Part of the said Act is applied to those with four or less regular workers.

③ Prohibition of use of fixed-term workers for a period exceeding two years

- An employer may use fixed-term workers for a period not exceeding two years.
- Where the use of such workers exceeds two years, the workers shall be deemed to be those who have signed a labor contract with an unfixed term.

Where a fixed-term worker has worked over two years but is not considered a worker who signed a labor contract with an unfixed term

❶ Where the period for completion of a project or specific assignment is fixed

❷ Where there is a need to temporarily fill a vacancy made due to leave of absence or dispatch of an employee until the return of the employee concerned

❸ Where the period required for a worker to complete his/her schoolwork or vocational training is specified

❹ Where an employer enters into an employment contract with a senior citizen* as defined in the Employment Promotion for the Aged Act, Article 2, Subparagraph 1

❺ Where the job requires professional knowledge and skills** or is offered as part of the Government's welfare or unemployment measures,** as prescribed by Presidential Decree

❻ Where any reasonable ground exists** equivalent to those mentioned in the foregoing ① through ⑤, as prescribed by Presidential Decree

* Those aged 55 or more

** The relevant cases are stipulated in the Enforcement Decree of the Act on the Protection, etc. of Fixed Term and Part-Time Employees, Articles 3 (1) through (3).

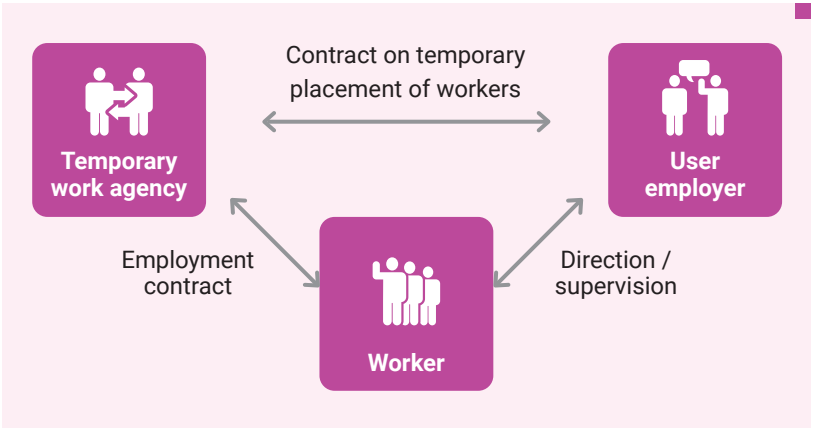
④ Prohibition of discriminatory treatment

- No fixed-term workers should be treated disparately from regular workers engaging in the same or similar assignment in the same business or workplace.
- Workers may lodge a complaint about disparate treatment with the Labor Relations Commission.

Temporarily placed workers

① Meaning

- The term “temporary placement of workers” means engaging a worker employed by a temporary work agency to work for, and under the direction and supervision of, a user company in accordance with the terms and conditions of a contract on temporary placement of workers, while maintaining his/her employment relationship with the temporary work agency.



② Basis

- The Act on the Protection, etc. of Temporary Agency Workers governs major matters concerning application and restrictions.

③ Jobs permitted for temporarily placed workers

- Jobs permitted for temporary work agency business shall be deemed appropriate for that purpose in consideration of professional knowledge, skills or experience or the nature of duties and prescribed by Presidential Decree, except for those directly related to production in the manufacturing industry (Enforcement Decree of the above Act, Article 2 (1) of the attached Table 1).

④ Cases where obligations of direct employment occurs

- Where the user employer uses temporary agency workers in the jobs which do not fall under those permitted for temporary placement of workers
- Where the user employer uses temporary agency workers in the jobs (such as construction jobsite or seamen) that should never use such workers
- Where the user employer continues to use the temporary agency worker in excess of two
- Where the user employer uses temporary agency workers in the jobs that do not fall under the category of requiring temporarily placed workers and that have nothing to do with ⓐ a vacancy occurring due to child birth, an illness, injury, etc. or ⓑ a “special” reason such as a need to temporarily or intermittently secure manpower

- Where the user employer uses temporary agency workers in the jobs that do not fall under the category of requiring temporarily placed workers and that have nothing to do with ⓐ a vacancy occurring due to child birth, an illness, injury, etc. and ⓑ are in violation of the restriction of the term for temporarily placed workers associated with a need to temporarily or intermittently secure manpower.
- Where the user employer receives temporarily placed workers from a temporary work agency business without obtaining approval from the Minister of Employment and Labor.

⑤ Prohibition of discriminatory treatment

- No temporarily placed workers should be treated disparately from regular workers engaging in the same or similar assignment in the same business or workplace.
- Workers may lodge a complaint about disparate treatment with the Labor Relations Commission



III Collective Labor Relations

(1) | Trade unions

Outline

- A trade union is an organization formed by workers independently.
- The country puts no restrictions on types of trade unions. Under the two pillars, i.e. FKTU (Federation of Korean Trade Unions) and KCTU (Korean Confederation of Trade Unions), there are industrial federations and nation-wide organizations like industrial unions and unions for individual businesses.

Formation of a trade union

① Basic principles

- Workers may decide the following on their own: whether to establish a trade union, its type, and whether to join it.
- Workers' rights of association are guaranteed. Workers are free to form their trade union. Workers may have plural trade unions in a business entity.

② Requirements (Article 2, Subparagraph 4, Trade Union and Labor Relations Adjustment Act)

(a) Substantial requirements

- (Positive requirements)

(1) The union should be voluntarily formed by workers.

(2) The union should be formed in collective manner upon the workers' initiative.

(3) The union's purpose is to maintain and improve working conditions and to enhance the social and economic status of workers.

(4) The union should be an organization or associated organization.

- (Passive requirements) An organization shall not be regarded as a trade union in cases falling under any of the following:

(1) Where an employer or other persons who always act in the interest of the employer is allowed to join it

(2) Where most of its expenditure is supported by the employer

(3) Where its activities are only aimed at mutual benefits, moral culture and other welfare undertakings

(4) Where those who are not workers are allowed to join it

(5) In case where its aims are mainly directed at political movements

(b) Formal requirements

- A person who intends to establish a trade union shall submit a report, along with its bylaws, to the local government (Article 10, the above Act).
- Upon receiving the report, the local government office shall issue a certificate of report within three days, if it is judged that there is nothing wrong with the report.

③ Effects of trade union establishment (Article 7, the above Act)

- Trade unions which are not established pursuant to this Act shall not make an application for adjustment of industrial disputes and for the remedy of unfair labor practices to the Labor Relations Commission.
- No one other than trade unions established pursuant to this Act shall use the title of trade union.

④ Timing of establishment (Article 12 (4), the above Act)

- When a trade union receives the certificate of report on its establishment, it shall be deemed to have been established at the time the local government office received the report.

⑤ Report of modifications (Article 13 (1), the above Act)

- In the event of modifications in its name, location of its main office, name of its representative, or the title of an associated to which it belong, a trade union should report it to the local government office within 30 days.

Operation of a trade union

① Acquisition/loss of status as a trade union member

(a) Acquisition (Article 5 of the same Act)

- Workers are free to acquire their union membership.
- Where its bylaws so stipulate, a trade union may now allow those not belonging to it to join it as its members.

* Non-engaged employees such as dismissed workers may join a company's trade union, and non-engaged union members can engage in trade union activities in the extent that there are no disruptions to efficient business operations (Newly inserted on Jan. 5, 2021).

(b) Loss

- A worker shall lose his status as a union member in the event of one of the following causes: termination of his status as a worker, failure to meet qualifications, withdrawal, expulsion, or union dissolution.

② Trade union's bodies

(a) General Assembly

- The General Assembly is a trade union's supreme decision-making body. Its establishment is statutory.
- Composed of the entire trade union members.
- A session of the General Assembly should be held at least once a year.
- The trade union representative should act as the chair of the General Assembly.

(b) Council of delegates

- A trade union may have a council of delegates, which takes the place of the General Assembly, under its bylaws.
- Delegates should be elected through direct and secret ballot by the union members.
- The delegates or representatives of a labor union organized at a business place or employer shall be elected from among the union members who work for the business or at the business premises (Inserted on Jan. 05, 2021).
- Delegates' term of office should be set by the bylaws and should not exceed three years.
- Delegates should act as the members of the supreme decision-making body representing the union members under the bylaws.

(c) Executive body

- The executive body represents a trade union externally and carries out matters decided by the decision-making body internally.
- Under the bylaws, the executive body is composed of one or more officers* such as the chair, the vice chair, the secretary general, and the auditor.

  * Officers: The officers of a labor union organized for a business or employer shall be elected from among the union members of the business or the place of business (Amended on Jan. 5, 2021).

- Some trade unions let their executive body have subsidiary bodies such as secretariat, organization department, financial department, industrial actions department, education department, etc. or special bodies such as election management committee, impeachment committee, struggle committee.

(d) Audit body

- The law does not have a clause about audit body, but makes it obligatory to have an auditor conduct an audit (Article 25, the above Act).

Trade union's dissolution

① Meaning

- "Dissolution" refers to a trade union having stopped its functions/activities and starting a process for closing its business and disposing of its property.

② Reasons for dissolution (Article 28, the above Act)

- Occurrence of a cause for dissolution defined in the bylaws
- Extinguishment following the business's merger or split-off
- Where a resolution of dissolution has been made at the General Assembly or Council of Delegates
- Where there are no executives of a union and no activities were conducted for one year or longer, and the resolution of the Labor Relations Committee is obtained

〔2〕| Collective bargaining

Meaning

- Bargaining carried out between trade union and employers or employers' association concerning matters related to labor-management relations including the terms and conditions of employment.

Key actors

① Parties to collective bargaining

- The trade union representing workers and the business owner.

② Parties in charge of collective bargaining

(a) Original parties in charge

- (On worker's side) The trade union representative and negotiators
- (On employer's side) Those representing employers or employers' association

(b) Those entrusted

- The trade union and employers or employers' association may delegate the right for bargaining or signing a collective agreement to third parties.
- There are no legal restrictions over the qualification or the number of the delegates.
- The delegate(s) may exercise his/their rights within the scope of delegation.
- The delegating party shall inform the other party of the fact of delegation including the name of the delegates/delegate organization, the name of the representative, and the substance of delegation such as the matters of negotiation and the scope of the right (Article 14, Enforcement Decree of the Trade Union and Trade Relations Adjustment Act).

Matters subject to collective bargaining

① Meaning

- Matters for the trade union and its members should be matters subject to collective bargaining (Article 29 (1), the above Act).
- An employer not responding to the labor representative's requesting bargaining bears the burden of unfair labor practice.

② Agenda

(a) Matters for trade union members

- Matters concerning or closely related to terms/conditions of employment

- With regard to matters related to personnel affairs/management rights, opinions are divided about the scope of bargaining. Thus, it is necessary to make a decision considering the essence of specific matters.
- Matters related to trade union members

(b) Matters for the trade union

- Opinions are divided about whether the following are matters subject to bargaining: clauses related to procedures, provision of convenience, time/ procedure/methods of union activities related to collective bargaining or industrial actions.

Procedures and methods

① Autonomy

- The law leaves employers and unions to decide the procedures and methods of collective bargaining.
- It is desirable for employers and labor unions to establish matters such as the date, time, venue, attendees, attitude concerning collective bargaining in the collective agreement prior to bargaining.

② Plural labor unions in a business and simplification of bargaining windows

(a) Legal basis

- Where not less than two trade unions established or joined by workers exist in one business or one place of work regardless of the type of organization, trade unions shall determine a representative bargaining trade union and request the same to bargain (Article 29-2 (1), the above Act).

(b) Procedure for simplification of bargaining windows

- (Deciding which trade union will participate in bargaining)

  Trade union's initial request for bargaining ➡ Employer posts the bargaining request ➡ Request other trade unions' participation in bargaining ➡ Employer finalizes the trade unions requesting bargaining.

- (Determine a representative bargaining trade union)

  (1) A representative bargaining trade union determined of their own accord:

  The trade unions participating in the procedures for determining a representative bargaining trade union shall determine a representative bargaining trade union of their own accord and inform the employer of it.

  ※ Where the employer has consented not to unify a bargaining channel, he/ she shall sincerely bargain with all trade unions that requested bargaining and discriminatory treatment shall be banned.

  (2) Formation of a trade union comprised of a majority of all participating trade unions:

  Where the trade unions fail to determine a representative bargaining trade union, a labor union comprised of a majority of all the members of the trade unions participating in procedures for the simplification of bargaining windows shall be a representative bargaining trade union.

⑶ Joint bargaining delegation:

Where the trade unions fail to determine a representative bargaining trade union through a procedure stated in the foregoing, all the participating trade unions shall organize a bargaining delegation jointly (Where the trade unions fail to organize a joint bargaining delegation pursuant to the foregoing procedure, the Labor Relations Commission may determine the same in consideration of the ratio of members of trade unions at the request of the relevant trade unions).

〔3〕| Collective agreement

Meaning

• A “collective agreement” is a document about an agreement reached through collective bargaining by an employer and the labor representative concerning the terms and conditions of employment, treatment of workers, and rights and obligations of the two sides.

Establishment

① Form

- A collective agreement shall be prepared in writing, and both of the parties shall affix their signatures or their seals thereto (Article 31 (1), the Trade Union and Labor Relations Adjustment Act).

② Procedure

- The parties to a collective agreement shall make a report of the collective agreement to the administrative agencies within 15 days of the date of its conclusion (Article 31 (2), the above Act).
- The report should be made in the joint name of the two sides with a copy of the collective agreement attached.
- When a collective agreement has any unlawful contents, the administrative agencies may, with the resolution of the Labor Relations Commission, order to correct them.

Validity

- A collective agreement comes into force on the date agreed to by the two sides or the day the collective agreement is signed by them.
- The validity shall be determined through mutual agreement between the management and the employees within a period not exceeding three years (Amended on Jan. 5, 2021).

Interpretation

- Where there arises dispute over the interpretation of a clause of the collective agreement or how to implement it, the parties (or either party set by the agreement) may ask the Labor Relations Commission for its opinion.
- Upon such a request, the Labor Relations Commission should express its clear opinion within 30 days (Its opinion thus presented has the same effect as arbitration).

Scope of application (Binding force)

① Binding force extended to those in the same workplace

- When a collective agreement applies to a majority of workers of the same kind of job employed under ordinary circumstances in a business or workplace, it shall apply to the other workers of the same kind of job employed in the same business or workplace (Article 35, the above Act).

② Binding force extended to those in the same geographical area

- When two-thirds or more of the workers of the same kind of job employed in an area are subject to one collective agreement, the administrative agencies may, with the resolution of the Labor Relations Commission, at the request of either of the parties to the collective agreement or ex officio, make a decision that the said collective agreement shall apply to other workers of the same kind of job and their employers engaged in the same area.

Renewal and extension

① Automatic renewal

- The parties to a collective agreement may agree to have it continue to be in force for a certain period of time, unless either party expresses its wish to have it amended by a certain period in advance of the last day of the current validity.

② Automatic extension

- The parties to a collective agreement may agree to have it continue to be in force until it is replaced with a new one following the end of its current validity (Article 32 (3), the above Act, proviso).
- Either party may terminate the existing collective agreement by serving a notice on the other party at least six months in advance.

③ Statutory automatic extension

- Where parties to a collective agreement fail to sign a new collective agreement that will replace the existing one despite continued collective bargaining, the existing one should remain in force for three months following the last day of the expiration date of the agreement (Article 32 (3) of the Act, main sentence).

〔4〕| Industrial actions

Meaning

- "Industrial actions" means actions or counter-actions which obstruct the normal operation of a business, such as strikes, sabotage, lock-outs, and other activities through which the parties to labor relations intend to accomplish their claims (Article 2, Subparagraph 6, the above Act).

Procedure

- In the event of occurrence of an industrial dispute, either party to labor relations may ask the Labor Relations Commission for adjustment under the adjustment preceding principle and then start industrial actions (Article 45 (2), the above Act).
- When a trade union intends to engage in an industrial action, it shall report the date, place, the number of participants in, and the method of the industrial action, in advance in writing to the administrative agencies and the competent Labor Relations Commission (Article 17, Enforcement Decree of the above Act).

Judgment on justifiability

① Key actors

- No member of a trade union shall take part in any industrial action which is not led by the trade union (Article 37 (2), the above Act).

② Purpose

- The purpose of an industrial action should be to carry out self-governed negotiations between the labor union and an employer for enhancement of the terms and conditions of employment for workers and their economic and social status.
- The judgment should be made in individual cases, depending on the nature of specific industrial actions.

③ Means and methods

(a) Prohibition of the use of violence and destructive acts

- Industrial actions shall not be conducted by resorting to violence or destruction or by occupying facilities related to production or other major work or other facilities equivalent thereto as prescribed by Presidential Decree (Article 42 (1), the above Act).



Facilities that should not be used in industrial actions

❶ Power supply, computer, or communications facilities

❷ Railroad (including urban railroad) vehicles or tracks

❸ Ships under construction or repair or moored except those with seamen as stipulated in the Seafarers Act aboard

❹ Flight safety facilities or facilities for airplane takeoff/landing or passengers/cargo

❺ A place where the following is kept or stored: gunpowder, explosives, or toxic chemicals stipulated in Article 2, Subparagraph 2 of the Chemical Substances Control Act

❻ A facility designated by the Minister of Employment and Labor through consultation with the chiefs of the central administrative agencies as one that may put a stop to production or other important business or do serious harm to public good if occupied

(b) Need to maintain safety/protection facilities

- Industrial actions shall not be conducted to stop, close, or interrupt the normal maintenance and operation of facilities installed to protect safety of workplaces (Article 42 (2), the above Act).

(c) Need to maintain operational/health security

- Any work, the purpose of which is to prevent operational equipment from being damaged, or to prevent raw materials or products from being impaired or deteriorated shall be normally conducted during a period of industrial actions (Article 38 (2), the above Act).

(d) No obstruction of normal work

- An industrial action shall not be conducted in such a manner that it interferes with entry, work or other normal services by persons who are not related to it or persons who intend to provide work, and any resort to violence or any threat to appeal for or persuade into participating in the industrial action shall not be used (Article 38 (1), the above Act).
- No violence or threat shall be used to ask or persuade workers to take part in industrial actions.

(e) Need to keep essential business going

- (Meaning) The acts of stopping, discontinuing or impeding the justifiable maintenance and operation of the essential business* shall be the prohibited industrial actions (Article 42-2 (2), the above Act).

  * Essential business: Refer to Article 22-2 of attached Table 1 of the Enforcement Decree of the above Act

- (Procedure, etc.)

  (1) The signing of an agreement concerning essential business: The parties to labor relations should sign a written agreement concerning need for the minimum level of essential business, assignments subject to it, and necessary personnel during the period of industrial actions.

  (2) The Labor Relations Commission's decision on essential business:
  Where an agreement on essential business is not signed, parties (or either party) to labor relations should ask the Labor Relations Commission for its decision on the minimum level of essential business, assignments subject to it, and necessary personnel, etc.

(f) Prohibition of excluding occupation by the employer
(newly inserted on Jan. 5, 2021)

- Industrial (job) actions which obstruct the operation by blocking the occupation by the employer are prohibited (Article 37 (3) of the same Act).

④ Procedure/timing

(a) General requirement

- Industrial actions should only be used as the last resort when collective bargaining has been stalled or it is meaningless to proceed with it. (judicial precedent; administrative interpretation)

(b) Legal restrictions

(1) Vote for/against industrial actions:

A trade union shall not conduct industrial actions, unless decided with concurrent votes of a majority of the union members by a direct, secret, and unsigned ballot. The number of union members shall be computed based on the union members who work at the business or business place (Article 41 (1), the above Act).

(2) Adjustment preceding system:

Any industrial action shall not be conducted without completing adjustment procedures, where either party has asked for adjustment of industrial disputes (Article 45 (2), the above Act).

(3) Report of industrial actions:

When intending to engage in industrial actions, the trade union should submit a written report to the administrative agencies and the competent Labor Relations Commission (concerning hour/date, place, participants, and method)

⑷ Interpretation of mediation proposal:

The parties concerned shall not conduct any industrial action in connection with the interpretation or performance of the mediation proposal concerned, until views of the mediation committee or single mediator on the interpretation or performance methods are presented (Article 60 (5), the above Act).

Means of industrial actions

① On the part of the trade union

- Strike, sabotage, production management, boycott, picketing, sit-in, work-to-rule, etc.

② On the part of an employer

⑷ Lockout

- "Lockout" is an act against workers' industrial actions. It refers to an employer's temporary rejection of the work provided by workers.
- An employer may only choose to adopt lockout against trade union's industrial actions.
- When intending to adopt lockout, an employer should report it to the competent administrative agencies and the Labor Relations Commission in advance.

Restriction on use of substitute workers

- Restriction on hiring/substitution
  - An employer shall not hire or substitute any person not related to the relevant business during a period of industrial actions in order to continue works which have been interrupted by the industrial actions (Article 43 (1), the above Act).
- No contracting/subcontracting works (Article 43 (2), the above Act)
  - An employer shall not, during a period of industrial actions, contract or subcontract works which have been interrupted by the industrial actions.

※ An employer of the essential public-service business may contract or subcontract works which have been interrupted by the industrial actions, if the scope does not exceed half of those participating in industrial actions (Article 43 (3) and (4), the above Act).

Protection of industrial actions

- When an employer has suffered damages due to collective bargaining or industrial action under this Act, he shall not claim damages against a trade union or workers (Article 3, the above Act).
- Except for a criminal caught on the spot, workers shall not be detained for any violation of this Act during a period of industrial actions (Article 39, the above Act).
- An employer shall not dismiss or treat unfavorably workers on grounds that he has taken part in industrial actions (Article 81, the above Act).

IV Collaborative Labor Relations and Social Agreement

(1) | Meaning

- The "labor-management council" is a body operated with the participation of workers and employer for mutual discussion and joint decisions on management-related matters.

Comparison between labor-management council and collective bargaining

Classification	Labor-management council	Collective bargaining
Legal basis	Act on the Promotion of Workers' Participation and Cooperation	Trade Union and Labor Relations Adjustment Act
Purpose	Enhancement of productivity, promotion of workers' welfare, promotion of interests of both workers and employer	Maintenance/Improvement of terms/conditions of employment
Representativeness	Representing all workers	Representing trade union members
Parties	Those representing the workers and the employer	Trade union and employers (or employers' association)
Relevant activities	Employer's report on the status of corporate management; discussion on pending issues	Signing of a collective agreement through collective bargaining
Industrial actions	No industrial actions	Failure in bargaining may lead to industrial actions

[2] | Establishment of the Council

- A business with 30 regular workers or more should establish a labor-management council.
- ⓐ Notice of establishment ➡ ⓑ Launch of the preparatory committee ➡ ⓒ Appointment or election of members ➡ ⓓ Enactment of its regulations and submission of the report
- Composed of an equal number of members representing the workers and the employer (3 to 10 members each)
- Where there is no labor union comprised of a majority of the employees, the members from the employee side shall be elected through a direct secret vote.

  In unavoidable circumstances, employees who will elect employee members (voters of member employees) shall be elected in proportion to the number of employees in each department through a direct secret vote participated by a majority of the voters of member employees, and member employees can be elected by a direct secret vote participated by a majority of the voters of member employees.

※ Labor-management council regulations

- An employer should enact basic regulations for the organization and operation of the labor-management council and submit a copy to the Minister of Employment and Labor within 15 days of the establishment of the council.
- In the event of a change in said regulations, a copy should be submitted within 15 days.

※ The enactment and change of the council regulations requires the Council's approval.

Matters to be included in the council regulations

❶ Number of members
❷ Procedure for the election of members representing workers and registration of candidates
❸ Qualification of members representing the employer
❹ Hours spent by Council members on Council-related business but regarded as normal hours of work for the employee
❺ Matters concerning the convening of Council meetings and operation of the Council
❻ Method/Procedure for voluntary arbitration
❼ Number of grievance committee members; matters concerning the handling of grievances

[3] | Operation and responsibilities

- Council meetings held regularly (every three months)
- Extraordinary sessions held as needed
- The responsibilities of the council can be divided into matters for reporting, matters for consultation and matters for resolution.

Matters for reporting, consultation and resolution

Classification	Matters for reporting	Matters for consultation	Matters for resolution
Category	• Management information (on the employer's side) • Workers' demand (on the workers' side)	• Enhancement of productivity • Labor/HR system • Grievance resolution	• Education /Training; capability development plan • Welfare facilities / fund • Labor-management joint organizations
Obligations	• Employer members' obligation to report • Worker members' right to request the submission of materials	• Obligation to act in good faith • Decisions to be made as per labor-management consent or Council regulations	• Council's obligation to reach resolution

Classification	Matters for reporting	Matters for consultation	Matters for resolution
Major contents	• Management plan and results • Production plan and results • Human resources plan • Business's economic/ financial status • Workers' demand (on the workers' side)	• Productivity improvement; result allocation • Hiring/Placement/ Education/Training • Grievance settlement • Safety & health/ improvement of working environment/ enhancement of health • Improvement of HR & labor systems • Principle of work adjustment such as change of work, retraining, dismissal, etc. • Work hours & recess hours • Improvement of wage payment system • Introduction of new machinery and technology, improvement of work process • Establishment or revision of work rules • Stock sharing for employees; employees' invention • Compensation for employees' invention • Welfare promotion • Installation of surveillance equipment • Maternity protection; work-life balance • Prevention of sexual harassment in the workplace or by customers • Other matters requiring both sides' cooperation	• Education/Training/ Capability development plan • Welfare facilities installation/ management • Launch of in-house welfare fund • Settlement of grievances left unsettled • Operation of the labor-management joint committee
Penalty for violation	Failure to comply with worker members' request for submission of materials: Fine amounting to not more than KRW 5 million	Failure to comply with decision: Fine amounting to not more than KRW 10 million	Failure to comply with resolution: Fine amounting to not more than KRW 10 million

[4] | Employer's obligations

- No unfair intervention in the election of worker members
- Provision of convenience to worker members' activities

※ Grievance settlement

- A business or a workplace with 30 or more regular workers should operate the grievance handling committee.
- Composed of not more than three members each representing the workers and the employer
- In a business with a labor-management council, the council should select members of the grievance handling committee from among its members. In a business that does not have a council, the employer should appoint the members.



V Four Major Insurances

(1) | Employment insurance

Purpose

- To contribute to economic/social development through the prevention of unemployment, promotion of employment, development of workers' vocational abilities, stabilization of livelihood of the unemployed, support for their reemployment, etc.

Scope of application

- Applied to all businesses or workplaces using workers.

Businesses excluded from employment insurance

- Agricultural, forestry and fishery businesses that are not a corporation employing 4 or less full-time employees.
- The following constructions by a person who is not a housing construction business, construction business, electrical work business, information telecommunication construction business, or relics repair business.
  a. A construction whose total expenses are less than KRW 20 million
  b. Construction of buildings with floor area of not more than 100 ㎡ or the substantial repair of buildings with floor area of not more than 200 ㎡
- Employment activities within the household and self-consumption that is not otherwise classified.

Acquisition of status as the insured

- The insured status is acquired on the day one is hired by a workplace subject to the Employment Insurance Act.

Employees exempted from employment insurance

- Persons hired on or after the age of 65 (excluded from unemployment claims, employment insurance is applied for employment stabilization programs and occupational capacity building programs). However, employment insurance shall be applied where persons who have been insured before the age of 65 are continuously employed after turning 65.
- Persons whose monthly fixed work hours are less than 60 hours (including persons whose fixed weekly work hours are less than 15 hours). However, persons providing labor continuously for 3 months or longer and daily workers are subject to employment insurance.
- Foreign employees: Exemption from employment insurance differs by type of visa held.
- Special post office workers pursuant to the Special Post Offices Act
- Public officials pursuant to the State Public Officials Act, Local Public Officials Act
- Persons subject to the Pension for Private School Teachers and Staff Act

Report of the status of the insured

- A business owner should report to the Minister of Employment and Labor matters concerning the report/loss of the insured status by the workers he/she hired.

Confirmation of resignation

- A business owner should submit a worker's confirmation of resignation to the Minister of Employment and Labor including the following information when reporting on the worker's loss of status as the insured: ⓐ period of insurance, ⓑ reason for resignation, ⓒ statement of pre-severance wage, severance pay.

〔 2 〕 | Industrial disaster insurance

How it works

- The government provides coverage for injured or deceased workers with the fund raised through the collection of insurance premium from business owners
- Helping victims of work-related disasters with treatment and livelihood; helping them return to work sooner; alleviating business owners' financial burden

Scope of application

- Applied to all businesses or workplaces using workers

Businesses excluded from industrial disaster insurance

- Businesses eligible for disaster compensation pursuant to the Public Officials' Accident Compensation Act and Military Accident Compensation Act
- Businesses eligible for disaster compensation pursuant to the Seafarers' Act, Act on Accident Compensation Insurance for Fishers and Fishing Vessels or Pension for Private School Teachers and Staff Act
- Employment activities within households
- Agriculture, forestry (excluding lumber business), fishery and hunting business that is not a corporation and employs less than 5 full-time employees

Insurance subscribers

- Business owners (corporation or representative)

Payment of insurance benefit

- Paid upon the occurrence of a work-related disaster (injury, disease, disability, or death)

Types of insurance benefits

- ⓐ Medical care expense, ⓑ shutdown benefit, ⓒ disability benefit, ⓓ personal care benefit, ⓔ bereaved family's benefit, ⓕ injury and disease compensation pension, ⓖ funeral expense, ⓗ vocational rehabilitation benefit

〔 3 〕 | National health insurance

Purpose

- To protect workers from high or unexpected healthcare expenses associated with disease or injury. Workers pay insurance premium, and then get paid insurance benefits when necessary. Health insurance helps people share risks and get medical services when necessary.

Scope of application

- Korean nationals who reside within Korea shall become the insured of the health insurance or their dependents

Report of workplace

- Once a worker becomes an insured employee, the employer should report it to the National Health Insurance Corporation (NHIC) within 14 days.

Insurance benefits

- Provided in the form of cash or goods as stipulated in the law for the prevention, diagnosis, and treatment of disease or injury of subscribers and their dependents or their rehabilitation, childbirth, death, and health promotion

Ipso facto health insurance subscription by foreigners and Koreans residing in a foreign country

- Eligibility
  - Foreigners and Korean residents abroad who have been residing in the country for six months or longer
- Subscription procedure
  - Application is not required – the NHIC automatically registers eligible subscribers
- Insurance premium, insurance benefits
  - (Insurance premium) The insurance premium is computed based on the income, assets, etc. of each individual (family).
  - (Insurance benefits) The same insurance benefits are given as Koreans.
- Disadvantages imposed for delay in payment of insurance premium
  - Restriction on health insurance benefits
  - An applicant may incur a disadvantage when requesting an extension of a visa or period of sojourn from the Ministry of Justice.

※ Persons subject to apply for exclusion from subscription to national health insurance

- Where medical expenses equal to the amount of allowance for medical care pursuant to Article 41 under foreign law, foreign insurance and foreign employers.are covered.
- Only foreign insurance policies to which subscription was made before the beginning of long-term stay (foreigner registration, etc.) are recognized.
- For contracts with a foreign insurance company or foreign employer, exemption from subscription is effective for 1 year, and the application for exemption should be renewed after the valid period.

〔4〕| National pension

Purpose

- To contribute to the promotion of stable livelihood and welfare of the public by providing pension benefits for old age, disability, or death

Features

- Subscription is required for all people
- Contribution to social integration through income redistribution
- The government guarantees pension payment
- A variety of benefits like old-age pension, disability pension, survivor pension, etc.
- Pension amount readjusted each year according to the fluctuation rate of consumer price index

Those who should subscribe

- (Workplace-based insured persons) All employers and workers in workplaces regardless of nationality or any foreign institution in the country with at least one Korean worker
- (Individually insured persons) All people residing in the country in the age range of 18 to 59 as those who are not workplace-based insured persons

Foreign subscribers

- Workplace-based insured persons
  - Non-Korean employers or workers in the age range of 18 to 59 as those working in workplaces subject to national pension.
- Individually insured persons
  - All non-Koreans in the age range of 18 to 59 residing in the country and who are not workplace-based insured persons.
- Support for employee training expenses
  - Trainees (except for those in training employment), students, diplomats, etc., who are relieved of the obligation to subscribe to national pension under the law.
  - Those from a country where Koreans are not obligated to subscribe to a national pension system similar to that adopted in Korea.
  - Workers who have submitted a certificate for subscription to a national pension scheme in their home country, which has signed a social security agreement with Korea.

※ Please check whether you should subscribe to the Korean national pension scheme with regard to your home country and status of sojourn in Korea at the homepage of the National Pension Service (NPS).

Insurance benefits

- Old-age, disability, survivor pension, etc.

Types of pension payments

Pension (paid monthly)		Pension (paid as a lump sum)	
Old-age pension	Benefit paid as old-age income supplement as the basis of national pension payment	**Lump sum refund**	Amount of contributions paid plus interest returned to the insured, where he/she cannot receive the monthly pension
Disability pension	Benefit paid as income supplement for the disabled	**Lump sum death payment**	Amount paid as part of economic mutual aid or compensation, where the insured cannot receive survivor pension in the form of lump-sum refund
Bereaved family pension	Benefit paid to the bereaved family of the insured to protect their livelihood		

Pension paid to foreigners

- Foreigners enjoying the same status as Koreans may receive pension as per the National Pension Act.
- Foreigners leaving Korea may receive a lump-sum refund upon their departure.

Conditions for the payment of lump-sum refund to foreign pension subscribers

- Their home country makes similar pension payment to the Koreans residing there.
- Their home country has signed a social security agreement for lump-sum refund with Korea.
- Their subscription to the Korean national pension scheme under the status of sojourn such as E-8 (training employment), E-9 (non-professional employment), or H-2 (working visit) in attached Table 1 of the Enforcement Decree of the Immigration Act.

※ Please check whether you are eligible for lump-sum refund at the homepage of the National Pension Service (NPS).

Four major insurances

<table>
<tr><th>Classification</th><th>National Pension</th><th>Health Insurance</th><th>Employment Insurance</th><th>Industrial Disaster Insurance</th></tr>
<tr><td>Ipso facto application (where subscription is statutory)</td><td>• All workplaces with at least one worker
• A foreign institution such as an embassy using at least one Korean worker</td><td>• All workplaces with at least one worker
• A workplace using a public official and a faculty member</td><td>• All businesses/ workplaces using workers
※ A non-corporation engaging in agriculture, forestry, or fishery and using 5 or more workers</td><td>• All businesses/ workplaces using workers
※ A non-corporation engaging in agriculture, forestry (except logging), fishery, or hunting and using 5 or more workers</td></tr>
<tr><td>Foreigners</td><td>Eligibility: age range of 18 to 59
• Check whether the home country has signed a social security agreement with Korea</td><td>Eligibility
• Ipso facto subscription: Foreigners staying in the country for 6 months or longer (as from Jul. 16, 2019)</td><td>Eligibility for subscription to be determined according to the status of sojourn. For example, D-8 (corporate/foreign investor) is granted on a reciprocal basis</td><td>Eligible</td></tr>
<tr><td>Portions borne by the employer (Jan. 2024)</td><td>Monthly income × 9%
(Workers: 4.5%, Employer: 4.5%)
<Monthly income base>
(the amount under KRW 1,000 is rounded off.)</td><td>Monthly income × 7.09% (Workers: 3.545%, Employer: 3.545%)
<Monthly income>
: The scope of monthly income is defined separately – the amount calculated by dividing the amount of goods and remuneration received during the relevant year by he number of months of service
※ Longterm care insurance premium: Health insurance premium × 12.95% (Workers: 50%, Employer: 50%)</td><td>① Amount borne for unemployment allowance (effective Jul. 2022): Monthly wage × 0.9% (workers), × 0.9% (employer)
② Amount borne by employers for employment stabilization, vocational ability development programs
<table><tr><th>Number of workers</th><th>Portion</th></tr><tr><td>Less than 150</td><td>0.25%</td></tr><tr><td>150 or more (businesses eligible for priority support*)</td><td>0.45%</td></tr><tr><td>150-999</td><td>0.65%</td></tr><tr><td>1,000 or more, State,local govnts</td><td>0.85%</td></tr></table>* Preferentially supported businesses: See attached Table 1 of Article 12, Enforcement Decree of the Employment Insurance Act.</td><td>• Applied based on the 'examples of industrial disaster insurance premium rate classified by types of business'
• The result of the following is posted at the end of each year (and applied): segmented insurance premium for each type of business classified in light of the risks of disaster occurrence based on the ratio of total insurance benefits against the total remuneration amount over the past 3 years as of June 30 every year.</td></tr>
<tr><td>Authority</td><td>NPS</td><td>NHIC</td><td>COMWEL</td><td>COMWEL</td></tr>
</table>

VI Others

(1) | Prohibition and prevention of sexual harassment in the workplace

Prohibition of sexual harassment

- No business owner, supervisor, or worker shall engage in sexual harassment within the workplace.

Education on sexual harassment prevention

- (Frequency) At least once a year.
- (Recipient) Business owner and workers.
- (Contents) ⓐ Sexual harassment-related laws, ⓑ Steps to be taken in the event of sexual harassment, ⓒ Provision of consulting to sexual harassment victims; steps taken for remedies, ⓓ Punitive measures against sexual harassment perpetrators, ⓔ Matters required for the prevention of sexual harassment in the workplace.
- (Methods) ⓐ Face-to-face education, ⓑ Internet-based education (progress tracking, test, Q&A, etc).
- (Entrustment of education) An employer may entrust the education on the prevention of sexual harassment to an institution designated by the Minister of Employment and Labor.
- (Evidence) Evidentiary materials like journal and list of attendees should be kept.

- (Business owner's obligation) To post the education contents in places easily accessible to the workers.

What a business owner needs to do in the event of sexual harassment

- Immediately launch a fact-finding investigation.
- Take measures such as change of workplace or ordering of paid leave, etc. during the investigation for the protection of victims.
- Where sexual harassment within the workplace is confirmed, take the following measures:
  ⓐ Take measures such as change of workplace, transfer to other assignments, ordering of paid leave, etc. at the victim's request.
  ⓑ Take disciplinary measures against the perpetrator such as imposing punishment or change of workplace.
- No unfavorable treatment (dismissal or the like) should be given against the whistleblower or victimts in places easily accessible to the workers.

[2] | Prohibition of workplace harassment

Meaning

- No employer or employee shall cause physical or mental suffering to other employees or cause the deterioration of the work environment beyond the appropriate scope of work by taking advantage of superiority in rank, relationship, etc. in the workplace (Article 76-2, Labor Standards Act).

What employers should do in the event of workplace harassment (Article 76-3, Labor Standards Act)

- Objectively investigate the persons involved in the case without delay.
- Take steps to protect victims during the investigation (e.g. changing the workplace, allowing paid leave).
- Where workplace harassment is confirmed
  ⓐ Take measures such as change of workplace, transfer to other assignments, granting paid leave, etc. at the victim's request.
  ⓑ Take disciplinary measures against the perpetrator such as imposing punishment or change of workplace.
- No unfavorable treatment (dismissal or the like) should be given against the whistleblower or victims.
- The persons who investigated the case, received a report on the case or participated in the case shall maintain confidentiality of facts that were discovered during the investigation.

Obligations to be stipulated in the employment rules

- Need to prevent workplace harassment and steps taken in the event of occurrence of such

Work-related illness

- Mental stress caused by workplace harassment shall be included in work-related diseases (Article 37 (1) 2 of the Occupational Injuries Compensation Insurance Act)

Introduction of new regulations restricting harassment by employers, non-compliance with duty to take measures in the event of occurrence of such, etc. (Article 116 (1), (2) of the Labor Standards Act)

- Where an employer (including where a relative under Article 767 of the Civil Act prescribed by Presidential Decree is an employee of the business or place of business concerned) caused workplace harassment in violation of Article 76-2, a fine of not more than KRW 10 million shall be imposed.
- For an employer's failure to fulfill his/her duty to take proper measures, a fine of not more than KRW 5 million shall be imposed.

[3] | Hiring of the handicapped and those of distinguished services to the state

Obligation to employ the disabled (Article 28 (1), Act on the Employment Promotion and Vocational Rehabilitation of Disabled Persons)

- A business owner with 50 or more regular workers should employ the disabled at the ratio prescribed by Presidential Decree (mandatory employment rate*) within 5% of the total number of employees.

  * Mandatory employment rate: 31/1000.

- A business owner who fails to meet the mandatory rate for employment shall pay a contributory charge to the Minister of Employment and Labor each year (Article 33 (1), the above Act).(Not applicable to a business owner with less than 100 regular workers).

Mandatory employment of persons who have rendered distinguished services to the state (Article 33-2 (1), Act on the Honorable Treatment of and Support for Persons, etc. Who have Rendered Distinguished Services to the State)

- (Applicability) Public/private businesses or public/private organizations hiring at least 20 people a day.
- (Details) Those prescribed by Presidential Decree are required to employ persons who have rendered distinguished services to the state among the job applicants in the range of 3 to 8% of all employees. The percentage of those thus employed should be higher than the mandatory employment rate*.

* Refer to mandatory employment rate table by business under attached Table 9 of the Enforcement Decree of the Act.

Where exemptions apply to foreign-invested companies

- Foreign-invested companies in a free economic zone are exempted from mandatory employment of the disabled and persons with distinguished service to the State (Article 17 of the Special Act on Designation and Management of Free Economic Zones).
- Foreign-invested companies in a free trade zone are exempted from mandatory employment of the disabled (Article 3 of the Act on Designation and Management of Free Trade Zones).

[4] | Essential statutory education

	Education on the prevention of sexual harassment in the workplace	Education on personal information protection	Education on occupational health and safety	Education on raising awareness about the needs of persons with disabilities in the work place	Education on retirement pension
Relevant statute	Article 13, Act on Gender-Equal Employment Opportunities and Assistance to Estabish a Healthy Work-Family Balance	Article 28, Personal Information Protection Act	Article 29, Occupational Health and Safety	Article 5-2 Act on Employment Promotion and Vocational Rehabilitation of Persons With Disabilities	Article 32 of the Act on the Guarantee of Employees' Retirement Benefits
Subject persons	Business owner and employees	Persons responsible for handling personal information	Employee	Business owner and employees	Subscribers to a retirement pension program
Frequency	One or more times per year	-	Periodically (varies depending on the subject persons)	One or more times per year	At least once a year
Penal provisions	Penalty of KRW 5 million or less	× ※ Leakage of personal information: Imprisonment of up to 5 years or a fine of up to KRW 50 million, etc.	Penalty of up to KRW 5 million	Penalty of KRW 3 million or less	Penalty of KRW 10 million or less

[5] | Punishment of serious accidents (serious industrial accidents)

Purpose of the Act (Article 1 of the Act on the Punishment of Serious Accidents)

- The purpose of this Act is to strengthen companies' safety and health protection measures and to expand investment in safety measures in order to prevent serious industrial accidents and protect the lives and health of workers.

Scope of serious industrial accidents (Article 2 of the Act)

- Serious industrial accidents refers to industrial accidents prescribed by subparagraph 1 of Article 1 of the Occupational Safety and Health Act which result in one of the following:
  ① One or more deaths, ② Two or more injured persons who require treatment of six months or longer due to the same accident, ③ Three or more persons suffering from occupational diseases such as acute poisoning, etc. prescribed by Presidential Decree due to the same hazardous factors.

The responsibilities of business owners and persons in charge of management for safety and protection of health

- Establishment and implementation of safety and health management system covering manpower and budget required for prevention of accidents
- Establishment and implementation of preventive measures in the case of occurrence of an accident

- Implementation of matters for which the relevant central government agency ordered corrections in accordance with related laws
- Management of matters needed to implement the obligations prescribed under health and safety related laws

Applicable businesses and date of enforcement

- Places of business with five or more employees, effective Jan. 27, 2022 (Jan. 27, 2024 for businesses with less than 50 employees)

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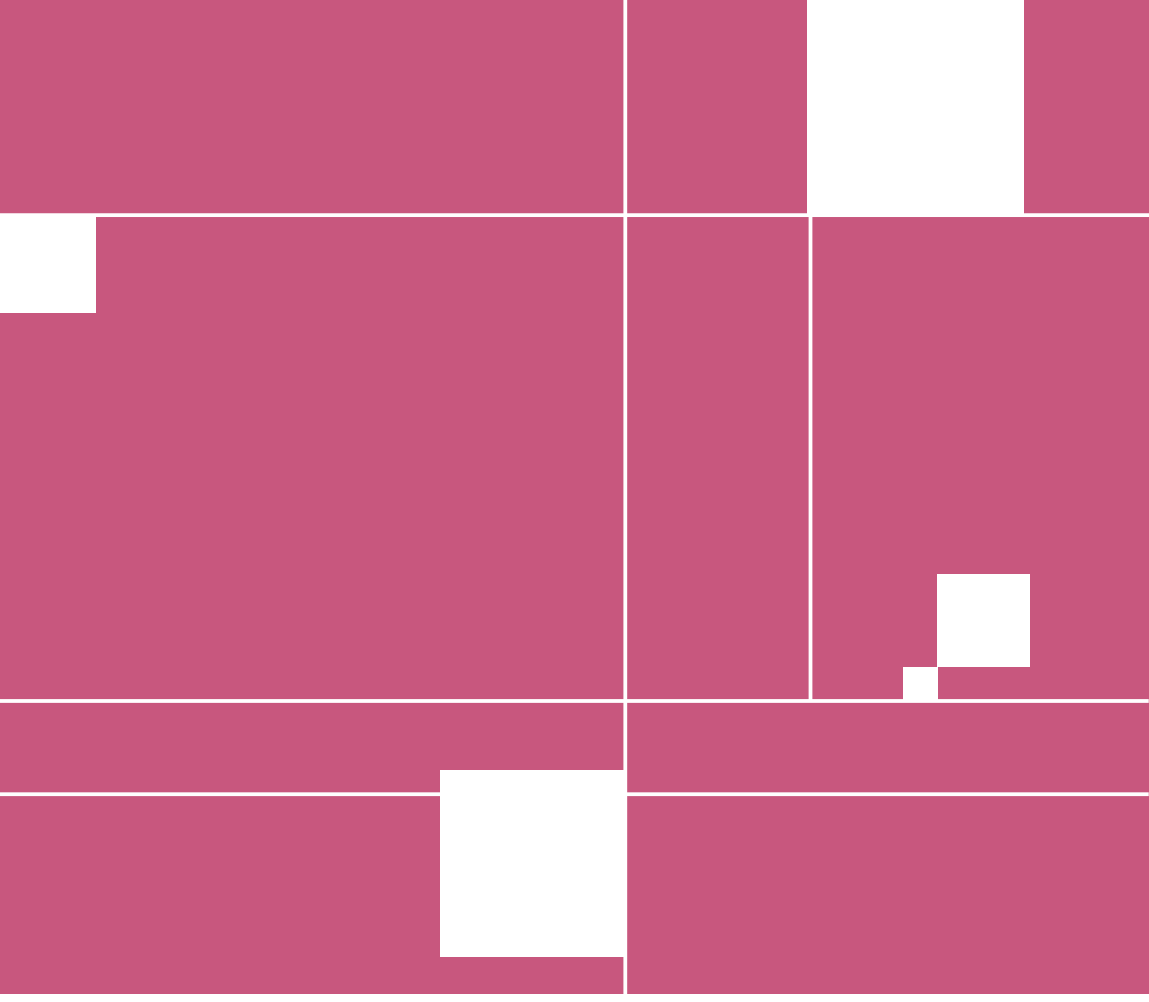
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