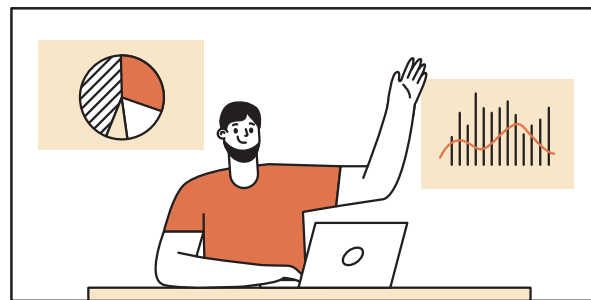


# Employment and Labor Newsletter for Foreign invested Companies

Employment and Labor Policies to Be Changed from the  
Second Half of 2021

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- From the second half of 2021, new employment and labor policies will be implemented following the partial revision of the Labor Standards Act, Wage Bond Guarantee Act, etc.
- Primary revisions are ①the guarantee of maternity leave benefits for fixed-term/dispatched workers (implemented on Jul. 1, 2021), ②penalty provisions of the workplace harassment prevention system (to be implemented on Oct. 14, 2021), ③the introduction of substitute payment system for incumbent workers and simpler payment procedure for small-amount substitute payment (to be implemented on Oct. 14, 2021), ④the mandatory issuance of wage statements (to be implemented on Nov. 19, 2021), ⑤the right to request working time adjustment of pregnant workers (to be implemented on Nov. 19, 2021), ⑥childcare leaves during pregnancy (to be implemented on Nov. 19, 2021), and ⑦higher limit of enforcement fines for a failure to follow remedial order for unfair dismissal (to be implemented on Nov. 19, 2021).



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### 1. Guarantee of Maternity Leave Benefits for Fixed-term/ Dispatched Workers (Implemented on Jul. 1, 2021)

- **(Revision)** Even if employment contract periods expire during maternity leave periods, fixed-term and dispatched workers may receive amounts equivalent to maternity leave benefits\* for the remaining leave periods irrespective of corporate size.

\* Amounts equivalent to maternity leave benefits: to support 100% of ordinary wages (maximum KRW 2 million/month) for the remaining maternity leave periods from the expiration dates of employment contracts to the end of relevant maternity leaves.

- **(Meaning)** It can mitigate economic burdens facing irregular workers from childbirth.

### 2. Penalty Provisions of the Workplace Harassment Prevention System (to be implemented on Oct. 14, 2021)

- **(Revision)** If an employer or relatives of the employer\* commits harassment at a workplace, an administrative fine not exceeding KRW 10 million will be imposed.

- An administrative fine not more than KRW 5 million will be imposed if an employer does not fulfill the duty of action, including investigating the act of workplace harassment, protecting the victim, and taking a disciplinary action against the harasser.

\* The scope relatives of the employer, subject to administrative fine imposition for workplace harassment, is more narrow than what is prescribed in the Civil Act: ①spouses, ②blood relatives within the fourth degree of relationship, and ③affinity relatives within the fourth degree of relationship.

- **(Meaning)** It will increase the effectiveness of the prevention system.

### 3. Introduction of Substitute Payment for Incumbent Workers and Simpler Payment Procedure for Small-amount Substitute Payment (to be implemented on Oct. 14, 2021)

- **(Revision)** Eligible recipients of small-amount substitute Payment will be expended to incumbent workers (currently retirees) and the payment procedure will be simplified\*.

\* Simpler payment procedure: Currently, substitute payment is made only with final and conclusive court decisions (taking approximately seven months), but if unpaid wages are confirmed with an "Overdue Wages, etc. Employer Confirmation" issued by local MOEL offices, substitute payment can be made (taking approximately two months).

- **(Meaning)** It can realistically enhance the guarantee of livelihood for workers with overdue wages.



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#### **4. Mandatory Issuance of Wage Statements** (to be implemented from Nov. 19, 2021)

- **(Revision)** When paying wages, employers must issue wage statements—which specify constituent items, calculation methods of wages, deductions from wages in accordance with laws or collective agreements—in writing or in electronic forms.
  - An administrative fine not exceeding KRW 5 million will be imposed for a failure to provide wage statements.
- **(Meaning)** It will prevent and swiftly resolve possible overdue wage related disputes between labor and management.
  - ※ Items to be written on wage statements: ①name, ②information that can specify an employee (birth date, employee identification number), ③dates of wage payment, ④the number of days worked, ⑤total working hours, ⑥hours of extended, night, or holiday work, ⑦total amount of wages, ⑧base pay, various allowances, bonuses, incentives, and amounts of each wage constituent items, ⑨matters needed to calculate total wage amounts, and ⑩amounts of each deduction items and total amount deducted if some of wages are deducted.

#### **5. Right to Request Working Time Adjustment of Pregnant Workers** (to be implemented on Nov. 19, 2021)

- **(Revision)** When a pregnant worker requests for adjustment of work start and finish time while maintaining daily contractual work hours, an employer shall approve it.
  - The pregnant worker shall submit the request form with pregnancy period, work start and finish time, etc. together with a doctor's medical certificate three days before the scheduled date of working time adjustment.
  - The employer shall accept such request, except for cases where it impedes normal business operation or there is a significant risk of damaging the safety and the health of the pregnant worker.
- **(Meaning)** It will strengthen the protection of pregnant workers right to health.



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**6. Childcare Leave during Pregnancy (to be implemented from Nov. 19, 2021)**

- **(Revision)** Childcare leave during pregnancy allows pregnant employees to take leave during pregnancy in order to protect pregnant employees at risk of miscarriage or stillbirth.
  - Leave can be taken within the entire childcare leave period (one year), and childcare leave taken during pregnancy is not deducted from the number of divisions.
- **(Meaning)** It will strengthen the protection of pregnant workers right to health.

**7. Higher Limit of Enforcement Fine Imposition for a Failure to Follow Remedial Order for Unfair Dismissal (to be implemented on Nov. 19, 2021)**

- **(Revision)** The limit of enforcement fine (which is imposed to an employer for a failure to comply with a remedy order from the Labor Relations Commission (LRC) regarding unfair dismissal) will be raised from the current KRW 20 million to KRW 30 million.
- **(Meaning)** It will enhance the binding force of the LRC remedial orders against unfair dismissals.



## A New Start for the **Korea Labor and Employment Service!**

**The Korea Labor Foundation will have a new name from June 2021.**

The KLES will remain as a public agency that implements employment and labor policies by building mutually beneficial labor-management cooperation, eliminating discrimination, providing comprehensive workplace innovation support, leading total employment services for middle-aged workers, and vitalizing international employment and labor cooperation.

Under its vision of "Growing Together, Opening Tomorrow Together", it will do its best to provide employment and labor services to the Korean people.

