

# BIPO TIMES

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## South Korea's Labour Law & Employment Regulations

### Overview

South Korea stands as a global economic powerhouse driven by a thriving export and import market. Key contributors include the export of high-value goods such as electrical machinery and electronics, automobiles, and mechanical appliances, alongside significant imports of mineral fuels, and advanced electrical machinery that bolster industrial production ([OEC](#)).

With significant updates to labour laws—such as enhanced childcare support, improved protections for working parents, and stricter regulations on workplace equality—understanding the legal landscape is more critical than ever.

In this issue, we delve into South Korea's employment landscape, examining the legal frameworks that shape the employer-employee relationship.

### Basic Country Facts



**Capital**  
Seoul



**Population**  
51.75 million  
[IMF](#)



**Currency**  
Korean Won (KRW, ₩)



**GDP per Capita**  
USD 36,130 (as of 2024)  
[IMF](#)

# Labour Market in South Korea


## Criteria for Choosing a Workplace

| Rank | Criteria                             | Percentage |
|------|--------------------------------------|------------|
| 1    | Financial compensation (i.e. salary) | 37.1%      |
| 2    | Employment stability                 | 16.9%      |
| 3    | Job suitability                      | 14.4%      |
| 4    | Work-life balance                    | 13.5%      |
| 5    | Growth potential                     | 6.1%       |

\*Survey of 3,365 workers and job seekers / Source: Saramin

## Key HR & Labour Law Amendments

### Key Labour Law Amendments (Year 2022-2024)

| Items   | Date of Enforcement  | Changes  |       |       |       |       |       |       |       |        |      |      |       |            |       |       |       |       |       |       |       |       |       |        |            |     |     |      |      |     |     |     |     |     |      |
|---|--|--|-------|-------|-------|-------|-------|-------|-------|--------|------|------|-------|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------------|-----|-----|------|------|-----|-----|-----|-----|-----|------|
| Minimum hourly wage   | January 1, each year   | <div>Year 2022: KR₩ 8,590</div> <div>Year 2023: KR₩ 9,620</div> <div>Year 2024: KR₩ 9,860</div> <div>Year 2025: KR₩ 10,030 (1.7% up)</div> <div>*percentage increase</div> <div><div>시간당 최저임금 추이</div><div>2025년도 기준 월급 209만6,270원(주 40시간·월 209시간 근무 기준),<br/>2024년도 기준 월급 206만 740원</div><div><table><thead><tr><th>Year</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th><th>2025년</th></tr></thead><tbody><tr><td>Wage (KR₩)</td><td>6,030</td><td>6,470</td><td>7,530</td><td>8,350</td><td>8,590</td><td>8,720</td><td>9,160</td><td>9,620</td><td>9,860</td><td>10,030</td></tr><tr><td>% Increase</td><td>8.1</td><td>7.3</td><td>16.4</td><td>10.9</td><td>2.9</td><td>1.5</td><td>5.1</td><td>5.0</td><td>2.5</td><td>1.7%</td></tr></tbody></table><div>인상률(전년 대비)</div><div>자료: 최저임금위원회</div></div></div> | Year  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022   | 2023 | 2024 | 2025년 | Wage (KR₩) | 6,030 | 6,470 | 7,530 | 8,350 | 8,590 | 8,720 | 9,160 | 9,620 | 9,860 | 10,030 | % Increase | 8.1 | 7.3 | 16.4 | 10.9 | 2.9 | 1.5 | 5.1 | 5.0 | 2.5 | 1.7% |
| Year  | 2016   | 2017   | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025년  |      |      |       |            |       |       |       |       |       |       |       |       |       |        |            |     |     |      |      |     |     |     |     |     |      |
| Wage (KR₩)  | 6,030  | 6,470  | 7,530 | 8,350 | 8,590 | 8,720 | 9,160 | 9,620 | 9,860 | 10,030 |      |      |       |            |       |       |       |       |       |       |       |       |       |        |            |     |     |      |      |     |     |     |     |     |      |
| % Increase  | 8.1  | 7.3  | 16.4  | 10.9  | 2.9   | 1.5   | 5.1   | 5.0   | 2.5   | 1.7%   |      |      |       |            |       |       |       |       |       |       |       |       |       |        |            |     |     |      |      |     |     |     |     |     |      |
| Expansion of the implementation of the Serious Accidents Punishment Act | <div>For companies with 50 or more employees 50:<br/>January 27, 2022</div> <div>Implementation for companies with 5 to 49 employees:<br/>January 27, 2024</div> | <div>The Serious Accidents Punishment Act imposes a duty on employers and management to prevent risks.</div> <div>If an employer or management violates this duty, leading to death or serious accidents, the Act stipulates criminal punishment for the employer or top management and imposes fines on the corporation involved.</div>   |       |       |       |       |       |       |       |        |      |      |       |            |       |       |       |       |       |       |       |       |       |        |            |     |     |      |      |     |     |     |     |     |      |

| Items   | Date of Enforcement | Changes  |
|---|---------------------|--|
| Change in the election method for employee representatives in the Labour-Management Council | December 11, 2022   | <p><b>Amendment to the “Act on the Promotion of Worker Participation and Cooperation”</b></p> <ul style="list-style-type: none"> <li>The previous requirement that candidates for the employee representative position needed to receive recommendations from at least 10 employees from the same workplace has been removed.</li> <li>Now, anyone can freely run for the position. Additionally, a new regulation has been established requiring that a majority of employees must participate in the vote when electing employee representatives.</li> </ul>   |
| Installation of rest facilities   | August 18, 2023     | <p><b>Article 128-2 of the Occupational Safety and Health Act (Installation of Rest Facilities):</b></p> <p>To establish rest facilities, employers are required to provide facilities that employees can use during breaks to relieve physical fatigue and mental stress.</p> <p>The specific provisions include:</p> <ol style="list-style-type: none"> <li>Workplaces with 20 or more regular employees (including subcontractor employees) must have rest facilities.</li> <li>The minimum floor area of rest facilities must be 6 square meters.</li> <li>The facilities must be equipped with heating and cooling systems to maintain a suitable temperature (18°C ~ 28°C).</li> <li>A sign indicating the rest facility must be posted outside the facility.</li> <li>A person responsible for cleaning and managing the rest facilities must be designated.</li> </ol> |

## Major Issues Related to Labour and HR

| Items  | Content   |
|--|---|
| Labour Union Act Amendment (“Yellow Envelope Law”) | <ul style="list-style-type: none"> <li><b>The “Yellow Envelope Law”</b> aims to guarantee workers’ right to dispute by expanding the scope of labour union membership, extending the range of employers covered, broadening the reasons for labour disputes, and increasing the conditions for limiting claims for damages related to illegal strikes.</li> <li>In the 21<sup>st</sup> National Assembly, the law passed the plenary session under the leadership of the opposition party but was vetoed by the president.</li> <li>After undergoing the reconsideration process, it was ultimately discarded in 2023. On July 22, 2024, the Yellow Envelope Law was once again unilaterally passed by the National Assembly’s Environment and Labour Committee under the leadership of the opposition party.</li> <li>It remains to be seen whether the president will exercise the veto power once more.</li> </ul> |

| Items                       | Content  |
|-----------------------------|--|
| Extension of Retirement Age | <ul style="list-style-type: none"> <li>Currently, the legal retirement age in South Korea is <b>60</b>.</li> <li>The South Korean government is discussing measures to extend the retirement age for older workers to address the issues of declining labour force due to low birth rates and an aging population, as well as to increase labour productivity.</li> </ul>  |
| Other Issue                 | <ul style="list-style-type: none"> <li><b>Extension of Working Hours:</b> Changing the unit period for overtime work from a weekly basis to weekly/monthly/quarterly periods, among others.</li> <li><b>Expansion of Performance-Based Compensation:</b> Efforts to spread wage systems based on job roles and performance, particularly within public institutions.</li> <li><b>Reform of the National Pension System:</b> The current consensus between the ruling and opposition parties is to increase the insurance premium rate from 9% to 13% and the income replacement rate from 40% to 44%. If an agreement is reached on these terms, the projected depletion date of the fund is expected to be extended from 2055 to 2064, a 9-year extension.</li> </ul> |

## General Employment Rules

### Employment Contract

An employment contract is an agreement on the employment conditions that should be made in written format with both employer and employee keeping one copy for reference.

An employment contract usually includes:

| Key Parts of an Employment Contract   |
|---|
| ✓ Term of labour contract (Employment Period), Place of employment and Description of work (Industry, Business description, Job description)  |
| ✓ Payment <ol style="list-style-type: none"> <li>Monthly Normal wages<br/>(Basic pay, Fixed benefits, Bonuses, etc.)</li> <li>Overtime, night shift or holiday</li> </ol>                                       |
| ✓ Payment methods (In person or By direct deposit transfer into the employee's account)   |
| ✓ Working hours and Recess hours, Holidays, Annual Paid Leaves, Payment date (e.g. every *th day of the month. If the payment date falls on a holiday, the payment will be made on the day before the holiday.) |

### Preservation of Documents in Relation to the Contract

An Employer shall, **for three years**, preserve a register of workers and other important documents related to labour contracts.

## Working Hours

### 1. Overtime Allowances (with a regular workforce of more than 5 employees)

|               |   |
|---------------|---|
| Extended Work | <b>Work more than statutory working hours</b> <ul style="list-style-type: none"><li>Additional pay <b>50% or more</b></li></ul>   |
| Holiday Work  | <b>Work on public holiday or contractual holidays</b> <ul style="list-style-type: none"><li>Additional pay <b>50% or more (within 8 hours)</b></li><li>Additional pay <b>100% or more (more than 8 hours)</b></li></ul> |
| Night Work    | <b>Work between 10.00 p.m. and 6:00 a.m.</b> <ul style="list-style-type: none"><li>Additional pay <b>50% or more</b></li></ul>  |

### 2. Paid Holidays

|          | Statutory   | Contractual  |
|----------|---|--|
| Holidays | <ul style="list-style-type: none"><li>Weekly off (Sunday)</li><li>Labour Day (May 1)</li><li>Public holidays (including Substitute Holidays)</li></ul>  | <ul style="list-style-type: none"><li>Company foundation day</li><li>Other days off</li></ul>            |
| Leave    | <ul style="list-style-type: none"><li>Paid annual leave</li><li>Maternity leave</li><li>Childcare leave</li><li>Miscarriage/stillbirth leave</li><li>Family care leave</li><li>Hours spent for prenatal visits</li><li>Childbirth leave</li></ul> | <ul style="list-style-type: none"><li>Summer holidays</li><li>Celebratory or condolatory leave</li></ul> |

## Wages

### 1. 4 Principles of Wage Payment

|                   |  |
|-------------------|--|
| Monetary Payment  | Cash payout (no gift certificate/item)                     |
| Direct Payment    | Direct payment to the worker (direct deposit available)    |
| Recurring Payment | Wages shall be paid at least once per month on a fixed day |
| Full Payment      | Full wage set by the employment contract                   |

## 2. What Should be Included in a Written Payslip?

| Information to be Included in a Written Payslip |   |
|---|---|
| ✓   | Information that can identify each employee, such as the employee's name, date of birth, and employee ID number   |
| ✓   | Date of payment of wages  |
| ✓   | Total amount of wages   |
| ✓   | The amounts of basic salary, all kinds of allowances, bonus, and performance-based bonus, and other amount of each wage item  |
| ✓   | Methods for calculating the amount of each wage item (including the working hours for any overtime work, night work, or holiday work), if the amount of each wage item changes according to the number of working days, working hours, etc. |
| ✓   | Details of deduction, including the amount of each deduction item of wages and the total amount of deduction, in cases of partial deduction of wages  |

## 3. Ordinary Wage vs. Average Wage

|                    | Statutory   | Contractual   |
|--------------------|---|---|
| Definition         | <ul style="list-style-type: none"><li>• <b>"Ordinary wage"</b> means <b>hourly wage</b>, daily wage, monthly wage, or contract amount to be paid to an employee for a specifically agreed work or entire work on a regular and flat basis</li></ul> | <ul style="list-style-type: none"><li>• <b>"Average wage"</b> 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 or her average wages occurred by the total number of calendar days during the <b>three months</b></li></ul> |
| Calculation Method | <ul style="list-style-type: none"><li>• Hourly wages are a principle</li><li>• Daily, weekly, and monthly wages are converted to hourly wages</li></ul>   | <ul style="list-style-type: none"><li>• Total wages for the three months prior to the date of occurrence/total number of days in the three months prior to the date of occurrence</li></ul>   |
| When is it used?   | <ul style="list-style-type: none"><li>• <b>Overtime, Night and Holiday work allowances (with a regular workforce of more than 5 employees)</b></li><li>• Advance dismissal allowance</li></ul>  | <ul style="list-style-type: none"><li>• Severance Payment</li></ul>   |
|                    | Annual Leave allowance (with a regular workforce of more than 5 employees)  |   |

## 4. Settlement of Severance Payments

When an employee dies or retires, the employer shall pay the wages, compensations, and other money or valuables **within 14 days after the cause for such payment occurred**. Provided that the period may, under special circumstances, **be extended by mutual agreement between the parties concerned**.

## Workplace and Sexual Harassment

### 1. Workplace Harassment

No employer or employee shall cause **physical or mental suffering to other employees** or **deteriorate the work environment beyond the appropriate scope of work** by taking advantage of superiority in rank, relationship, etc., in the workplace.

#### What Actions Need to be Taken by the Employer?

- ✓ The employer shall, without delay, conduct an objective investigation of the persons involved to **ascertain the fact**
- ✓ Protect employees who suffer or claim to suffer workplace harassment **while investigation is conducted**, the employer shall take appropriate measures for the victimised employees, etc., such as **transferring their place of work** or **ordering them a paid leave of absence**
- ✓ When the occurrence of workplace harassment is verified as a result of investigation, the employer shall take appropriate measures for the victimised employees, etc., such as **transferring their place of work** or ordering them a **paid leave of absence, if the victimised employees, etc. make a request**
- ✓ When the occurrence of workplace harassment is verified as a result of investigation, the employer shall take necessary measures, such as **taking disciplinary measures against the perpetrator** or **transferring his or her place of work**. In such cases, before taking disciplinary measures, etc., the employer shall **hear opinions of the victimised employees**, etc. on such measures
- ✓ No person who investigates the workplace harassment shall divulge confidential information learned in the course of investigation to any other persons against the will of the victimised employees, etc.
- ✓ No employer shall dismiss employees who report the occurrence of workplace harassment, victimised employees, etc., or treat them unfavourably

### 2. Sexual Harassment

An employer, a superior or an employee causes another employee to **feel sexual humiliation or repulsion by sexual words** or actions by utilising a position in the workplace or in relation with duties, or **providing any disadvantages in working conditions** and employment on account of disregard for sexual words or actions or any other demands, etc.

#### What Actions Need to be Taken by the Employer?

- ✓ The employer shall, **without delay**, immediately conduct an investigation to verify whether sexual harassment has occurred in the workplace
- ✓ The employer shall take appropriate measures for the victimised employees, etc. if the victimised employees, etc. make a request
- ✓ The employer shall take necessary measures, such as taking disciplinary measures against the perpetrator
- ✓ No person who investigates the sexual harassment shall divulge confidential information learned in the course of investigation to any other persons against the will of the victimised employees, etc.
- ✓ No employer shall dismiss employees who report the occurrence of workplace harassment, victimised employees, etc., or treat them unfavourably



## Protection of Motherhood

|   |   |
|---|---|
| Protection for Maternity                        | <ul style="list-style-type: none"> <li>No employer shall order a female employee in pregnancy to engage in <b>overtime work</b>.</li> <li>An employer shall not have pregnant women and women who have given birth work during the time <b>from 10:00 p.m. to 6:00 a.m.</b></li> </ul>  |
| Reduction of work hours for period of Maternity | <ul style="list-style-type: none"> <li>Where a female employee who has been pregnant for not <b>more than 12 weeks</b> or for not <b>less than 36 weeks</b> requests the <b>reduction of her work hours by two hours a day</b>, the employer shall permit it.</li> <li>No employer shall reduce an employee's wages for reason of reduction of work hours.</li> </ul>   |
| Maternity Leave & Paternity Leave               | <p><b>Maternity Leave</b></p> <ul style="list-style-type: none"> <li>An employer shall grant a pregnant woman a total of <b>90 days maternity leave</b> before and after childbirth. In such cases, at least 45 days of the leave period after childbirth shall be allowed.</li> </ul> <p><b>Paternity Leave</b></p> <ul style="list-style-type: none"> <li>Where an employee requests leave on grounds of his spouse's childbirth, the employer shall grant leave for <b>10 days</b>. In such cases, he shall be paid for the period of leave used.</li> </ul>   |
| Childcare Leave/Reduction of Working hours      | <ul style="list-style-type: none"> <li>Where a pregnant female employee or an employee applies for a leave of absence in order to enjoy maternity protection or to raise his or her children <b>aged 8 years or younger or in the second grade or lower of elementary school, respectively</b>, their employer shall grant permission therefore.</li> <li>The period of childcare leave shall not exceed one year.</li> </ul> <p><b>Reduction of Working Hours for Period of Childcare</b></p> <ul style="list-style-type: none"> <li>Where the employer grants a reduction of working hours for a period of childcare to the relevant employee, the working hours after reduction shall be at least 15 hours a week, but shall not exceed 35 hour a week.</li> </ul> |

On September 26, the National Assembly passed amendments to the laws on Childcare support. Most provisions will go into effect from February 23, 2025. Here are the key changes:

| Item            |                      | Current   | Amendments  |
|-----------------|----------------------|---|---|
| Childcare Leave | Duration             | One year  | <b>One and a half year</b> <ol style="list-style-type: none"> <li>Single parents</li> <li>Parents of a child with a severe disability</li> <li>Where each parent takes more than 3 months of childcare leave</li> </ol> |
|                 | Usage                | Can be split into <b>3 separate periods</b>   | Can be split into <b>4 separate periods</b>   |
| Paternity Leave | Duration             | <b>10 days</b>  | <b>20 days</b>  |
|                 | Government Subsidies | <b>5 days</b> for employees of "priority support companies" (those with 100 or fewer employees) | <b>20 days</b> for employees of "priority support companies" (those with 100 or fewer employees)  |
|                 | Validity             | Can be used up to <b>90 days</b> after the birth  | Can be used up to <b>120 days</b> after the birth   |
|                 | Usage                | Can be split into <b>2 separate periods</b>   | Can be split into <b>4 separate periods</b>   |



## Childcare Support Laws Provisions

| Item                                   |                | Current  | Amendments   |
|--|----------------|--|--|
| Reduced working hours for childcare    | Eligibility    | Children up to <b>8 years old</b>                  | Children up to 12 years old                            |
|  | Usage          | Up to 2 years<br>* 1 year + unused childcare leave | Up to 3 years<br>* 1 year + (unused childcare leave*2) |
|  | Minimum Period | 3 months   | 1 month  |
| Reduced working hours during pregnancy | Period         | Until 12 weeks and <b>after 36 weeks</b>           | Until 12 weeks and <b>after 32 weeks</b>               |
| Maternity leave for premature babies   | Period         | 90 days  | 100 days   |
| Infertility treatment leave            | Period         | 3 days per year (1 day is paid)                    | 6 days per year (2 days are paid)                      |

## Dismissal

### 1. Restriction on Dismissal

An employer shall not dismiss an employee **during a period of suspension of work for medical treatment of an occupational injury or disease and within 30 days immediately thereafter**, and **any woman before and after childbirth shall not be dismissed during a period of suspension of work and for 30 days immediately thereafter**.

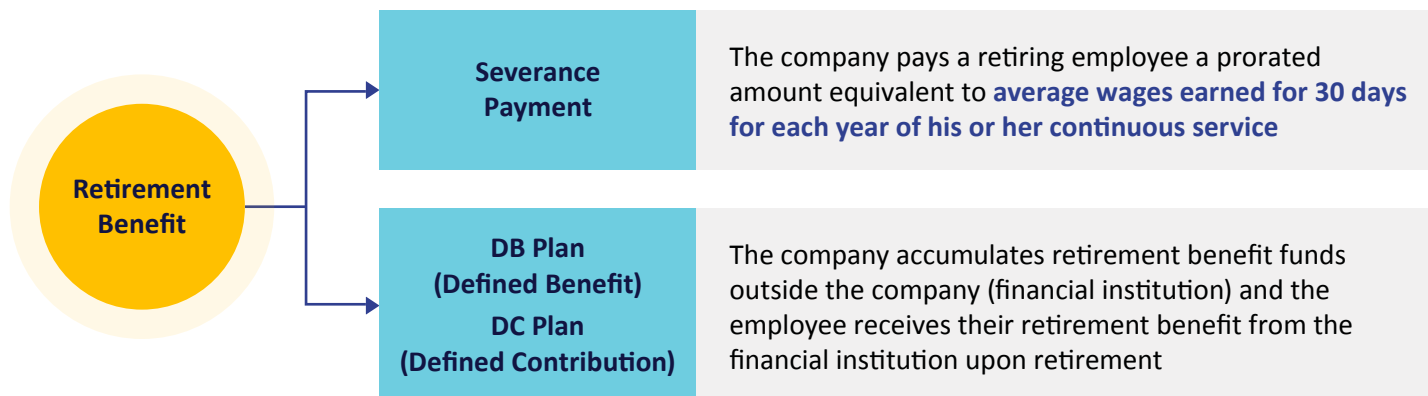
Provided, that this shall not apply where the employer has paid a lump sum compensation or where the employer may not continue to conduct his or her business.

### 2. Advance Notice of Dismissal

|             |   |
|-------------|---|
| Description | <ul style="list-style-type: none"> <li>When an employer intends to dismiss an employee (including dismissal for management reasons), he or she shall give the employee a notice of dismissal <b>at least 30 days in advance of such dismissal</b>, and, <b>if the employer fails to give such advance notice, he or she shall pay such employee a 30 days' ordinary wage at the least</b></li> </ul> <p><b>*Giving advance notice of dismissal does not justify the dismissal</b></p>                       |
| Method      | <ul style="list-style-type: none"> <li>When an employer intends to dismiss an employee, he or she shall notify the employee <b>in writing of grounds and timing for the dismissal</b></li> </ul>  |
| Exception   | <ul style="list-style-type: none"> <li>Where the period during which the employee has worked continuously is <b>less than three months</b>;</li> <li>Where <b>continuation of the business is impossible</b> due to natural disasters, incidents or other unavoidable circumstances;</li> <li>Where the employee has <b>intentionally caused serious damage to the business or property loss</b>, which falls under the reasons prescribed by Ordinance of the Ministry of Employment and Labour</li> </ul> |

## Retirement Benefit Schemes

Each employer shall **establish at least one retirement benefit scheme** in order to pay benefits to retiring employees: Provided that this shall not apply to employees whose **continuous service period is less than one year**, nor employees whose **average weekly working hours over a four-week period is less than 15 hours**.



|                         | Defined Benefit Plan   | Defined Contribution Plan   |
|-------------------------|--|---|
| Definition              | <ul style="list-style-type: none"><li>The company annually deposits the contributions to a financial institution and manages the fund</li><li>Upon retirement/termination, the employee shall receive as severance pay an average wage of at least 30 days' salary for each year of continuous service</li></ul> | <ul style="list-style-type: none"><li>The company contributes to the employee's individual account opened at a financial institution and the employee manages the contribution</li></ul>                          |
| Employer's Contribution | <ul style="list-style-type: none"><li>The level of benefits an employee will receive is determined in advance (e.g. years of service*average wage for 30 days)</li></ul>   | <ul style="list-style-type: none"><li>The level of contributions the employer is required to make is determined in advance (e.g. 1/12 of the total annual wages)</li></ul>  |
|                         | <ul style="list-style-type: none"><li>The employer shall allocate the minimum reserve required by law at the end of each business year</li></ul>   | <ul style="list-style-type: none"><li>The employer shall contribute no less than an amount equivalent to 1/12 of the total annual wages of an employee in cash to the employee's account of the DC plan</li></ul> |

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## Singapore

**21 Nov**

Healthcare Symposium:  
Shaping the Future of  
Healthcare Workforce through  
Business Transformation



**21 Nov**

BIPO x SHCX Retail HR Salon  
with Shirman Li and Tom Ho



## Laos

**8 Nov**

Laos HR Conference 2024



## Indonesia

**13-15 Nov**

Indonesia Human Capital  
& Beyond Summit



## UK

**13-14 Nov**

The Business Show London  
with Laurent-Pierre Sans



## South Korea

**28 Nov**

Navigating South Korea's Labour Law &  
Employment Regulations with Tommy Kim,  
Hailey Kim, and Simon Yuh



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