

Title [Labor Standards Act](#)

Amended Date 2009.04.22

Chapter I General Provisions

Article 1 The Act is enacted to provide minimum standards for working conditions, protect workers' rights and interests, improve employee-employer relationships and promote social and economic developments. Matters not provided for herein shall be governed by other applicable statutes.

The terms and conditions of any agreement between an employer and a worker shall not be below the minimum standards provided herein.

Article 2 The terms used in the Act shall be defined as follows:

1. Worker means a person who is hired by an employer to do a job for which wages are paid.

2. Employer means the owner of a business entity which hires workers, the responsible person of business operations, or the person who represents the business owner in handling labor matters.

3. Wage means the compensation which a worker receives for his work, including wages 、 salaries 、 bonuses 、 allowances, whether computed on an hourly, daily, monthly or piecework basis, whether payable in cash or in kind, and any other regular payments under whatever name.

4. Average wage means the figure arrived at by taking the total wages for the six months preceding the day on which an event requiring that a computation be made occurs, divided by the total number of days in that period. In the case of a period of service not exceeding six months, the term "average wage" means the figure arrived at by taking the total wages for the service period divided by the total number of days of that period. In the case of wages which are computed on a daily, hourly, or piecework basis, if the "average wage" figure arrived at according to the preceding formula is less than sixty percent of a figure determined by dividing the total wages for the particular service period by the actual number of work days, the "average wage" in this case shall be the

sixty percent figure.

5. Business entity means any entity engaged in any of the lines of business that are governed by this act, which employs workers to do work.

6. Labor contract means a contract that establishes an employee-employer relationship.

Article 3 The Act shall be applicable to the following lines of business:

1. Agriculture, forestry, fishery and animal husbandry.
2. Mining and quarrying.
3. Manufacturing.
4. Construction.
5. Water, electricity and gas supply.
6. Transportation, warehousing and telecommunications.
7. Mass communication.
8. Other lines of business as may be designated by the Central Competent Authority.

When making designation referred to in Item 8 of the proceeding paragraph, a portion of the workplace or part of workers in the business entity may be designated as applicable.

The Act shall apply to all forms of employee-employer relationships. However, this principle shall not apply, if it is discovered that the application of the Act will genuinely cause undue hardship to the business entities involved due to the factors relating to the types of management, the administration system and the characteristic of work involved and if it belongs to the lines of business or work designated and publicly declared by the Central Competent Authority.

The total number of workers employed in the business entities which will encounter genuinely undue hardships and shall not be applicable to the Act, shall not exceed one-fifth of the total number of workers employed in the lines of business as stipulated in Items 1-7 of Paragraph 1 to this Article.

Article 4 For the purposed of the Act, the term competent authorities used herein shall refer to the Council of Labor Affairs of the Executive Yuan at the central government level, the

municipal city governments at the municipal government level and the county/city governments at the county/city government level.

Article 5 No other employer shall, by force, coercion, detention, or other illegal practices, compel a worker to perform work.

Article 6 No person shall interfere in the labor contract of other persons and obtain illegal benefits.

Article 7 An employer shall provide and maintain a worker record card indicating the name, sex, birth date, place of ancestral origin, educational background, address, uniform identification card number, employment starting date, wage, labor insurance starting date, merits and demerits, injury and disease and other significant facts of each worker.

The worker record card referred to in the preceding paragraph shall be kept on file by the employer for five years after the date a particular worker ceases to be employed.

Article 8 An employer shall take precautions for the benefit of his (or her) hired workers against occupational hazards, create a proper working conditions and provide welfare facilities. All safety, sanitation and welfare matters related thereto shall be governed by the stipulations of applicable statutes.

Chapter II Labor Contracts

Article 9 Labor contracts may be divided into two categories: fixed term contracts and non-fixed term contracts. A contract for temporary, short-term, seasonal or special work may be considered as a fixed-term contract and a contract for continuous work, as a non-fixed-term contract.

In any one of the following situations, a fixed-term contract shall be deemed as to be a non-fixed-term upon the expiration of the contract:

1. Where an employer raises no immediate objection when a worker continues his (or her) work.

2. Where, despite the execution of a new contract, the prior contract and the new one together cover a period of more than ninety days and the period of time between expiration of the prior contract and execution of the new one does not exceed thirty days.

The preceding paragraph shall not apply in the case of a fixed-term contract for special and seasonal work.

Article 10 If a new contract is executed, or an existing contract is renewed, within three months after the expiration of a fixed-term contract or the termination of a non-fixed-term contract for cause, the service period which accrued before the execution or renewal of the contract shall be combined with the service period of the new or renewed contract in any computation of service period.

Article 11 No employer shall, even by advance notice to a worker, terminate a labor contract unless one of the following situation arises:

1. The business ceases to operate or has been transferred.
2. The business suffers an operating loss or contraction.
3. Business suspension for more than one month is necessitated by force majeure.
4. A change in business nature requires a reduction of workers and the particular workers cannot be assigned to another suitable position.
5. A particular worker is clearly not able to perform satisfactorily the duties required of the position held.

Article 12 In any of the following situations, any employer may terminate a labor contract without advance notice:

1. Where a worker misrepresents any fact at the time of signing of a labor contract in a manner which might mislead his employer and cause him to sustain damage therefrom.
2. Where a worker commits a violent act against or grossly insults the employer, his (or her) family member or agent of the employer, or a fellow worker.
3. Where a worker has been sentenced to temporary

imprisonment in a final and conclusive judgment, and is not granted a suspended sentence or permitted to commute the sentence to payment of a fine.

4. Where a worker is in serious breach of the labor contract or in serious violation of work rules.

5. Where a member deliberately damages or abuses any machinery, tool, raw materials, product or other property of the employer or deliberately disclose any technical or confidential information of the employer thereby causing damage to the employer.

6. Where a worker is, without good cause, absent from work for three consecutive days, or for a total six days in any month.

Where an employer desires to terminate a labor contract pursuant to Items 1 and 2, Items 4 to 6 of the preceding paragraph, he (or she) shall do so within thirty days from the date he (or she) becomes aware of the particular situation.

Article 13 An employer shall not terminate a contract with a worker who is on leave from work pursuant to Article 50, is receiving medical treatment pursuant to Article 59, unless the employer cannot continue operating the business due to an act of God, catastrophe or other force majeure and prior approval has been obtained from the competent authorities.

Article 14 A worker may terminate a labor contract without giving advance notice to the employer in any of the following situations:

1. Where an employer misrepresents any fact at the time of signing a labor contract in a manner which might mislead his (or her) worker and cause him (or her) to sustain damage therefrom.
2. Where an employer, his (or her) family member or his (or her) agent commits violence or grossly insults the worker.
3. Where the work specified in a labor contract is likely to be injurious to the worker's health and the worker has without success requested his (or her) employer to improve working conditions.

4. Where an employer, an agent of the employer or a fellow worker contracts a harmful, contagious disease and there is a possibility that the worker may contract this disease.

5. Where an employer fails to pay for work in accordance with the labor contract or to give sufficient work to a worker who is paid on a piecework basis.

6. Where an employer breaches a labor contract or violates any labor statute or administrative regulation in a manner likely to adversely affect the rights and interests of the particular worker.

Where a worker desires to terminate a labor contract pursuant to Items 1 or 6 of the preceding paragraph, he shall do so within thirty days from the date he becomes aware of the particular situation.

Where there exists any of the situations provided in Item 2 or 4 of the Paragraph 1 to this Article, and the employer has already discharged the agent concerned or has hospitalized or discharged the person suffering from such harmful, contagious disease, the worker may not terminate the labor contract.

The stipulations of Article 17 shall apply, mutatis mutandis, to the termination of labor contracts pursuant to this Article

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Article 15 In the case of a special fix-term contract for a term of more than three years, a worker may, upon completion of three years' work, terminate the contract by giving the employer thirty days advance notice.

In the case of a worker terminating a non-fixed term contract, the

provisions of Paragraph one of Article 16 pertaining to the prescribed time

limit for serving advance notice shall apply mutatis.

Article 16 Where an employer terminates a labor contract pursuant to Article 11 or the exception in Article 13, the stipulations described below shall govern the minimum period of advance notice:

1. Where a worker has worked continuously for more than

three months but less than one year, the notice shall be given ten days in advance.

2. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.

3. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance. After receiving the advance notice referred to in the preceding paragraph, a worker may, during hours of work, ask for leave of absence for the purpose of finding a new job. Such leave of absence may not exceed two work days per week. Wages shall be paid during such leave of absence.

Where an employer terminates the contract without serving an advance notice within the time limit prescribed in the first paragraph of this Article, he shall pay the worker wages for the advance notice period.

Article 17 When an employer terminates a labor contract pursuant to the preceding article, he shall pay severance fee to the worker in accordance with the terms prescribed below:

1. A worker who has continuously worked for a business entity owned by the same employer shall be entitled to severance payment equal to one month of average wage for each year of service.

2. Severance payment shall be paid in proportion to months of service not comprising a full year and not take into consideration under the computation in the preceding paragraph or where the period of service is less than one year. Any fraction of one month shall be deemed to be one month.

Article 18 In either of the following situations, a worker shall not claim from the employer either additional wages for the advance notice period or severance payment:

1. A labor contract is terminated pursuant to Article 12 or 15.

2. Where the worker terminates his service upon expiration of a fixed-term contract.

Article 19 Upon termination of a labor contract, neither an employer nor

the employer's agent shall reject a request from the worker for an employment reference.

Article 20 When a business entity is restructured or changes ownership, except for those workers to be retained through negotiations between the old and the new employers, the employer shall terminate labor contracts with the remaining workers by giving the minimum advance notice prescribed by Article 16 and shall pay severance payment in accordance with Article 17. The new employer shall recognize the prior period of service of those workers to be retained.

Chapter III Wages

Article 21 A worker shall be paid such wages as determined through negotiations with the employer, provided, however, that such wages shall not fall below the basic wage.

The basic wage referred to in the preceding paragraph shall be prescribed by the basic wage deliberation committee of Central Competent Authority and submitted to the Executive Yuan for approval.

The matters of organization and procedure of proceeding basic wage deliberation committee, shall be regulated specially by Central Comptent Authority.

Article 22 Wages shall be paid in legal, circulating currency, provided, however, that part of such wages may, by custom or business nature, be paid in kind in accordance with the labor contract. If part of the wages is paid in kind, the conversion price of such wages in kind shall be fair and reasonable and the articles shall serve the needs of both worker and his family members.

Wages shall be paid in full directly to the worker, unless otherwise prescribed by applicable statutes or administrative regulations or agreed to by both the employer and the worker.

Article 23 Except as otherwise agreed to by parties to a labor contract, or where wages are paid in advance on a monthly basis,

wages shall be paid on a regular basis at least twice a month. This shall also apply to wages computed on a piecework basis.

An employer shall keep a worker payroll roster in order to record entries such as wages payable, the items of wage computation and the total sum of wage payment. This payroll roster shall be kept on file for at least five years.

- Article 24 An employer shall pay a worker overtime wages on the following basis:
1. Where the overtime work does not exceed two hours, the worker shall be paid, in addition to the regular hourly wage, at least an additional one-third of the regular hourly rate.
 2. Where the overtime work is over two hours, but does not exceed four hours, the worker shall be paid, in addition to the regular hourly wage, at least an additional two-thirds of the regular hourly rate.
 3. Where the overtime work is requested in accordance with Paragraph 3 to Article 32, the worker shall be paid two times the regular hourly rate.
- Article 25 An employer shall under no condition discriminate between the sexes in the payment of wages. Worker shall receive equal wages for equal work of equal efficiency.
- Article 26 An employer shall not make advance deduction of wages as penalty for breach of contract or as indemnity.
- Article 27 If wages are not paid on schedule, the competent authority may order the particular employer to pay them within the prescribed period.
- Article 28 In the case of an employer winding up or liquidating his business or being adjudicated bankrupt, the worker shall have a preferred right to payment of wages which are payable under the labor contracts and which have been overdue for a period not exceeding six months.
An employer shall make a monthly deduction at a fixed rate

of the insurance-wage of workers and deposit the same in an "arrear wage payment fund" created for the purpose of paying the arrear wages referred to in the preceding paragraph. When the said fund has accumulated to a certain sum, either the ratio shall be reduced or the collection of such payment shall be suspended.

The ratio referred to in the preceding paragraph shall be determined by the Central Competent Authority at less than zero point one percent of the insurance-wage of all workers and shall be reported to the Executive Yuan for approval.

Where a worker is not paid arrear wages after having requested payment from the employer, the arrear wages shall be disbursed from the said arrear wage payment fund, whereupon the employer shall reimburse the said fund within the prescribed time limit.

The arrear wage payment fund shall be managed by a commission established by the central competent authority. Matters concerning the collection and custody of contributions to the fund shall be managed by the Labor Insurance Agency at the request of the Central Competent Authority. The amount stipulated in paragraph 2, the payment procedure, collection and management rules, and organizational regulations of the said commission shall be determined by the Central Competent Authority.

Article 29 After the closing of books of account at the end of the business year, a business entity shall, after paying taxes, covering losses for the previous year and setting aside stock dividends and legal reserves shall pay allowances or bonus out of the balance of net profits, if any, to workers who have worked the entire preceding year without committing fault and misconduct.

Chapter IV Working Hours, Recess and Holidays

Article 30 A worker shall not have regular working time in excess of eight hours a day and eighty-four hours every two weeks. With the consent of a labor union, or if there is no labor union

exists in a business entity, with the approval of a labor-management conference, an employer may distribute the regular working hours, referred to in the preceding paragraph, of any two workdays in every two weeks, to other workdays, provided that no more than two hours shall be distributed to each of the other workdays. However, the total number of working hours shall not exceed forty-eight hours every week.

With the prior consent of the labor union, or if there is no labor union exists in a business entity, with the agreement of a labor-management conference, an employer may distribute the regular working hours, referred to in the first paragraph, in every eight weeks, provided that the regular working time shall not in excess of eight hours a day and the total number of working hours shall not exceed forty-eight hours every week.

Paragraphs 2 and 3 are only applicable to the lines of business designated by the Central Competent Authority.

The employer shall keep worker sign-in books or time cards to record worker attendance on a day-to-day basis. These books and cards are to be kept on file for at least one year.

Article 30-1 For the lines of business designated by the Central Competent Authority, upon the consent of a labor union, or if there is no labor union exists in a business entity, with the approval of a labor-management conference, an employer may change his (or her) working hours under the following principles:

1. The distribution of regular working hours to other work days in four weeks shall not exceed two hours a day and is not subject to the restrictions referred to in paragraphs 2 to 4 to the preceding Article.
2. When the regular workday is ten hours a day, the overtime work shall not exceed two hours for that particular day.
3. Every two weeks shall have at least two days off as a regular leave and is not subject to the restrictions referred to in Article 36.
4. Female workers on night shift, except for those who are pregnant or are feeding their babies, are no longer subject to

the restrictions referred to in paragraph 1 to Article 49, however, the employer must provide satisfactory safety and health facilities.

The lines of business that are applicable to Article 3, which was amended and enforced before December 27, 1996, except for agriculture, forestry, fishery, and pasturage business, referred to in Item 1, Paragraph 1, are not applicable to the preceding paragraph.

Article 31 The working hours of a worker operating in a pit or tunnel shall begin from the time of entrance to the pit or tunnel and shall end at the time of departure therefrom.

Article 32 When an employer has a necessity to have his (or her) employee to perform the work besides regular working hours, he (or she), with the consent of a labor union, or if there is no labor union exists in a business entity, with the approval of a labor-management conference, may extend the working hours.

The extension of working hours referred to in the preceding paragraph, combined with the regular working hours, shall not exceed twelve hours a day. The total number of overtime shall not exceed forty-six hours a month.

Due to the occurrence of an act of God, an accident, or an unexpected matter and when an employer has a necessity to have his (or her) employee to perform the work besides regular working hours, may extend the working hours.

However, the employer shall notify the labor union within twenty-four hours after the beginning of the extension. If there is no labor union exists, shall report to the local competent authority for registration. Subsequent to the over time, the employer shall offer worker suitable time off.

Except for supervisory duties or in any of the situations referred to in the preceding paragraph, the working hours of a worker in a pit or tunnel shall not be extended.

Article 33 Where the convenience of the public or other special cause necessitates the adjustment of regular working hours and

overtime hours for lines of business under Article 3 other than manufacturing and mining in a manner not contemplated in Articles 30 and 32, the local competent authorities, may if necessary, by order permit such adjustment after having consulted the competent authority with jurisdiction over the line of business and the labor union.

- Article 34 If a rotation system of a day and night shift is adopted, workers on such shifts shall be rotated on a weekly basis except as otherwise consented by the worker. Those workers who are rotated in accordance with the preceding paragraph shall be granted appropriate recess.
- Article 35 A worker shall be permitted to have a break for at least thirty minutes after having worked for four continuous hours; provided, however, that such break may be rescheduled by the employer to be taken within other working hours if a rotation system is adopted or work of a continuous or urgent nature is involved.
- Article 36 A worker shall have at least one regular day off in every seven days.
- Article 37 A worker shall be granted recess on all holidays, the Labor Day and other days prescribed by the Central Competent Authority.
- Article 38 Where a worker continues to work for one and the same employer or business entity for a certain period of time he (or she) shall be granted special leave on an annual basis on the following basis:
1. Seven days for the services of more than one year but less than three years.
 2. Ten days for the service of more than three years but less than five years.
 3. Fourteen days for the service of more than five years but less than ten years.
 4. One additional day for each year of service over ten years

up to a maximum of thirty days.

Article 39 Wages shall be paid by an employer to a worker for taking a regular day off under Article 36, a holiday under Article 37 and a special leave under Article 38. When an employer has obtained the consent of a worker to work on a holiday, he shall pay the worker at double the regular rate for such work. This shall also apply where, with the consent of the worker or the labor union, the worker is required to work to meet urgent, seasonal requirements.

Article 40 An employer may require workers to suspend all leaves of absence referred to in Articles 36 to 38 inclusive, if an act of God, catastrophe or unexpected event requires continuance of work; provided, however, that the worker concerned shall receive wages at double the regular rate for work during the suspended leave, and then also be granted leave to make up for the suspended leave of absence. In respect of the suspended leaves of absence referred to in the preceding paragraph, the employer shall within twenty-four hours after the suspension file a report with the local competent authorities for the approval and registration of the suspension. Such a report shall contain full details and reasons for suspension.

Article 41 If it is deemed necessary by the local competent authorities, the special leave of workers in public utilities referred to in Article 38 may be suspended, for which the employer shall pay wages at double the regular rate.

Article 42 An employer shall not compel a worker to accept work beyond regular working hours if the worker is unable to do so on account of poor health or other proper reasons.

Article 43 A worker may take time off for wedding, funeral, sickness or other proper causes. The duration of such leave and the minimum wage standards for leaves other than unspecified casual leave shall be prescribed by the Central Competent

Authority.

Chapter V Child Workers and Female Workers

Article 44 Workers over fifteen years of age, but less than sixteen, shall be considered as child workers.
No child worker shall be permitted to do heavy and hazardous work.

Article 45 No employer may employ a worker below fifteen years of age, unless the worker has graduated from junior high school or the competent authority has determined that the nature and circumstances of the work are such that no harm will result to the worker's physical and mental health.
The stipulations for the protection of child workers shall apply, *mutatus mutandis*, to the employees referred to in the preceding paragraph.

Article 46 Employer of workers below sixteen years of age shall keep on file letters of consent from the legal guardians of such workers and certificates of age for such workers.

Article 47 Child workers shall not work more than eight hours per day.
No child worker shall be permitted to work on a regular day off.

Article 48 No child worker shall be permitted to work between eight o'clock in the evening and six o'clock in the following morning.

Article 49 An employer shall not make his (her) female worker perform her work between ten o'clock in the evening and six o'clock in the following morning. However, with the consent of a labor union, or if there is no labor union exists in a business entity, with the approval of a labor-management conference, and the following requirements in each item are met, the preceding restrictions are not applied:

1. The necessary safety and health facilities are provided.

2. When there is no public transportation facilities available, transportation facilities are provided or dormitories for female workers are arranged.

For the necessary safety and health facilities referred to in Item 1 of the preceding Paragraph, their standards shall be determined by the Central Competent Authority.

When a female worker is unable to work between ten o'clock in the evening and six o'clock in the following morning due to health or other justifiable reasons, the employer shall not force her to work.

Due to the occurrence of act of God, an accident, or an unexpected matter, and the employer has a necessity to make his (or her) female worker perform her work between ten o'clock in the evening and six o'clock in the following morning, the requirements in the first paragraph shall not be applied.

For those female workers who are pregnant or are feeding their babies, the provisory clause of Paragraph 1 and the preceding paragraph shall not be applied.

Article 50 A female worker shall be granted maternity leave before and after childbirth for a combined period of eight weeks. In the case of a miscarriage after the first three months of pregnancy, the female worker shall be permitted to discontinue her work and shall be granted maternity leave for a period of four weeks.

If the female worker referred to in the preceding paragraph has been employed for more than six months she shall be paid regular wages during the maternity leave; if her period of service is less than six months, she shall be paid wages at half of the regular payment.

Article 51 A female worker may apply to be transferred to less strenuous work during pregnancy. The employer shall neither reject the application nor reduce her wage.

Article 52 Where a female worker is required to breast-feed her baby of less than one year of age, the employer shall permit her to do

so twice a day, each for thirty minutes, besides the break period stipulated in Article 35.

The breast feeding time referred to in the preceding paragraph shall be deemed as working time.

Chapter VI Retirement

Article 53 A worker may apply for voluntary retirement under either of the following conditions:

1. Where the worker attains the age of fifty-five and has worked for fifteen years.
2. Where the worker has worked for more than twenty-five years.
3. Where the worker attains the age of sixty and has worked for ten years.

Article 54 An employer shall not force a worker to retire unless either of the following situations has occurred:

1. Where the worker attains the age of sixty-five.
2. Where the worker is unable to perform his duties due to mental handicap or physical disability.

A business entity may request the central competent authority to adjust the age prescribed in Item 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

Article 55 Retirement payments shall be paid to worker on the basis of the following standards:

1. A lump sum payment of retirement payments equal to two base units shall be paid for each year of service, provided that each year of service exceeding fifteen years shall be entitled to only one unit of base wage, and that the maximum shall be forty-five units. Any fraction of a year which is equal to or more than six months shall be counted as one year of service, and any fraction of a year which is less than six months shall be counted as half a year of service.
2. An additional twenty percent of the retirement payments

provided for in the preceding subparagraphs shall be paid to the worker whose retirement is mandated by Item 2, Paragraph 1 to Article 54 and whose mental handicap or physical disability is caused during the performance of work. The base unit for payment of retirement benefits, referred to in item 1 of the preceding paragraph, is a standard measure which denotes the average monthly wage received by a particular worker at the time of the application for retirement is approved.

If an employer is unable to make a lump sum payment of the retirement payments required by the Paragraph 1 to this Article, he may seek approval from the central competent authority for paying the said payments in installments. Where the retirement standards adopted by a business entity before this act becomes effective contain more favorable terms than those provided herein, such standards shall effect.

Article 56 An employer shall deduct a certain sum of money every month and deposit the same in a special account as the reserve fund of retirement payment for workers. This fund shall not be permitted to be used for transference, mortgage, cancellation or guarantee. The deduction and the deposit rate, its measure for the matters related to its procedure and administration shall be determined by Central Competent Authority and approved by the Executive Yuan.

The reserve funds of retirement payment for workers deducted and deposited by employers each month mentioned in the preceding paragraph, shall be collected as a Labor retirement Fund. The fund shall be administered by a Supervisory Committee of Labor Retirement Fund. The organization meetings and other related matters of the Fund shall be prescribed by the Central Competent Authority.

The income and outlay, safekeeping and utilization of the Fund mentioned in the preceding paragraph shall be handled by the financial institutions assigned jointly by the Central Competence Authority and the Ministry of Finance.

The minimum earnings shall not be below that of a two-year deposit interest rate of a local banking institution. Any loss

sustained shall be compensated by the National Treasury. The measures related to the matters of income and outlay, safekeeping and utilization of the Fund shall be prescribed by the Central Competent Authority and approved by the Executive Yuan.

Workers' retirement reserve funds deducted and deposited by the employers shall be under the direction and supervision of the committees composed of workers and employer. Worker representatives shall not be less than two-thirds of the total membership of these committees. The organizational guidelines of these committees shall be prescribed by the Central Competent Authority.

Article 57 Workers' years of service shall be limited to years of employment by the same business entity. In determining the years of service of a worker who is transferred to another business entity owned by the same employer, and in determining accumulated service years recognized by a new employer on a continued basis under Article 20 of the Act, the years of service at the different business entities shall be combined for calculation purposes.

Article 58 The right of a worker to claim retirement payments shall not be recognized if not exercised within five years from the month following the effective date of retirement.

Chapter VII Compensation for Occupational Accidents

Article 59 An employer shall pay compensation to a worker who is injured, sick, incapacitated or killed due to occupational accidents on the following basis; provided that if, in respect of the same accident the employer has already paid as compensation to the worker concerned in accordance with the provisions of the Labor Insurance Act or other applicable statutes and administrative regulations, he may be exempted therefrom:

1. When a worker is injured or suffers from any occupational disease, the employer shall compensate him the necessary

medical expenses. The categories of occupation-related diseases and the scope of medical treatment covered shall be governed by the relevant provisions of the Labor Insurance Act.

2. When a worker under medical treatment is not able to work, the employer shall pay him compensation according to his original wage. The employer shall be released from such compensation obligation upon making to the worker a lump sum payment equal to forty-months' average wages if the worker does not recover after two years of medical treatment, has been diagnosed and confirmed by a designated hospital as being unable to perform the original work, and yet does not meet the disability requirements under Item 3 hereof.

3. When after the termination of medical treatment the designated hospital has definitely diagnosed that the worker is disabled, the employer shall pay him a lump sum as disability compensation in accordance with the average wage, the degree of disability, and the standard of disability compensation prescribed in the applicable provisions of the Labor Insurance Act.

4. When a worker dies of occupational injury or disease, his employer shall pay funeral subsidy equal to five months of average wage and a lump sum survivors compensation equal to forty months of average wage. The said death compensation shall be paid to survivors in the following order:

- a. Spouse and children
- b. Parents
- c. Grandparents
- d. Grandchildren
- e. Brothers and sisters

Article 60 The compensation paid by an employer in accordance with the preceding Article may be applied toward the payment of compensation for damages arising out of the same accident.

Article 61 The right to receive compensation prescribed in Article 59 shall not be recognized if not exercised within two years from

the date the employee becomes entitled to receive the said compensation.

The right to receive compensation shall not be prejudiced by the severance of service by the particular worker, nor shall it be used for transference, cancellation, mortgage or guarantee.

Article 62 The owner of a business entity who contracts his work to a subcontractor who subsequently subcontracts, the contractor, the subcontractor, and the last subcontractor shall be jointly and severally liable to pay the compensation prescribed in this Chapter for occupational accidents related to the work performed by the workers hired by the contractor and the subcontractor.

When a business entity or contractor or subcontractor pays compensation for occupational accidents in accordance with the provisions of the preceding paragraph, each may claim reimbursement for the portion borne from the last subcontractor.

Article 63 Where a contractor's or subcontractor's work site is located within the sphere of work site of the business entity or provided for by the same, the owner shall supervise the contractor or subcontractor to provide their hired workers with such labor conditions as stipulated in applicable statutes and administrative regulations.

A business entity shall be jointly and severally liable with the contractor or subcontractor for the compensation of occupational accidents caused by workers hired by the contractor or subcontractor for having violated the stipulations of the Labor Safety and Health Act pertaining to obligations which the contractor or subcontractor are required to perform.

Chapter VIII Apprentices

Article 64 No employer shall be permitted to recruit any apprentice of less than fifteen years of age, unless such apprentice has graduated from junior high school.

For the purposes of this act, the term apprentice shall refer to a person whose objective is to learn technical skills in a job category prescribed by the competent authorities for apprentice training, and who receives training from an employer in accordance with the stipulations of this Chapter. The stipulations of this Chapter shall apply, mutatis mutandis, to foster workers and interns of a business entity, students under any business-education cooperation project, and other persons similar to apprentices in nature.

Article 65 In recruiting an apprentice, an employer shall sign a written training contract in triplicate with each apprentice, providing for training subjects, training period, board and lodging arrangements, living allowances, relevant teaching subjects, labor insurance, certificate of completion of training, the effective date of contract, the conditions for the termination of the contract, and other clauses relating to the rights and obligations of both parties to the contract. One copy of the contract shall be kept by each member of the party thereto, and the remaining copy shall be forwarded to the competent authorities for registration.

Without the prior consent of his legal guardian, no apprentice referred to in the preceding paragraph shall be allowed to sign an apprenticeship training contract if he is a minor.

Article 66 No employer shall be permitted to collect training fees from an apprentice.

Article 67 An employer may retain an apprentice upon expiration of his training period and shall pay him the same wage rate payable to other workers doing the same work. The retention period, if specified in an apprenticeship training contract, shall not be longer than the training period.

Article 68 The number of apprentices shall not exceed one fourth one fourth of the total number of workers. The number of workers shall be deemed four for calculation purposes even if it is below that number.

Article 69 The provisions of Chapter IV pertaining to working hours, recess and holidays, Chapter V pertaining to child workers and female workers, and Chapter VII pertaining to compensation for occupational accidents and other related insurance matters shall apply *mutatis mutandis* to apprentices. The standards for calculating the wages of an apprentice in connection with compensation for occupational accidents shall not fall below the minimum wage.

Chapter IX Work Rules

Article 70 An employer hiring more than thirty workers shall set up work rules in accordance with the nature of the business, and shall publicly display the said rules after they have been submitted to the competent authorities for approval and registration. The rules shall specify the following subject matters:

1. Working hours, recess, holidays, special leave of absence and the rotation of shifts for continuous operations.
2. Wage standards, method of calculation and pay day.
3. Overtime work.
4. Allowances and bonuses.
5. Disciplinary measures.
6. Rules for attendance, leave taking, commendations or penalties, promotions and transfer.
7. Rules for recruitment, discharge, severance, termination and retirement.
8. Compensation and pension for accident, injury or disease.
9. Welfare Measures.
10. Safety and health regulations which both employer and worker are required to observe.
11. Methods for communication of views and enhancement of cooperation between employer and worker.
12. Miscellaneous matters.

Article 71 The work rules shall be null and void if they contravene any mandatory or prohibitive stipulations of statutes,

administrative regulations, or collective agreements applicable to the particular line of business.

Chapter X Supervision and Inspection

Article 72 To enforce the Act, other labor statutes and administrative regulations, the Central Competent Authority shall either establish a labor inspection agency or delegate this power to the competent authorities in the municipal cities. The local competent authority may also as necessary, dispatch staff members to conduct inspections.

The organizational structure of the labor inspection agency referred to in the preceding paragraph shall be prescribed by the Central Competent Authority.

Article 73 An inspector in the course of performing his official duties shall display an inspection certificate. No business entity may reject such inspection. In the event the said business entity rejects inspection, the inspector may enforce the visit in concert with the local competent authority or the police. An inspector in the course of performing official visit may request the business entity to produce necessary reports, records, books of account and other relevant documents of written explanations as prescribed by the provisions of this act. If it becomes necessary for the inspector to obtain any raw materials, supplies, samples, or information, a prior notice shall be given to the employer or his agent and a receipt shall be issued to acknowledge the materials given to him.

Article 74 A worker may, upon discovery of any violation by the business entity of the Act and other labor statutes and administrative regulations, file a complaint of the employer, the competent authorities or the inspection agencies. An employer may not discharge, transfer or take any unfavorable measure against the worker who files a complaint according to the preceding paragraph.

Chapter XI Penal Provisions

- Article 75 An employer who violates the stipulations of Article 5 shall be imprisoned for a term not exceeding five years, detained and/or fined a sum less than 50,000 yuan.
- Article 76 Any person who violates the stipulations of Article 6 shall be imprisoned for a term not exceeding three years, detained and/or fined a sum less than 30,000 yuan.
- Article 77 An employer who violates the stipulations of Article 42, Paragraph 2 to Article 44, Articles 45, 47-49 or Paragraph 1 to Article 64 shall be imprisoned for a term not exceeding six months, detained and/or fined a sum less than 20,000 yuan.
- Article 78 An employer who violates the stipulations of Articles 13, 17, 26, 50, 51 or Paragraph 1 to Article 55 shall be fined a sum less than 30,000 yuan.
- Article 79 An employer who commits any one of the following acts shall be punished by an administrative fine of not less than 2,000 yuan but not exceeding 20,000 yuan:
1. Violation of Article 7, Paragraph 1 to Article 9, Articles 16 and 19, Paragraph 1 to Article 21, 22, 23, 24, 25 paragraph 2 to article 28, Articles 30, 32, 34, 41 and 46, Paragraph 1 to Article 56, Article 59, Paragraph 1 to Article 65, Articles 66-68 and 70 or Paragraph 2 to Article 74.
 2. Violation of order of the competent authorities concerning wage payment within the time limit as stipulated in Article 27, or adjustment of working hours as stipulated in Article 33.
 3. Violation of stipulations concerning recess or the minimum wage rates payable during leave of absence other than casual leave prescribed by the competent authorities in accordance with Article 43.
- Violation of Paragraph 5 to Article 49 shall be punished by an administrative fine of not less 10,000 yuan but not exceeding 50,000 yuan. For those administrative fine is imposed but remain unimproved, the administrative fine can be imposed

continuedly.

Article 80 Any person who refuses, avoids or obstructs a labor inspector in the performance of his (or her) official duties shall be punished by an administrative fine of not less than 10,000 yuan but not exceeding 50,000 yuan.

Article 81 If the representative of a legal entity, the agent of a legal entity or a natural person, an employee or any other staff member violates the Act in the rendering of his respective services, the violator shall be punished pursuant to this Chapter; in addition, the legal entity itself or the natural person shall also be subject to punishment by such fine or administrative fine as prescribed in the respective Articles of the Act; unless the representative of the legal entity or the natural person has done his best to avoid the occurrence of the violation.

The representative of a legal entity or natural person shall be deemed as offender, if the representative instigates or encourages the violation.

Article 82 Where an administrative fine remains unpaid after a demand for payment from the competent authority, the case shall be referred to the court for compulsory execution.

Chapter XII Supplementary Provisions

Article 83 A business entity shall hold meeting to coordinate worker-employer relationships and promote worker-employer cooperation and increase work efficiency. The rules for calling such meetings shall be drawn up by the Central Competent Authority in concert with the Ministry of Economic Affairs and then reported to the Executive Yuan for approval.

Article 84 In the case of a civil servant who also has the legal status of a worker, civil service laws and regulations shall govern such matters as appointment, discharge, wage, salary,

commendation, punishment, retirement, death compensation and insurance (including that for occupational accidents). If the rest of the labor conditions is more favorable than the relevant provisions of the Act, the more favorable part shall apply.

Article 84-1 After the approval and public announcement of the Central Competent Authority, the following types of workers may arrange their own working hours, regular days off, national holidays and female workers' night work through other agreements with their employers. These agreements shall be submitted to the local competent authorities for approval and registration and shall not be subject to the restrictions imposed by Articles 30, 32, 36, 37 and 49 of the Act:

1. Supervisory, managerial personnel or authorized specialists.
2. Monitoring or intermittent jobs.
3. Other types of job of special nature.

The agreement made under the preceding paragraph shall be in the form of written document. They shall use the basic standards contained in the Act as reference and shall not be detrimental to the health and well-being of the workers.

Article 84-2 The seniority of a worker is calculated from the first day of his/her employment. The standards of severance pays and retirement benefits for the seniority accumulated before the application of the Act shall be calculated in accordance with the applicable laws and administrative regulations effective during that time . In cases there were no applicable laws and administrative regulations, these standards shall be calculated in accordance with the rules promulgated by the respective business entities or the agreements reached by workers and employers themselves. After the application of the Act, the standards of severance pays and retirement benefits for the seniority accumulated shall be calculated in accordance with Articles 17 and 55 of the Act.

Article 85 The regulations for enforcing the Act shall be prescribed by

the Central Competent Authority and reported to the Executive Yuan for approval.

Article 86 The Act shall become effective on the date of promulgation.