

Taiwan Labor E-Newsletter

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Amendments to the Important Notes on the Implementation of Extra Day/Night Duty for Employees in Business Entities are effective from March 11 2019 with a sunset clause of January 1, 2022. The government is calling on employers to allocate proper manpower in accordance with the regulations

On March 11, 2019, the Ministry of Labor issued the revised Important Notes on the Implementation of Extra Day/Night Duty for Employees in Business Entities (hereinafter referred to as the Important Notes). The ministry revised the Important Notes to address questions which arise often during implementation. At the same time, the ministry has announced in advance that the Important Notes will cease to have effect on January 1, 2022.

The Ministry of Labor explains that the Important Notes on the Implementation of Extra Day/Night Duty for Employees in Business Entities was specified in 1985. It is an administrative guide on how employers can schedule employees for day/night duty outside of regular work hours, such as to transfer urgent documents, answer calls, inspect workplaces or to notify personnel and handle affairs in emergencies. Since extra day/night duty was not viewed as an extension of normal work, over the years it was not recognized as falling within the scope of work hours.

The Ministry of Labor further explains that the focus of these amendments is to address the recommended allowance for extra day/night duty, which should be no less than the employee's minimum monthly salary divided by 240 and multiplied by the number of extra day/night duty hours. The principle of equal pay for equal work should be observed by employers. Also, in order to promote gender equality in the workplace and take into the account the health and safety of women on night duty, amendments have been instated so that employers must provide necessary safety measures and sanitation facilities. Women who are pregnant or breastfeeding are prohibited from serving night duty.

The Ministry of Labor recognizes that in some case it is still difficult for workers to avoid orders issued by employers or to avoid direct supervision during extra day/night duty, in which cases the designation of "work hours" as specified in the Labor Standards Act should apply. However, at this stage, in consideration of the health and well-being of workers and the demand for manpower by public organizations, the government is providing such institutions an appropriate moratorium; the Important Notes will cease to have effect on January 1, 2022. The ministry calls on public institutions to secure enough additional manpower in preparation for this eventuality.



Wages are the main source of income for workers and their families, while retirement pensions and severance pay maybe crucial for their daily life after their retirement or resignation. Therefore, the protection of wages, retirement pensions and severance pay is very important. Workers should take advantage of the government's wage arrears payment system if the company they work for closes down, their employer avoids meeting with them, and they have not yet received the wages, severance pay or retirement pension that is owed to them.

In 1986, the government established the Wage Arrears Payment Fund with the objective of providing workers with some protections if they were unable to receive owed wages after their employer's business was suspended, liquidated or declared bankrupt. Amendments were made again in 2015 to address employees who did not receive retirement pensions and severance pay due to them in accordance with the old system under the Labor Standards Act of severance pay due to them in accordance with the new system under the Labor Pension Act, in which case their scope of wage arrears payment includes a maximum of six months average wages. According to statistics, as of February 28, 2019 the number of workers who have benefited from the system reached 66,206 persons. The total of advance payments amounted to more than NT\$5.05461 billion, of which 7,328 workers were owed severance pay or retirement pensions. These workers received a total of more than NT\$533.11 million.

The Ministry of Labor reminds the public that, in the event that a worker's employer shuts down their business without warning and disappears, and if the worker is owed six months of wages or retirement pension under the old system, or severance pay under both the new and old systems, in accordance with contracts made before the business declared closure, liquidation, or bankruptcy, then in such cases, workers are advised to consult with judicial channels. After obtaining confirmed proof of creditor's rights to wages, retirement pensions or severance pay, a worker should ask the local competent authority to issue a certificate of business suspension and submit the above, along with an application form and other relevant supporting documents (such as salary slips, attendance cards, labor contract, etc.), to apply to the Bureau of Labor Insurance for wage arrears payment. The Bureau of Labor Insurance will then recover the proper amount of wage arrears payment from the employer, exempting the worker from the costs and lengthy enforcement procedures of requesting courts to assist in recovery of the sum.

In addition, workers should keep their copies of their labor contract, attendance and salary records, etc, and ask the employer to provide proof of failure to provide payment should the employer start to owe wages. This document will sure as evidence of the worker's right to relevant assets.



The government is committed to workplace safety and health. The occupational accident rate per thousand workers in Taiwan fell to a record low in 2018

In order to protect worker safety and health, OSHA (Occupational Safety and Health Administration, Ministry of Labor) enacted the National Occupational Accident Reduction Strategy in 2017. Using the average occupational accident rate per thousand of 3.199 for the past three years (2014-2016) as a basis, the government took up the challenge of reducing this rate by 10% each year from 2018 to 2020, for a goal of a 30% reduction in three years. For 2018, actual performance exceeded this target and the rate fell to a historical low of 2.612, a reduction of 18.3%. In real numbers and based on the average number of people insured under labor insurance from 2014 to 2016, this is equivalent to a reduction of 5,901 persons involved in occupational accidents.

OSHA has stated that over the years, although the rate of occupational accidents per thousand workers has seen a steady decline with the efforts of central and local governments and those in various fields, in order to implement the President's policy of continuing to pursue greater labor safety, the administration introduced the National Occupational Accident Reduction Strategy in 2017 to further improve operations. It called for the hierarchical management of risk; using a variety of tools to supervise inspection, counseling, advocacy, for the safety protocol and inter-departmental cooperation; and integration of government-related resources to promote accident prevention. In addition to reducing the occupational accident rate per thousand workers, the Strategy promoted protections for workers' mental and physical health along with mechanisms to manage chemical risk and mechanical safety. This has increased the availability of occupational health services to 30.1%, the control rate of chemical exposure to 27%, and the ratio of mechanical equipment with completed customs clearance documents to 54%, while also implementing new measures to protect worker safety and health.

OSHA emphasized that life is invaluable and, in order to further reduce accidents from happening, it will continue to strengthen various inspection, advocacy and counseling measures to demonstrate the government's determination to prioritize worker safety with concrete action. In addition, in the matter of supervision of labor conditions, the administration will continue to improve labor conditions through the core strategies of grade management and legal compliance in order to provide every worker with a safe, healthy and dignified working environment.



The Ministry of Labor establishes WorldSkills Capacity Building Center with WorldSkills International to strengthen skills cooperation and exchange

On March 13, 2019, the Ministry of Labor signed a memorandum of understanding (MOU) with WorldSkills International at Grand Hyatt Taipei, and launched the unveiling ceremony of the WorldSkills Capacity Building Center. In the future, the two sides will jointly promote skills development and expand the scope of cooperation to include, to vocational skills training and skills competitions, as well as skills consultation services, skills promotion and career development programs, while also offering outreach to countries in Africa, partner nations of the New Southbound Policy and to other developing areas.

WorldSkills International currently has 80 member countries and holds an international skills competition every two years, known as the Olympics of the skills world. The competition attracts many young people, encouraging them to learn skills and helping to cultivate talent. WorldSkills International held its board meeting in Taiwan this year for the first time, presenting a very rare opportunity. In response to the vision of WorldSkills International to promote skills development, Taiwan and WorldSkills International signed a MOU to establish the WorldSkills Capacity Building Center. This is the world's second skills capacity building center and will mainly assist countries in Africa, target region of the New Southbound Policy and other developing nations, to upgrade their skills development programs and strengthen cooperation and exchanges with international skills organizations. In the future, it will be possible to use the WorldSkills Capacity Building Center as a platform and utilize Taiwan's soft power to help improve the country's international visibility.

On March 14, the day after the signing ceremony, members of the standing committee of WorldSkills International met with President Tsai Ing-wen, serving as a practical example of skills diplomacy. This example through skills training and development principles.





China Airlines pilots exercise right to strike, employers reminded not to treat labor inappropriately

The China Airlines branch of the Taoyuan Union of Pilots decided to legally strike on February 8, 2019 to fight for the rights of its members. In this regard, the Ministry of Labor stated that although strikes inevitably inconvenience the general public, trade unions are fighting for the rights and interests of their members. Choosing to strike, which is the most difficult means of protest, is the last choice trade unions can utilize in accordance with the law. It is always a difficult choice to make and the Ministry hopes the public will choose to view trade unions in a positive light and understand their struggles. At the same time, the Ministry of Labor requires that employers must not to mistreat union members who exercise their right to strike by dismissing, demoting or reducing their salaries.

Minister of Labor Hsu Ming-Chun stated that after learning of the union's decision to strike, the Ministry's relevant departments set up a response team and kept in touch with the Ministry of Transportation and Communications, the Taoyuan City Government and the Taoyuan Union of Pilots during the Lunar New Year holidays, relevant personnel reported back from leave to hold meetings in response to the situation. Minister Hsu also instructed Deputy Minister Liu Shih-Hao to be the deputy convener for the response team and to participate in meetings with the Ministry of Transportation and Communications on the day of the strike to assist both labor and management in their negotiations. On the afternoon following the strike, Political Deputy Minister Wang Kwo-Tsai invited labor and management to a discussion. The Ministry of Labor also appointed Director Wang Hou-Wei from its Department of Employment Relations as a representative to the meeting, in hopes that both sides could seek a solution together using a softer, friendlier and more sincere tone and attitude. The Ministry of Labor was fully committed to assisting labor and management to come to an agreement so that the strike could end peacefully.



Equal Pay Day in Taiwan for 2019 fell on February 23, same as the year previous

In order to raise public awareness for equal pay, the Ministry of Labor once again announced the Equal Pay Day for the year 2019. Since average salaries for the sexes depend on a number of factors such as the nature of the job, seniority, academic experience, and job performance, the Ministry has called on all sectors to work together to narrow the gender pay gap.

Taiwan's Equal Pay Day is based on the Employee Salary Survey conducted by the Executive Yuan, and reflects the number of addition work days women must work in the current year in order to earn the same amount as men did the previous year. In 2018, women earned an average hourly wage of NT\$283, 85.4% of men's hourly wage of NT\$332. In 2018 the gender pay gap was 14.6%. In other words, women needed to work 54 more days (gender pay gap of $14.6\% \times 365 \approx 54$ days) than men to receive the same total annual salary. Using this formula, it was determined that Equal Pay Day fell on February 23 for 2019, the 54th day of the calendar year, which was the same day in 2018.

In the last 10 years, the gender pay gap for the average hourly wage fell from 18.6% in 2006 to 14.6% in 2018. The extra number of days women had to work fell from 69 days to 54 days. The average gender pay gap decreased 4.0 percentage points or 15 working days. Historically, Taiwan's gender pay gap has been less than that of the United States, Japan and South Korea. In 2018, the gender pay gap in Taiwan was 14.6%, which was lower than Korea's 34.1% (2017), Japan's 32.3% and the United States' 18.9%.

