
Changes in Employment and Labor Policies (3Q 2024)

Oct. 2024

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Kim Jin-suk, senior deputy director of Ministry of Employment and Labor
dispatched to KOTRA's Foreign Investor Support Center

I. Minimum wage in 2025 decided at KRW 10,030 and publicly announced

The Ministry of Employment and Labor decided the minimum wage to be applied in 2025 at KRW 10,030 per hour and made a public announcement. The hourly minimum wage translates to KRW 2,096,270 per month (based on 40 hours workweek, 209 hours/month), and the same minimum wage applies to all places of business regardless of the type of business.

In order to help businesses to apply next year's minimum wage, the government plans to actively promote and disseminate information, and also conduct education, consulting, and supervision for businesses so that employers can abide with the minimum wage for next year.

Related law: Public Notice on the Minimum Wage Applied to 2025 (Public Notice of the Ministry of Employment and Labor no. 2024-50, Aug. 5, 2024)

II. Self-employed businesses enrolling in employment insurance to be provided with insurance premium subsidies at the same time starting November 2024

The Ministry of SMEs and Startups, the Korea Workers' Compensation & Welfare Service and the Small Enterprise and Market Service signed an MOU on August 29 to promote small business operators' enrollment in employment insurance and industrial accident insurance and to strengthen the social safety network.

Starting from November, the process for enrollment in employment insurance and application for employment insurance premium subsidies shall be significantly simplified. Previously, if a small business operator intended to enroll

in employment insurance and also get insurance premium subsidies, he/she had to visit both the Korea Workers' Compensation & Welfare Service and the Small Enterprise and Market Service. But starting from November, small business can apply for enrollment in employment insurance and apply for insurance premium subsidies at the same time by visiting just the Korea Workers' Compensation & Welfare Service, and it will no longer be necessary to prepare various documents.

III. Expansion of childbirth and childcare support services in 2025

To alleviate the burden of small and medium companies, the Ministry of Employment and Labor will provide subsidies for hiring replacement workers for employees on childcare leave up to KRW 1.2 million per month. If another employee takes up the work of an employee on childcare leave, KRW 200,000 per month will be paid to the employee. Also, the childcare leave allowance shall be significantly raised to up to KRW 2.5 million so that employees can take childcare leave without financial difficulties.

IV. Amendment of the occupational safety and health standards, etc.

The Ministry of Employment and Labor promulgated the amended Enforcement Rules of the Occupational Safety and Health Act and the Rules on Occupational Safety and Health Standards on June 28.

A. Measures to prevent risks when working with pulverizers, etc. (Article 87 (8, 9) of the Rules on Occupational Safety and Health Standards)

Where the cover of pulverizers, shredders and mixers need to be opened during operation, measures* to prevent risks that can occur in the operation process

should be taken.

* One of the following measures should be taken: ①Stop the operation of the machine before opening the cover; ②install an interlocking device so that the machine can automatically stop if the cover opens; ③install sensory protective devices such as sensors so that the machine can automatically stop when part of a person's body enters the danger zone.

b. Risk prevention measures for food processing machines (newly established, Article 130 (2) of the Rules on Occupational Safety and Health)

During the process of manufacturing food, if a machine that lifts and pours a container filled with content is operated, ①an emergency stop device that stops the machine when there is a risk of danger should be installed, and ②measures* to prevent accidents due to the approach of a worker near the machine during operation* should be taken.

* One of the following measures: ①installation of a fixed guard or fence; ②installation of a sensory protective device such as sensors; ③adjust setting so that the button used to lift or lower the container will operate only when the button is being pressed.

c. Improvement of ladder-type passages (Article 24 (1) 9 of the Rules on Occupational Safety and Health)

If there is no difficulty for an employee to move through a ladder-type passage even if it has a backrest guard, a backrest guard shall be installed. If a backrest guard makes it difficult for an employee to move, ①a personal fall prevention system shall be installed pursuant to the Korea Industrial Standards, and ②a full-body harness should be worn by an employee, to improve the safety standards on ladder-type passages.

V. Separate non-confiscated bank accounts merged into one starting Sep. 2, 2024

The Ministry of Employment and Labor merged non-confiscated bank accounts in five areas* including unemployment benefits into a single bank account called Haengbok-Jikimi account** starting September 2.

* 1) Unemployment benefits, 2) Jobseeker's allowance, 3) Substitute payments of overdue wage, 4) Industrial accident insurance benefit, 5) Mutual aid money for retirement

** An account for prevention of confiscation of various allowances (subsidies) provided by the government used in all banks.

So far, recipients of unemployment benefits, jobseeker's allowance, substitute payment of overdue wage, industrial accident insurance benefit, and mutual aid money for retirement had to open a non-confiscated bank account separately for each of the allowance or subsidy. However, now they can open just a single account – the Haengbok Jikimi account – to receive the various allowances and subsidies.

The financial institutes operating the merged Haengbok Jikimi account include Nonghyup Bank, Shinhan Bank, Woori Bank, Hana Bank, Industrial Bank of Korea, Busan Bank, BNK Kyongnam Bank, local agricultural and livestock cooperatives, Korea Post, and SC Cheil Bank Korea, and more financial institutes are planning to open and manage the account.

Users of financial institutes operating the Haengbok Jikimi account can use their pre-opened non-confiscated bank account if they wish to. Also, financial institutes that do not open the merged account can open the separate non-confiscated bank accounts.

작 성 자

- 종합상담실 고용노동부 파견관 김진숙
- 종합상담실 영문 에디터 이지민

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| 발 행 인 | | 유 정 열 |
| 발 행 처 | | KOTRA |
| 발 행 일 | | 2024년 10월 |
| 주 소 | | 서울시 서초구 헌릉로 13 (06792) |
| 전 화 | | 02-1600-7119(대표) |
| 홈페이지 | | www.kotra.or.kr |
| 문 의 처 | | 종합상담실 (02-3497-1738) |
| I S S N | | 3058-3497 |



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