



Korean Labor and Employment Law: Three Recent Laws of Importance to Employers in Union and Non-Union Settings

Insights

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In recent weeks it has been widely reported that South Korea continues to have a growing economy, and is being sought as a place to do business. This article will summarize three significant new labor and employment laws of which both local employers in Korea as well as multi-national employers should be aware before they either start to do business in South Korea or expand their current business ventures.

- **Union Matters.** The below two laws, Amendments to the Enforcement Decree of the Trade Union and Labor Relations Adjustment Act [“TULRAA”] were enacted in 1997 but did not become effective due to the activities of the union who were opposed these laws.
- **Prohibition of Remuneration to Full-Time Union Officials.** This law, which went into effect on July 1, 2010, bans the compensation for full-time union officers, and instead will provide time off for union officials to conduct collective bargaining duties while at work. Regulations will be published in the first half of 2011 that will establish the number of hours that will be required for time off, as well as the employees allowed to take time off. A committee has been established to analyze these issues. Practical Issue for Employers. Employers will need to monitor the progress of the regulations expected to be published that will provide guidance on this law, including any requirements for the amount of permitted time off and the groups or definitions of employees who are union officials eligible for time off under this law.
- **Legal Permission for Multiple Unions to Establish at a Single Workplace.** This law, which will become effective on July 1, 2011, will allow the establishment of multiple unions at one worksite, which is currently prohibited. Under this law, such multiple unions will be required to have one single bargaining channel. Practical Issues for Employers. Employers will need to put into place a strategy for this change as it will affect all aspects of the union environment and bargaining processes.
- **Prohibition of Age Discrimination.** Effective January 1, 2010, age discrimination is prohibited in all aspects of employment, including in benefits, training, education, employment decisions, payments (both wage and non wage), promotion, retirement, and relocation. This law, known as the Amendment to the Age on Prohibition of Age Discrimination in Employment and Aged Employment Promotion, enhances the Age Discrimination law that has been in effect in South Korea since March 2009). The Ministry of Labor can investigate any allegations of violations of this law, and can issue corrective orders. Practical implications for employers. Employers will need

to change their practices, policies, and training to ensure that age discrimination does not exist in any of the areas of employment as required in this law.