

# **Act for the Recruitment and Employment of Foreign Professionals**

## **New Labor Pension System**



# New Labor Pension System (1)

## Old Labor Pension System : DB



Workers must meet specific age and seniority requirements within the same business entity to have the right to claim a pension.

## New Labor Pension System : DC



Employers make monthly contributions into an individual pension account. The funds within this account belong solely to the worker, and the accumulation of pension benefits is not affected by changing jobs.

# New Labor Pension System (2)



**Mandatory  
Employer Contributions**

no less than 6%



**Voluntary  
Employee Contributions**

up to 6%



**Individual Pension Account**

※ Voluntary Employee Contributions: enjoy corresponding tax incentives

# Major Regulatory Changes

2018-2021



**Before :** Previously, foreign professionals who had not yet obtained permanent residency were only eligible for the “Old Labor Pension System” and could participate in the “New Labor Pension System” only after acquiring permanent residency.

2025.9.24  
Amendment



**Now :** The recent amendment to the Act for the Recruitment and Employment of Foreign Professionals removes this restriction, explicitly allowing foreign professionals to participate in the New Labor Pension System without obtaining permanent residency. This helps them accumulate retirement protection earlier.

# Explanation of the Application of the New Labor Pension System to Foreign Professionals (1)



※Effective from this date, the Labor Pension Act applies to foreign professionals.

# Explanation of the Application of the New Labor Pension System to Foreign Professionals (2)

2026.1.1

Effective Date of the New Regulations

## Status 1 : Newly hired employees

Employees hired on or after January 1, 2026

Employees are not required to apply

New Labor Pension System

## Status 2: Current employees

Current employees who were already employed before January 1, 2026, and continue to work for the same employer

2026.1.1

2026.6.30

Transition period

Transition to the New Labor Pension System

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A written declaration must be submitted to the employer

Old Labor Pension System

Those who do not make a selection by the deadline

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# Explanation of the Application of the New Labor Pension System to Foreign Professionals (3)

## Deadline for Current Employees to Choose the Old Labor Pension System

### Deadline

On or before June 30, 2026.

### Requirement

The employee must submit a **written declaration** to the employer indicating their choice to remain under the old labor pension system.

### Irrevocability

Once the choice to continue under the old system is made, the employee **may not subsequently switch** to the new labor pension system.

### no selection

If a written choice is not submitted by the deadline, **the employer shall proceed to make contributions under the new labor pension system to the Bureau of Labor Insurance.**



# Explanation of the Application of the New Labor Pension System to Foreign Professionals (4)

## Employer Responsibilities

For employees covered by the New Labor Pension System



### Newly hired employees

Within seven days from the date the employee starts work



### Current employees

Choose to switch to the New Labor Pension System, or do not make a declaration within the Transition period up to July 15, 2026

For current employees who choose to remain under the Old Labor Pension System



Upon receiving the employee's written declaration, the employer shall continue to follow the retirement pension rules under the Labor Standards Act and properly retain the employee's declaration form.

# Operation of Pension Accounts

## Government Management

The funds in an individual labor pension account are invested and managed by the government, with gains and losses allocated accordingly.



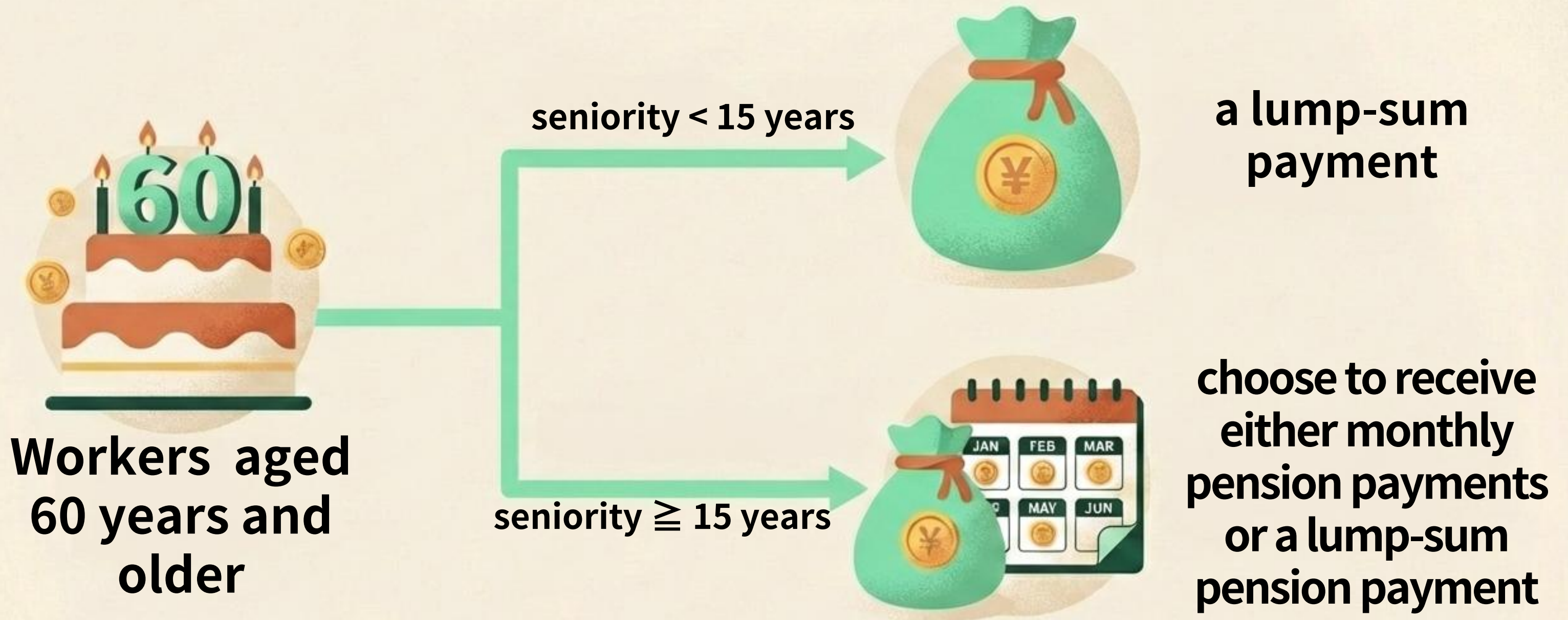
## Guaranteed Rate

The return rate generated from the utilization of the workers' pension shall not be less than the interest rate of a two-year fixed term deposit by local banks.

## Make up the shortfall

In the event of any deficiency, the Treasury shall make up the shortfall.

# Pension Claim Rules



If a worker dies before claiming pension, his/her survivors or designated person shall claim for the lump-sum payment which would have been claimed upon the worker's retirement.

**Thanks for listening!**

