

Ministry of Labor

Work Rules Reference Handbook

March 2018

INDEX

I.	Explanation Regarding the Sample Work Rules.....	2
II.	Sample Work Rules.....	4
III.	Guidelines for the Review of Work Rules.....	38
IV.	Frequently Asked Questions and Answers (Q&A)	54
V.	Local Labor Office Directory... 	60
VI.	Supplementary Documents	

Attachment 1. Sample Application Letter for Review of Work Rules Amendments.....	62
Attachment 2. Application Process for the Review of Work Rules (flowchart).....	63
Attachment 3. Document Checklist for Application for the Review of Work Rules.....	64
Attachment 4. Standard Work Rules Review Process by the Local Labor Affairs Authority (flowchart).....	65
Attachment 5. Summary Table of the Differences between the Sample Work Rules and the Company Work Rules.....	66
Attachment 6. Comparison Table Between Original Provisions and Amended Provisions of Work Rules.....	67
Attachment 7. Sample Labor-Management Meeting Minutes.....	71
Attachment 8. Sample Union Meeting Minutes.....	72

Explanation Regarding the Sample Work Rules

1. Considering the importance of work rules for a company in respect to its business management, and recognizing that companies may not know how to draft work rules, these Sample Work Rules have been published as a reference for companies. The adoption and enactment of the Sample Work Rules can also assist local labor affairs authorities in reviewing the work rules submitted by the companies. Implementing the Sample Work Rules is easy, convenient, time-saving and also ensures compliance with the minimum standard under the Labor Standards Act.
2. According to Article 70 of the Labor Standards Act and Article 38 of the Enforcement Rules of the Labor Standards Act, where an employer hiring more than 30 employees shall enact the Work Rules and shall set out the provisions related to issues such as work hours, break times, holidays, wage, allowances and bonuses, attendance, performance, leaves of absence, reward and punishment, promotion, recruitment, dismissal, termination, resignation and retirement, compensations for occupational accidents, condolence compensation, welfare, etc., depending on the nature of the business. After being submitted to, and approved by the competent authority, the Work Rules shall be announced in the company and shall be printed and distributed to each employee. In the event that an employer breaches such obligation, according to Article 79 (3) and (4) of the same Act, the said employer may be punished with a fine of not less than NT\$20,000 and not more than NT\$300,000. Additionally, the competent authority may, in accordance with the size of business, the number of violating persons or the circumstances of violations, increase the penalty by an additional 50% above the maximum amount of the legal fine. The competent authority may also publicly announce the name of such a business entity, its owner, or the person in charge and order the business to make improvements within a given period in accordance with Article 80-1 (1) of the Act. Failure to make improvements shall result in subsequent fines.
3. The Work Rules are important internal management rules enacted by an employer according to the nature of its business and have great influence on the labor conditions and interests of the employees. Therefore, Work Rules must be submitted to the local labor affairs authority for approval and must be publicly disclosed. To avoid disputes between workers and the employer, the name of

the labor affairs authority giving the approval, and the date and file number of the approval shall be specified upon disclosure of the Work Rule. Additionally, the contents of the Work Rules shall also be amended as needed for any change in applicable laws, labor agreements or administrative systems. Amendments to the Work Rules shall also be submitted to the authority for approval.

4. Before a company enacts its own work rules, it may be expedient for the company to download or obtain a copy of the Sample Work Rules and to draft its own work rules based on the Sample and in accordance with the company's actual needs.
5. Where a company has enacted provisions that are better than the provisions under the Labor Standards Act or that provide better benefits for employees, please include such provisions in the work rules. In case of any work rule established for specific items (such as performance, attendance management, etc), such provisions must also be submitted for approval.
6. In case a business entity intends to establish provisions regarding discipline or sanction against employees, the contents of the provisions shall be specific, reasonable and concrete, and shall not be generalized by using such words as "other circumstances." To avoid disputes, such provisions shall be negotiated first by workers and the employer. In respect to the dismissal of employees, since the Labor Standards Act is quite strict in respect thereto, leaving little room for the company to enact rules on its own, and since the appropriateness and validity of the provisions of the Work Rules must be reviewed in detail by the local labor affairs authority, it is therefore recommended that the Work Rules be enacted pursuant to the provisions of the Labor Standards Act.
7. During the process of drafting the work rules, if a company has any questions, it is recommended that the company discuss them with the local labor affairs authority first, so as to expedite the review process.

Work Rules of ○○○ Inc. (Sample)

INDEX

CHAPTER 1	GENERAL	5
CHAPTER 2	RECRUITMENT AND LAYOFF	5
CHAPTER 3	WAGE, ALLOWANCES AND BONUSES	11
CHAPTER 4	WORK HOURS, BREAKS, HOLIDAYS AND LEAVES	15
CHAPTER 5	RETIREMENT	28
CHAPTER 6	FEMALE EMPLOYEES	31
CHAPTER 7	ATTENDANCE, REVIEW, REWARDS, SANCTIONS AND PROMOTIONS	32
CHAPTER 8	COMPENSATION FOR OCCUPATIONAL ACCIDENTS AND CONDOLENCE COMPENSATION	33
CHAPTER 9	SOCIAL INSURANCE, WELFARE, SAFETY AND HEALTH	34
CHAPTER 10	OTHER MATTERS	35

Work Rules of ○○○ Inc.

Approved for reference by the letter No. _Zi_ dated (yyyy)(mm)(dd) from _____City (County) Government

Chapter 1 General

Article 1 (Purpose)

In order to clarify the rights and obligations of the employer and the employees, strengthen the current administrative framework and promote the mutual cooperation between the employer and the employees for business development, ○○○ Inc. (hereinafter referred to as the Company) enacts these work rules pursuant to the Labor Standards Act and related laws and regulations.

Article 2 (Scope of Application)

- The Work Rules shall be applicable to all employees hired by the Company to work for the Company, who shall receive wages in return. These Work Rules shall also be applicable to each plant/branch/place of business of the Company.
- The Work Rules shall only be applicable to the following plants/ branches / places of business of the Company: (Please specify the scope of application.)

Chapter 2 Recruitment and Layoff

Article 3 (Procedure for Commencing Work)

Upon receiving a notice of employment, the newly recruited employee shall complete the procedure for commencing work on the first day at work pursuant to the provisions herein. Failure to complete the procedure by the aforementioned date shall automatically be deemed as declining the offer and the notice of employment shall become invalid. When the newly recruited employee reports to work, he or she shall submit the following documents:

1. Notice of employment
2. Employee information form prepared by the Company
3. Relevant proof of identify and national identification card
(which will be returned to the employees after

verification)

4. Other documents as requested by the Company

Article 4 (Labor Contracts)

Depending on the needs of the business, when hiring an employee, the Company may enter into a fixed term contract or a non-fixed term contract with the employee.

The aforementioned fixed term contracts and non-fixed term contracts shall be determined in accordance with the relevant provisions under the Labor Standards Act.

Article 5 (Determining Seniority)

The seniority of an employee shall be calculated in accordance with the following:

1. Where a new contract is entered into within three months after the expiry of a fixed term contract, or where a non-fixed term contract resumes within three months after its suspension, for whatever reason, the calculation of an employee's seniority before and after the implementation of the new contract, or the resumption of the non-fixed term contract shall be consolidated.
2. The seniority of an employee is determined by the number of years that the employee has worked for the Company commencing from the starting date of employment. If the employee began working for the Company before the application of the Labor Standards Act, the employee's seniority shall be calculated in consolidation therewith.
3. In the event that an employee was transferred by the Company, the Company shall continue to recognize the seniority of the employee and their seniority shall be calculated in consolidation therewith.

Article 6 (Probation Period)

The Company may agree on a probation period with newly recruited employees for a period of ____ days, except for those employees with particular skills, specialization and/or experience who have been approved by the Company. If an employee under probation passes the Company's review, such an employee shall be officially employed by the Company

according to the provisions herein. Where an employee under probation fails the Company's review, the contract with such an employee shall be terminated according to Articles 7, 8, 9, 10 and 11. Wages shall be given until the date when he or she ceases to be employed by the Company.

Article 7 (Termination of Employment with Notice)

Unless any of the following situations occurs, the Company shall not terminate the labor contracts of employees :

1. Where the business ceases to operate or has been transferred;
2. Where the business suffers losses or contraction;
3. Where business operations have been suspended for more than one (1) month as a result of force majeure;
4. Where there is a change in the nature of business, as a result of which a reduction of employees is required and the particular employee cannot be assigned to another suitable position; or
5. Where a particular employee is clearly unable to perform the work assigned to him or her.

Article 8 (Exceptions Restricting the Termination of Contracts)

During the period of maternity leave or medical treatment for occupational accidents, the Company shall not terminate the contracts of the concerned employees. However, for reasons of natural disasters, emergencies or other force majeure incidents as a result of which the business cannot continue to operate, the Company may report to the competent authority for approval to terminate a labor contract.

Article 9 (Notice of Termination)

Where the labor contract is terminated pursuant to Article 7 or the proviso of the preceding article, the notice of termination must be given in accordance with the following:

1. Where the employee has worked for the Company for more than three months but less than one year, then ten days prior notice shall be given;
2. Where the employee has worked for the Company for more than one year but less than three years, then twenty days

prior notice shall be given; or

3. Where the employee has worked for the Company for more than three years, then thirty days prior notice shall be given.

Upon receiving the abovementioned notice, the employee may take leaves during work hours to look for employment, provided, however, the leaves taken shall not exceed two days per week. During the said leave, the Company shall continue to pay wage to the employee.

Where the Company fails to give notice in compliance with the notice period prescribed in above and terminates the labor contract, the Company shall pay the wages that would have accrued for the notice period.

When an employee wishes to resign, he or she must give notice to the company based on the notice period prescribed above.

Article 10 (Issuance of Severance Payment)

In respect to an employee whose labor contract is terminated pursuant to Article 6, Article 7 or the proviso of Article 8, except for wages accrued during the advance notice period pursuant to the provisions for termination with notice or failure to provide notice, the Company shall make a severance payment within thirty days after the termination of the labor contract in accordance with the following:

1. In respect to the seniority accumulated prior to the application of the Labor Standards Act, the severance payment shall be calculated in accordance with the then applicable laws and regulations. If there were no such applicable laws or regulations at the time, the severance payment shall be calculated pursuant to the rules enacted by the Company or pursuant to the agreement reached by the employer and employees.

(※If the Company has enacted Rules on Severance Payment in respect to years of seniority accumulated prior to the application of the Labor Standards Act, please list the Rules herein.)

2. The severance payment for seniority that applies the pension policy provided under the Labor Standards Act (the old labor pension policy) is made in accordance with Article 17 of the Labor Standards Act.

(※The payment is made to those who meet the requirements for retirement in accordance with the standards of pension payment.)

3. For the severance payment for seniority that applies the pension policy provided under the Labor Pension Act (the new labor pension policy), a half of the one-month average wage is paid for every completed year of employment. In the case that the employee has worked for less than a year, the severance payment is made proportionally. The maximum payment shall be limited to the 6-month average wage of the employee.

The issuance of the severance payment shall not apply to employees who voluntarily resign from, and whose resignation is approved by the Company, or those employees who left the company upon the expiry of a fixed term labor contract pursuant to Article 11.

(※1. If your company was established on or after July 1, 2005, the Labor Standards Act is applicable to its business. If your company employs no foreign workers, then severance payments shall be made to your company's employees in accordance with the Labor Pension Act. Subparagraphs 1 and 2 of Paragraph 1 of this Article shall not be applicable.

2. If your company was established on or after July 1, 2005 and has indicated to apply the Labor Standards Act. If your company employs no foreign workers, then severance payments shall be made to your company's employees in accordance with Subparagraphs 1 and 3 of Paragraph 1 of this Article. Subparagraph 2 of Paragraph 1 not be applicable.)

Article 11 (Termination Without Notice; Grounds for Dismissal)

In the event where any of the following occurs, the Company may terminate an employee's labor contract without notice:

1. When entering into the labor contract with the Company,

the employee made misrepresentations upon which the Company had relied, as a result of which the Company may have suffered losses and damages;

2. Where the employee committed violent acts or serious insults against the employer, their family, their representatives, or towards other company employees;
3. Where the employee is convicted of an offence by a final judgment and sentenced to prison for a definite term, without the possibility of probation or payment of fines in lieu of imprisonment;
4. Where the employee intentionally damages the machinery, tools or other objects owned by the Company, or intentionally discloses technical or trade secrets, as a result of which the Company suffers losses and damages;
5. Where the employee is absent from work without legitimate cause for three consecutive days or for a total of six days within a month; or
6. Where the employee violates the labor contract or the work rules, which the Company considers to be adequate grounds for dismissal.

Where the termination is based on Subparagraphs 1, 2 and 4 to 6 of Paragraph 1, the Company may terminate the contract within thirty days from the date when the Company is made aware of such circumstances.

Article 12 (Resignation Procedure)

Where an employee resigns from the Company, he or she shall complete the resignation and work transfer procedure according to the rules of the Company.

Article 13 (Employment Certificate)

Upon termination of the labor contract, the Company shall issue an employment certificate at the request of the employee.

Article 14 (Transfer)

If required for business operations, the position held by the employee or the location of work may be adjusted to the extent permitted by the labor contract and to the extent that

no adverse changes are made to the employee's wages or other labor conditions, and the employee is capable of executing the transferred duties in terms of physical strength and skills. After considering the interests and needs of the employee and his or her family, and depending on their physical capacity and skills, the Company may transfer an employee to another position or work location. Years of seniority shall continue to accumulate. Where the employee has legitimate cause, the employee may apply for re-consideration of the transfer.

In the event where the transfer location is too far, the Company shall provide necessary assistance to the employee.

Article 15 (Work Transfer Procedure)

Upon receipt of a Notice of Personnel Transfer, the employee shall complete the work transfer procedure within ___ days (※Please specify the duration)(unless otherwise instructed), and report to the new position.

(※If the Company has enacted any provision regarding severance payment, please list it herein.)

Chapter 3 Wage, Allowances and Bonuses

Article 16 (Agreement on Wages)

Employees' wages may be negotiated and agreed upon by the Company and the employees, provided, however, that the remuneration received by the employees during normal work hours shall not be lower than the minimum wage.

Article 17 (Definition of Wage)

Wage shall refer to the remuneration received by the employees in return for the work carried out thereby, including pay according to time worked, salaries, bonuses, whether payable in cash or in kind, as calculated by hour, by day, by month or by case, as well as any allowances or other regular payment, under whatever name.

Article 18 (Calculation of Wages and the Payment thereof)

The employees' wages may be calculated, where necessary, by hour, by day, by month or by case.

The payment of the employees' wages shall be directly paid to the employees in full, unless otherwise stipulated by law or agreement with an employee or employees.

The wages paid to the employees shall be made by the prescribed period as agreed to by the employees as follows. If the payment day falls on a regular day off or a holiday, the payment of the wages shall be made before the day off or the holiday. A document (i.e. pay sheet) specifying each item of wage and method of computation shall be provided.

Once a month: The wages for (the previous month the corresponding month the following month) shall be paid on the ___ day of each month.

Twice a month: The wages accrued from the ___ day of (the previous month the corresponding month the following month) to the ___ day of (the previous month the corresponding month the following month) shall paid on the ___ day of each month, and the wages accrued from the ___ day of (the previous month the corresponding month the following month) to the ___ day of (the previous month the corresponding month the following month) shall paid on the ___ day of each month.

Others: _____

Upon termination of the labor contract with an employee, the Company shall settle, and pay to the employee, the wages.

Article 19 (Standards for the Payment of Overtime Work)

Payment for overtime work during the normal working days:

Where the Company has extended the work hours of the employees, wages for the overtime work shall be paid in accordance with the following:

1. Where the overtime work does not exceed two hours, the employees shall be paid, in addition to the regular wage, an additional one-third of the regular hourly rate;
2. Where the overtime work is further extended within two

hours, the employees shall be paid, in addition to the regular wage, an additional two-thirds of the regular hourly rate; or

3. Where the overtime work is requested as a result of natural disasters, emergencies or unexpected events, the employees shall be paid, in addition to the regular wage, two times the regular hourly rate.

Payment for overtime work during a rest day:

1. Where it is necessary for the business operation of the Company and the Company has obtained the consent of the employees to work overtime during a rest day, if the work hours are less than two hours, the hourly wage for overtime work shall be increased by at least an additional one-third of the original hourly wage. If the employee continues working after having worked for two hours, his or her hourly wage for overtime work shall be increased by at least an additional two-thirds of his or her original hourly wage.
2. Where it is deemed necessary for employees to work on a rest day due to any natural disaster, emergency or unexpected event, the Company shall pay the wages of employees for the overtime work in accordance with the provisions of the preceding subparagraph.

Article 19-1 (Compensatory leave after overtime work on a regular working day or a rest day)

After working overtime on a regular working day or a rest day, the employee may choose to take compensatory leave. The employer agrees that the ratio for the work hour versus the hour of compensatory leave shall be 1:_ (no less than 1:1), and the period for taking compensatory leave shall be months.

The granted compensatory leave not used before the expiration of the period for taking compensatory leave or the termination of the contract shall be converted to wages in accordance with the standards for computation of wages.

Article 19-2 (Last day of the compensatory leave period)

In case that such period for taking compensatory leave as indicated in the preceding article goes beyond the last day of the year, as addressed in Article 27, the last day of the period shall be the last day of the year.

Article 19-3 (Order of hours of compensatory leave used)

Hours of compensatory leave granted for extended work hours and overtime work on rest days, shall be used in the order of precedence in which they have been granted.

Article 19-4 (Period for payment of overtime wages for the hours of compensatory leave not used during the stipulated period)

Upon expiration of the period for taking compensatory leave or termination of the contract, the overtime pay corresponding to the hours of compensatory leave, if not yet taken, shall be paid to the employee:

On the payday determined according to Article 18 for payment of wages made to employees; or

___ days after the expiration of the period stipulated for taking compensatory leave (no more than 30 days).

Upon expiration of the contract, the Company shall pay to the employee any overtime pay corresponding to any hours of compensatory leave which have not been used, with payment of wages settled in accordance with Article 18.

Article 20 (Allowances and Bonuses)

(※If the Company grants any year-end bonus or dividends, holiday bonuses, different kinds of allowances, bonuses for productivity, efficiency, full attendance or any other motivational bonuses, please list the criteria, the standard and the period for the issuance thereof.)

Article 20-1 (Wages for work during times of natural disaster)

The Company shall not deduct any wages of an employee who is unable to go to work in any of the situations listed in the Guidelines for Management of Attendance of Business Entity Employees upon Natural Disaster and Payment of Wages. A wage of ___ times the amount of the original pay rate shall be

paid to an employee required to work by the Company during the period of natural disaster.

Chapter 4 Work Hours, Breaks, Holidays and Leaves

Article 21 (Work Hours)

The normal work hours of an employee shall not exceed eight hours per day and forty hours per week.

The Company may, depending on the actual needs, implement flexible work hours pursuant to Articles 30 (2) and (3) and 30-1 of the Labor Standards Act.

The Company may allow employees to flexibly adjust the time of commencement or end of their work, within the range of one hour, should the employees need to take care of their families, provided, however, that such adjustment shall not change total daily work hours.

Where an employee is recommended by a physician to shorten work hours in accordance with Articles 21, 29 and 31 of the Occupational Safety and Health Act, the Company shall adopt the physician's recommendation to shorten his or her working hours. The Company shall adjust work hours as required by applicable laws.

(※If a business entity adopts flexible work hours pursuant to Articles 30 (2) and (3) and 30-1 of the Labor Standards Act, the work hours arrangement of the business entity shall meet the requirements as provided by the central competent authority and be approved by the labor union before the adoption of flexible work hours. If the business entity has no labor union, flexible work hours shall be adopted only after approval by a meeting between labor and management.)

In the event where a female employee with a child under the age of two is required to feed her child, in addition to the prescribed break times, the Company shall give the female employee a 60-minute feeding time each work day. In the case that such an employee's overtime work extends beyond daily work hours by over one hour, an extra 30-minute feeding time

shall be given. The feeding time shall be considered as work hours.

In the event where an employee is raising a child under the age of three, the employee may request any of the following:

1. To reduce work hours by one hour per day, provided, however, that the employee shall not demand remuneration for the reduced work hours; or
2. To adjust the work hours.

If an employee makes a request for feeding time, a reduction of work hours or an adjustment of work hours pursuant to the two preceding paragraphs, the Company shall not refuse, nor consider such an adjustment of work hours as an absence from work that would affect the full attendance reward or performance of the employee, nor shall the company otherwise subject the employee to any sanction.

Article 22 (Overtime Work)

Where it is deemed necessary by the Company for the employees to work outside the normal work hours, upon the approval of the labor-management meetings, the Company may extend the work hours.

(※Where the Company has a labor union, the preceding paragraph shall be amended to: “Where it is deemed necessary for the employees to work outside the normal work hours, with the consent of the labor union, the Company may extend the work hours.)

The aforementioned extension of employees’ work hours, together with the normal work hours, shall not exceed twelve hours per day. The number of extended work hours shall not exceed forty-six hours per month. However, with consent agreed upon at the labor-management meeting, a longer extension of work hours, which shall not exceed fifty-four hours per month and shall not exceed 138 hours every three months, may be permitted.

(※In the case that the Company has employed more than 30 workers and extended their work hours in accordance with the proviso of the preceding paragraph, the Company shall report such work hour

extensions to the local competent authority for its record.)

(✘In the case that the Company has a labor union, the proviso of the preceding paragraph shall be amended to “with the consent of the labor union, a longer extension of work hours, which shall not exceed fifty-four hours per month and shall not exceed 138 hours every three months, may be permitted.”

For the employees required by the Company to work on rest days, their time of work on rest days shall be included in such extension of work hours as provided in the preceding paragraph. Where it is deemed necessary by the Company for the employees to work on rest days for reasons of natural disasters, emergencies or unexpected events, the work hours are not limited by the provisions of the preceding paragraph, and the Company shall report to the local competent authority within twenty-four hours after the commencement of work, and shall grant the employees suitable time off thereafter as compensation for the overtime work.

(✘Where the Company has a labor union, the proviso of the preceding paragraph shall be amended to: “Where it is deemed necessary by the Company for the employees to work on rest days for reasons of natural disasters, emergencies or unexpected events, the work hours are not limited by the provisions of the preceding paragraph, and the Company shall report to the labor union within twenty-four hours after the commencement of work, and shall grant the employees suitable time off thereafter as compensation for the overtime work.”)

Where it is deemed necessary by the Company for the employees to work outside the normal work hours for reasons of natural disasters, emergencies or unexpected events, the Company may extend the work hours accordingly, provided, however, that the Company shall report to the local competent authority within twenty-four hours after the extension. The Company shall grant the employees suitable time off thereafter as compensation for the overtime work.

(✘Where the Company has a labor union, the proviso of the preceding paragraph shall be amended to: “Where it is deemed necessary by the Company for the employees to work outside the normal work hours for reasons of natural disasters, emergencies or unexpected events, the Company may extend the work hours accordingly, provided, however, that the Company shall report to the labor union within twenty-four hours after the extension. The Company shall grant the employees suitable time off thereafter as compensation for the overtime work.”)

An employee may refuse to accept work outside the normal work hours for health reasons or other legitimate reasons.

Article 23 (Overtime Application)

For the purpose of Article 22, if it is necessary to work overtime, the employee working overtime shall fill out the “overtime application.” Upon obtaining the approval from the authority, the employees shall proceed with the overtime work.

Article 24 (Break Time)

Employees shall be entitled to at least thirty-minutes of break time after having continuously worked for four hours. However, where the work is carried out in shifts or where the work is continuous or urgent, the Company may reschedule and adjust the break time within the work hours.

Article 24-1 (Time for rest between shifts)

In the case that the Company implements a shift system, workers on shifts shall be rotated on a weekly basis except as otherwise consented to by the workers. Workers on rotation shall be granted a rest period of at least eleven successive hours.

(✘In the case that the Company is governed by the central authority in charge of relevant businesses and faces special circumstances, as announced by the central competent authority, the time for rest may be changed to a period of no less than eight successive hours, provided

the Company obtained the consent of the labor union before changing the rest period. If a business entity has no labor union, the business entity may change the rest period only after reaching consent at the labor-management meeting, and shall specify the changed rest period between shifts in this Article. Where a business entity has employed more than thirty workers, the business entity shall report any such change to the local competent authority for its record.)

Article 25 (Regular Days Off and Rest Days)

For every seven days, the employees shall be entitled to at least two days of rest, one of which is a regular day off and the other of which is a rest day. The wage for the two days of rest shall still be paid.

(✕Where the Company has obtained the consent of the central authority in charge of relevant businesses and has been designated by the central competent authority as a business that may flexibly adjust regular days off, the Company may make such adjustments with the consent of the labor union. If a business entity has no labor union, the business entity shall adjust regular days off only by obtaining consent at the labor-management meeting. Where a business entity has employed more than thirty workers, the business entity shall report any such adjustment to the local competent authority for its record.

Article 26 (Holidays)

Employees shall be granted paid leave on memorial days and holidays designated by the Ministry of the Interior, Labor Day, and other days that the central competent authority deems as holidays. The Company may have employees take another day off instead of any of the aforementioned holidays only with the consent of the employees and the employer.

Article 27 (Number and Arrangement of Annual Paid Leaves)

Where an employee continues to work for the Company for a certain period of time, he or she shall be entitled to annual paid leave in accordance with the following:

1. Where the employee has worked for the Company for more than six months but less than one year, three days;
2. Where the employee has worked for the Company for more than one year but less than two years, seven days;
3. Where the employee has worked for the Company for more than two years but less than three years, ten days;
4. Where the employee has worked for the Company for more than three years but less than five years, fourteen days per year;
5. Where the employee has worked for the Company for more than five years but less than ten years, fifteen days per year; or
6. Where the employee has worked for the Company for more than ten years, one day for each year until 30 days.

The aforementioned seniority of the employee shall be calculated from the date the employee is hired by the Company. The employee may exercise his or her right to take annual paid leave during any of the following periods agreed by the employee and the employer.

- The period of a year from the date of employment, or for an employee who has worked for the Company for over six months but less than a year, the period of six months after the employee has obtained the right to annual paid leave;
- The period between January 1 to December 31 of every year;
- An academic year;
- The fiscal year from ___(MM)__(DD) to ___(MM)__(DD);
- The year from ___(MM)__(DD) to ___(MM)__(DD) as agreed by the employee and the employer.

Dates of annual paid leave shall be arranged by employees. The Company shall ask employees to arrange dates of annual paid leave within thirty days after the employees have satisfied the conditions of annual paid leave provided in the preceding paragraph.

Article 27-1 (Payment of the wage for days of annual paid leave not used and written notice)

Where there is annual paid leave that has not been taken at the end of the year or at the termination of the contract, the Company shall pay wages for the number of days of annual paid leave, to which the employee is entitled. The wages for days of annual paid leave not used by an employee is calculated based on the unused days of annual paid leave multiplied by his or her daily wage.

The wages for unused days of annual paid leave is calculated based on the employee's wages for normal work hours on the day before the end of the year or the termination of the contract. For an employee who receives wages on a monthly basis, the wage for unused days of annual paid leave is computed based on the employee's wages for normal work hours in the latest one month before the end of the year or the termination of the contract, divided by thirty.

The wage for days of annual leave unused by the end of the year shall be paid within the following period:

- On the payday stipulated in Article 18 for payment of wages made to employees; or
- ___ days after the end of the year (no more than 30 days).

The wages for days of annual leave unused at the termination of the contract shall be paid, together with the wages settled, to the employee after the termination of the contract.

The days of annual paid leave granted to each employee and the amount of wages for unused annual paid leave paid to the employee shall be recorded by the Company for accounting purposes. The employee shall be informed of such days and amounts when the Company pays an employee any wages for unused days of annual paid leave, in accordance with the preceding two paragraphs.

Article 27-2 (Period for taking deferred annual paid leave and payment of the wage for unused days of annual paid leave)

With the consent of the employee and the Company, the days of annual paid leave unused by the employee before the end of the year may be used in the following year. Where the deferred days of annual paid leave are still not used at the end

of the following year or by the expiration of his or her contract, wages for the unused days of annual paid leave shall be paid to the employee within the period stipulated by Article 27-1.

The wages mentioned in the preceding paragraph shall be calculated based on the wage payable at the time the original annual paid leave was granted.

The days of annual paid leave deferred to the following year in accordance with the preceding paragraph may be used by the employee when taking annual paid leave during the year to which the paid leave is deferred.

Article 28 (Overtime Work During Holidays)

Wages shall still be paid during the employees' regular days off and rest days as prescribed under Article 25, holidays as prescribed under Article 26, and annual paid leave as prescribed under Article 27. Where the Company has obtained the consent of the employees to work overtime during the holidays as prescribed under Articles 26 and 27, the wages paid to the employee shall be doubled by the Company for such work periods.

Article 29 (Cancellation of the Holidays)

For reasons of natural disasters, emergencies or unexpected events, if it is deemed necessary by the Company to continue business operations, the Company may cancel the employees' regular days off, holidays and annual leave as prescribed under Articles 25 to 27, provided, however, that the Company shall specify reasons and report them to the local competent authority for its record within twenty-four hours after such an event. The wages for the cancelled holidays shall be doubled and the Company shall grant the employees days off as compensation.

Article 30 (Leave and Child Care Leave)

(※The Company may enact its rules regarding leaves of absence that are better than the provisions prescribed by law.)

The employees may take leaves of absence for weddings,

funerals, sickness or other legitimate causes. Leaves of absence may be divided into twelve categories, including leave for marriage, personal leave, leave for family care, sick leave, menstruation leave, leave for funerals, leave for occupational accidents, maternity leave, leave for public duties, leave for pregnancy checkups, paternity leave and leave for recuperation after pregnancy. The number of permitted days for leave and payment of wages during the period thereof shall be in accordance with the following:

1. Leave for marriage: Where an employee is getting married, eight days with wages paid. The employee shall use the granted days for leave within 3 months from 10 days prior to the date of marriage. However, with the consent of the Company, the employee may use the granted days for leave within a year. The wages shall be paid during leave for marriage.
2. Personal leave: Where an employee needs to personally take care of their individual matters, the said employee may take personal leave, provided, however, that the aggregate amount of personal leave taken shall not exceed fourteen days per year. The wages shall not be paid during personal leave.
3. Sick leave: Where an employee is required to be treated medically or to take rest for injury, sickness or biological reasons, the employee may take sick leave pursuant to the provisions below. Where the employee takes sick leave for a consecutive period of more than ___ days (※Please specify the duration)(inclusive), he or she must submit proof of medical treatment. (Where the aggregate amount of sick leave taken in a year does not exceed thirty days, the wages paid to an employee shall be half of the regular wage during sick leave. Where the injury or sickness is partially covered by the labor insurance but the amount of compensation is less than half of the employee's wage, the Company shall compensate for the balance thereof.)
 - (1) Where the employee is not hospitalized, the aggregate number of permitted days of sick leave shall not

exceed thirty days in a year.

(2) Where the employee is hospitalized, the aggregate number of permitted days of sick leave shall not exceed one year within a period of two years.

(3) The aggregate number of permitted days of sick leave for non-hospitalization and hospitalization shall not exceed one year within a period of two years.

When an employee is diagnosed by a physician as suffering from cancer (including cancer in situ) and requires treatment in outpatient services, or needs to recuperate following pregnancy, the period of treatment or recuperation shall be designated as days of sick leave for hospitalization.

In the event where the number of days of sick leave taken has exceeded the permitted duration, as prescribed in the preceding paragraph, and the employee has still not recovered after using their permitted personal leave and annual paid leave, with the permission of the Company, the employee may take unpaid leave. If the employee has still not recovered after the permitted period of unpaid leave, the Company may dismiss the said employee. Where the employee has met the criteria for retirement provided in the Labor Standards Act, the Company shall pay the retirement pension thereto.

4. Menstruation leave: If it is difficult for a female employee to work while menstruating, the female employee may take one day of menstruation leave per month. Where the days of menstruation leave used in a year are less than three, the menstruation leave taken shall not be counted as sick leave. Any portion in excess of three days shall be included in sick leave. (No supporting document is required for menstruation leave. Additionally, half of an employee's wages shall be paid for days of menstruation leave, whether designated or not designated as sick leave.)

5. Leave for funerals: The wages shall be paid during the leave for a funeral. Days of leave for funerals may be taken at different times within one hundred days pursuant to custom.

- (1) If the parent, adoptive parent, step parent or spouse of an employee is the deceased, eight days;
 - (2) If the paternal or maternal grandparent, child, parent of the spouse, adoptive parent or step parent of the spouse of an employee is the deceased, six days;
 - (3) If the paternal or maternal grandparent or sibling of the spouse of an employee is the deceased, three days.
6. Leave for occupational accidents: Where an employee is disabled, injured or sick as a result of an occupational accident, the employee shall be granted leave during the period of medical treatment or rest.
7. Maternity leave:
- (1) A female employee expecting to give birth shall be given eight weeks of maternity leave, which should begin at an appropriate time prior to her expected due date.
 - (2) Where a female employee is pregnant for more than three months and has had a miscarriage, she should cease work and be given four weeks of maternity leave.
 - (3) Where the female employee mentioned in Item (1) or (2) above has been working for the Company for more than six months, full wages will be paid during the maternity leave. Where the aforementioned female employee has been working for the Company for less than six months, half of her regular wages will be paid during the maternity leave.
 - (4) Where a female employee is pregnant for more than two months but less than three months and has a miscarriage, she shall cease work and be given one week of maternity leave.
 - (5) Where a female employee is pregnant for less than two months and has a miscarriage, she shall cease work and be given five days of maternity leave.
 - (6) Female employees taking maternity leave must submit the relevant documents providing proof.

8. Leave for recuperation after pregnancy: For an employee needing to recuperate during pregnancy, the period of treatment or recuperation shall be designated as days of sick leave for hospitalization. The wages for days of leave for recuperation after pregnancy shall be calculated in accordance with regulations provided for sick leave.
9. Paternity leave: Where the spouse of a male employee gives birth, the male employee may take five days of paternity leave within a period of fifteen days before, on and after the day of birth. During the paternity leave, the wages shall be paid.
10. Leave for pregnancy checkups: A pregnant employee shall be given five days of leave for pregnancy checkups. During the leave for pregnancy checkups, the wages shall be paid.
11. Leave for family care: Where a family member of an employee needs to receive a vaccination, is seriously ill, or should a major accident occur, as a result of which the employee must personally take care of the family member(s), the employee may take leave for family care. The amount of family care leave taken shall be counted as personal leave and shall not exceed seven days per year. Wages during family care leave shall be calculated in accordance with the provisions for personal leave.
12. Leave for public duties: Where an employee must be granted leaves for public duties in accordance with applicable laws and regulations, the employee shall be granted leave based on the actual number of days required, during which the wages shall be paid.

Where an employee takes annual paid leave, leave for marriage, leave for a funeral, leave for occupational accidents, leave for public duties and/or maternity leave, the employee shall still be entitled to any full attendance reward(s).

Upon having worked for the Company for more than six

months, an employee may, before each of his or her children turns three years old, apply for unpaid childcare leave for a period until the said child turns three years old, provided, however, that the period of unpaid childcare leave shall not exceed two years. Where an employee needs to take care of more than two children at the same time, the unpaid childcare leave taken for each child shall be combined and the duration thereof shall not exceed a period of two years prior to the third birthday of the youngest child.

Where an employee applies for menstruation leave, unpaid childcare leave, leave for family care, paternity leave, leave for recuperation after pregnancy, maternity leave and/or leave for pregnancy checkups, the Company shall not refuse nor consider that such leaves of absence from work would affect any full attendance reward, the performance of such an employee, or otherwise subject the employee to any sanction.

Article 31 (Leave Taking Procedure)

Where an employee takes leave with cause, the employee must fill out the application for taking leave beforehand and can only leave work or be absent from work after having explained the reason to take leave and obtained the approval of the Company. In case of sudden illness or unexpected major accidents, the employee may, within ___ days, ask his or her colleague, family or friend, or by telephone, facsimile, email or prompt delivery mail to report to his or her supervisor and complete the leave taking procedure on his or her behalf. If it is necessary to provide further explanations or proofs, the employee shall submit the explanations or proofs within ___ days for the review and approval of the authority in charge.

Article 32 (Calculation of the Number of Days of Leave Taken)

The aggregate number of days of personal leave and sick leave taken shall be calculated from January 1 of each year to December 31 of the same year.

(※If the Company has established a different fiscal year, the aggregate number of days of personal leave and sick leave may be calculated in accordance with the fiscal

year.)

Article 33 (Unit of Calculation for Taking Leave)

The minimum unit for taking leave shall be _____ (day/ half day/ hour) per _____ (type of leave).

Where an employee has taken sick leave for a period of more than thirty days, if any day of sick leave taken falls on a rest day, regular day off, a memorial day or holiday designated by the Ministry of the Interior, Labor Day, or any other holiday designated by the central competent authority, such days shall be included in the period of leave taken.

Chapter 5 Retirement

Article 34 (Voluntary Retirement)

Where any of the following occurs, an employee may voluntarily apply for retirement:

1. Where the employee has continuously worked for the Company for more than fifteen years and has reached the age of fifty-five years old;
2. Where the employee has continuously worked for the Company for more than twenty-five years; or
3. Where the employee has continuously worked for the Company for more than ten years and has reached the age of sixty years old.

(※The Company may enact its early retirement rules that are better than the provisions of the Labor Standards Act. If pensions are paid from the labor retirement reserve fund account, the Company shall report to the labor affairs authority.)

Article 35 (Compulsory Retirement)

The Company may not force an employee to retire, except in the following cases:

1. Where the employee reaches the age of sixty-five years old; or
2. Where the employee is unfit to carry out his or her work due to mental or physical disability.

Where the nature of the work is dangerous or requires physical strength, the Company may report to the central competent authority and obtain its approval to adjust the age prescribed in Subparagraph 1 of the preceding paragraph, provided, however, that the adjusted age shall not be less than fifty-five.

Article 36 (Standards for Payment of Retirement Pension)

The retirement pension shall be paid to the employees in accordance with the following standards:

1. In respect to the seniority accumulated before the application of the Labor Standards Act, the standards for calculating and paying the retirement pension shall be in accordance with applicable laws. In case of no applicable law or regulation, the pension shall be computed pursuant to the rules provide by the Company or determined through negotiation of the employees and the Company.

(※Where the Company has applied applicable laws regarding seniority before the application of the Labor Standards Act or has established its own regulations for retirement pension payment, please list such laws or regulations herein.)

2. For an employee to whom the provisions on retirement pension under the Labor Standards Act (the old labor pension scheme) apply, the pension shall be given in accordance with Article 55 of the Labor Standards Act. Where an employee who is required to retire pursuant to Subparagraph 2 of Article 35 (1) above of the Act is mentally or physically disabled as a result of an occupational accident, the Company shall pay an additional 20% of the pension in accordance with Subparagraph 2 of Article 55 (1) of the Labor Standards Act.
3. For employees to whom the provisions on retirement pension under the Labor Pension Act (the new labor pension scheme) apply, the Company shall reserve on a monthly basis an amount equivalent to ___% (no less than 6%) of the employees' wage and remit the said

amount to the pension account of the individual employee.

(※1. If the Company was established after or on July 1, 2005, its business applies to the Labor Standards Act and the Company has employed no foreign workers, the Company shall contribute the pension fund for its employees in accordance with the Labor Pension Act. In this subparagraph, the Company only needs to provide that “As of __ (dd) __ (mm) ____ (yyyy) when the Labor Standards Act is applicable to the Company, the Company shall reserve on a monthly basis an amount equivalent to ___% of the employees’ wage (no less than 6%) and remit the said amount to the pension account of the individual employee.” Subparagraphs 1 and 2 of this Article may be deleted.

2. If the business of the Company was designated to apply to the Labor Standards Act after or on July 1, 2005 and the Company has employed no foreign workers, retirement pensions shall be paid to employees of the Company in accordance with Subparagraphs 1 and 3 of this Article. Subparagraph 2 shall be deleted.)

Article 37 (Payment of Retirement Pension)

The Company shall pay a retiring employee the retirement pension calculated pursuant to the provisions on retirement under the Labor Standards Act within thirty days from the date of the retirement.

Article 38 (Request for Retirement Pension)

For an employee to whom the Labor Standards Act is applicable, his or her right to claim retirement pension shall be forfeit if the said right is not exercised within five years from the month following the effective date of the retirement. The right to claim retirement pension shall not be transferred, cancelled, pledged or offered as collateral.

An employee may prepare supporting documents and open a specific account with a financial institute to deposit the retirement pension referred to in the preceding paragraph.

The deposits in the specific account shall not be cancelled, pledged, offered as collateral or become a target to be enforced.

Chapter 6 Female Employees

Article 39 (Protection of Female Employees During Night Shift)

The Company shall not make female employees work between 10PM and 6AM, unless otherwise approved by the labor-management meetings and provided that the following requirements are satisfied:

(※Where the Company has a labor union, the aforementioned paragraph shall be amended to “the Company shall not make female employees work between 10PM and 6AM, unless otherwise agreed by the labor union and provided that the following requirements are satisfied: ”)

1. The necessary safety and health facilities are provided.
2. Where there is no public transportation available, the Company shall arrange for transportation or dormitories for female employees.

In the event that a female employee cannot work between 10PM and 6AM for health reasons or other legitimate causes, the Company shall not force her to work.

If, due to natural disasters, emergencies or unexpected events, the Company must require female employees to work between 10PM to 6AM, Paragraph 1 of this Article shall not apply.

The proviso of Paragraph 1 and the preceding paragraph shall not apply to those female employees who are pregnant or breast-feeding.

Article 40 (Protection Given Before and After Birth)

During the pregnancy, a female employee may apply to be transferred to less strenuous work (if any) and the Company shall not refuse, and shall not reduce her wage.

Chapter 7 Attendance, Review, Rewards, Sanctions and Promotions

Article 41 (Lateness and Leaving Work Early)

Employees shall come to work and leave work on time and shall promptly punch-in (or sign-in) according to the rules. The provisions regarding lateness, leaving work early, and absence from work are as follows:

1. Where an employee comes to work ___ minutes after the prescribed time for the commencement of work, the said employee shall be deemed as being late to work, except in case of accidents, where the authority in charge has agreed for the employee to take a leave.
2. Where an employee leaves work ___ minutes before the prescribed time for the end of work without cause, the said employee shall be deemed to have left work early.
3. Where an employee is absent from work without cause for his or her failure to complete the procedure of leave taking or continuation of taking leave upon expiry of the permitted leave of absence, the said employee shall be deemed to have been absent without notice.
4. Where an employee fails to either obtain approval from his or her supervisor or complete the procedure of leave taking and leaves work during work hours, the employee shall be deemed to have been absent without notice during the said period of time.

Article 42 (Performance Review)

In order to encourage the spirit of hard work and ensure the progress of work, the Company may, depending on the needs thereof, conduct employee performance reviews.

Article 43 (Reward, Sanction and Promotion)

In order to encourage the spirit of hard work and ensure the progress of work, the Company may reward, sanction and promote employees based on their performance.

(✘The Company may enact its rules regarding reward, sanction and promotion, provided, however, that the rules regarding sanction must be specific and

unequivocal, while individual sanctions must be appropriate and fair. The Company shall not abuse its power.)

Chapter 8 Compensation for Occupational Accidents and Condolence Compensation

Article 44 (Compensation for Occupational Accidents)

Where an employee is deceased, disabled, injured or ill as a result of an occupational accident, the Company shall compensate such an employee in accordance with the following provisions. However, if, for the same accident, the Company has already paid compensation pursuant to the Labor Insurance Act or other laws and regulations, the Company may deduct payment therefrom:

1. When an employee is injured or suffers from any occupation-related disease, the Company shall compensate for necessary medical expenses. The types of occupation-related diseases and the scope of medical treatments covered shall be determined by the relevant provisions under the Labor Insurance Act.
2. Where an employee is receiving medical treatment and is not able to work, the Company shall compensate the employee in accordance with the amount of wage originally received by the employee. However, if the employee is unable to fully recover after two years of medical treatment and is diagnosed by the designated hospital as being unable to carry out the work, and if the employee does not satisfy the disability requirements under Subparagraph 3 of this Article, the Company may, upon making a lump-sum payment equivalent to forty-months of the average wage, be released from its obligation to compensate the employee.
3. After the termination of medical treatment, if the employee is diagnosed by the designated hospital as being disabled, the Company shall pay a lump-sum for disability compensation based on the employee's average wage and their level of disability. The standards of disability compensation shall be as prescribed under the Labor

Insurance Act.

4. When an employee dies due to an occupational accident or occupation-related disease, in addition to the payment of funeral subsidy equivalent to five months of such an employee's average wage, the Company shall pay the surviving family members an amount equivalent to forty months of the deceased employee's average wage as compensation. The order in which the surviving family members may receive the compensation shall be as follows:

- (1) Spouse and children
- (2) Parents
- (3) Grandparents
- (4) Grandchildren
- (5) Brothers and sisters.

Article 45 (Deductions from Compensation for Occupational Accidents)

The amount of the compensation to be paid by the Company pursuant to the preceding Article may be applied towards the payment of damages arising from the same accident.

Article 46 (Period for Asserting a Claim of Compensation for Occupational Accidents)

The right to claim compensation for occupational accidents compensation as prescribed under Article 44 shall be forfeit if such a right is not exercised within two years after the date when the employee becomes entitled to receive such compensation.

The right to claim compensation for occupational accidents compensation shall not be effected upon for reasons related to an employee's resignation and shall not be transferred, cancelled, pledged or mortgaged.

Article 47 (Condolence Compensation)

(※Please specify the provisions regarding condolence compensation.)

Chapter 9 Social Insurance, Welfare, Safety and Health

Article 48 (Labor Insurance, Employment Insurance and National Health

Insurance)

All employees are insured by the Company with labor insurance, employment insurance and national health insurance pursuant to the laws and regulations and shall be entitled to the payment according to the relevant laws and regulations. In a situation where the employees suffer from any accident covered by insurance, the Company shall complete all required procedures for the employees to receive insurance benefits.

Article 49 (Employee Welfare)

In respect to the employees' welfare, the Company shall reserve welfare funds pursuant to the Employees' Welfare Funds Act.

(※A factory, mine ground, financial institute, company, firm or any enterprise or organization engaging in agriculture, fishery or pasturage that has employed more than fifty persons shall reserve welfare funds pursuant to the Employees' Welfare Funds Act.)

(※If the Company has provisions regarding other employees' benefits, please list them herein.)

Article 50 (Safety and Health)

The Company shall undertake safety and health measures in accordance with the Occupational Safety and Health Act and the employees shall cooperate and comply with the relevant regulations.

Chapter 10 Other Matters

Article 51 (Labor-Management Meetings)

In order to coordinate the employer-employees relationship, to further understand each other, to promote cooperation between the employer and the employees so as to increase efficiency at work, the Company shall convene labor-management meetings according to the "convocation rules of the labor-management conference." The meetings shall be held at least every three months, providing a forum for communication and exchange of comments. The employer

and employees shall, based on the principle of good faith, amicably negotiate in resolving issues.

Article 52 (Sexual Harassment Complaint Procedure)

If an employee encounters sexual harassment in the work place, he or she may complain to _____(Please specify the department/contact person.)

Complaint Tel: _____(Please specify.)

Complaint Fax: _____(Please specify.)

Complaint Email: _____(Please specify.)

Depending on the management needs, the Company may establish a separate Employee Complaint Procedure.

(※If the Company has established a complaint procedure, please list it herein.)

(※A company hiring more than thirty employees must enact sexual harassment prevention measures, a complaint procedure and sanctions framework, and must publicly disclose such measures, procedure and framework in a public area. In the case that a complainant for sexual harassment involves a dispatched worker, the division where the worker is employed shall recognize such a complaint and conduct an investigation together with the dispatching entity. If any sexual harassment is verified, the Company or division office shall discipline the offender and shall notify the dispatching entity and the complainant of the disciplinary measures taken.)

Article 53 (Supplementary Provisions)

In the event of any change in the laws and regulations, matters not addressed herein or matters involving other rights and obligations of the employees, the Company may, depending on its actual needs, take action according to relevant laws and regulations.

Article 54 (Implementation)

The Work Rules shall be announced and implemented upon approval by the competent authority. The same shall apply in case of any amendments.

Guideline for the Review of Work Rules

Promulgated on October 29, 1984 by the order (73) Tai-Nei-Lao-Zi No. 266750 of the Ministry of Internal Affairs

Amended on October 9, 2001 by the letter Tai-90-Lao-Dong-1-Zi No. 48967 of the Council of Labor Affairs, Executive Yuan

Amended on October 17, 2003 by the letter Lao-Dong-1-Zi No. 0920058082 of the Council of Labor Affairs, Executive Yuan

Amended on August 22, 2008 by the letter Lao-Dong-1-Zi No. 0970130569 of the Council of Labor Affairs, Executive Yuan

Amended on January 20, 2010 by the letter Lao-Dong-1-Zi No. 0980131041 of the Council of Labor Affairs, Executive Yuan

Amended on April 3, 2014 by the letter Lao-Dong-Tiao-1-Zi No. 1030130681 of Ministry of Labor

Amended on January 23, 2015 by the letter Lao-Dong-Tiao-1-Zi No. 1040130078 of Ministry of Labor

Amended on December 28, 2015 by the letter Lao-Dong-Tiao-1-Zi No. 1040132744 of Ministry of Labor

Amended on December 28, 2016 by the letter Lao-Dong-Tiao-1-Zi No. 1050133064 of Ministry of Labor

Amended on August 25, 2017 by the letter Lao-Dong-Tiao-1-Zi No. 1060131723 of Ministry of Labor

Amended on February 12, 2018 by the letter Lao-Dong-Tiao-1-Zi No. 1070130112 of Ministry of Labor

1. This Guideline is enacted to facilitate the competent authority in reviewing the Work Rules pursuant to Article 70 of the Labor Standards Act (hereinafter the “Act”).
2. When the competent authority reviews the Work Rules, it must give attention to the following:
 - (1) The wording of the Work Rules must be easy to understand and unequivocal. The terms used must be consistent with the Act.
 - (2) According to the principle of explicitness regarding labor conditions, the contents of the Work Rules shall be as complete as possible in accordance with Article 70 of the Act, except where it is clearly unnecessary for a matter be included therein.
 - (3) The Work Rules must be based on the spirit of coordination and cooperation between the employer and the employees.
 - (4) For matters which fall outside the scope of application provided in the Work Rules, they shall be addressed by the competent authority which shall assist the business entity in establishing an applicable regulatory framework for such matters.
3. The administrative processing time spent by the competent authority for the review of the Work Rules prepared by a business entity, based on the Sample Work Rules provided by Ministry of Labor, shall not exceed seven working days. In other circumstances, the processing time shall be limited to 14 working days. Where it is necessary, the review time may be extended once, and the total administrative processing time shall not exceed thirty days.

Where the Work Rules submitted do not comply with the statutory procedure or process, the competent authority shall provide explanation thereof and notify the company for rectification. Where the competent authority has issued a rectification notice which requires consulting with outside agencies, or has transferred the case for clarification due to inquiries related to the applicability of the law, the period of time from the day of notice or transfer until the day of rectification or receipt of clarification shall be deducted from the aforementioned administrative processing time

4. The contents of the Work Rules shall comply with the Act and related laws and regulations, and must be agreed to by the employees. Where there are matters that are required to be reported or approved, the company must submit the relevant documents for approval or shall complete the procedure pursuant to the regulations before including such matters into the Work Rules. For other matters, the company may also consult the employees and submit relevant documents for approval.
5. In the event that any employees submit objections in respect to the content of the Work Rules, the competent authority shall carefully consider such objections when reviewing the Work Rules.
6. Where the contents of the Work Rules are illegitimate or insufficient, the competent authority may instruct the company to delete, amend or add thereto.
7. The Work Rules of public enterprises and institutions shall be enacted pursuant to Article 84 of the Act and the competent authority shall carefully review the scope of application thereof and legal basis therefor.
8. This Guideline shall apply to the review of the Work Rules enacted by a company hiring less than 30 employees.
9. The competent authority shall, based on extant laws and regulations and the actual circumstances, exercise its authority in reviewing the Work Rules submitted by the company for review and approval with reference to the Table attached hereto.

TABLE

Item 1 Specified in the Work Rules Work Hours, Break Time, Leave, Regular Days Off, Rest Days, Public Holidays, Special Leaves of Absence and Rotation of Shifts for Continuous Work		
Contents	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule
<p>(1) Work Hours</p> <p>1. Normal daily work hours and the total number of weekly work hours.</p> <p>2. Distribution of the regular work hours to other days pursuant to Articles 30 (2), (3) and 30-1.</p> <p>3. Commencement and end of daily work hours.</p> <p>4. Commencement and end of every week.</p> <p>5. Overtime work hours.</p> <p>6. Children’s work hours. Work hours shorten based on the physician’s evaluation and recommendation.</p>	<p>Articles 30 (1), (2) and (3) and 30-1 of the Act (the Articles cited hereunder shall refer to the Articles of the Act unless otherwise specified).</p> <p>Article 32</p> <p>Articles 47 and 48, and Article 29 (3) and relevant provisions of the Occupational Safety and Health Act.</p>	<p>Normal work hours per day shall not exceed 8 hours, the aggregate number of work hours per week shall not exceed 40 hours.</p> <p>Distributed work hours shall not exceed 2 hours per day in accordance with Articles 30 (2) and 30-1 and shall not be applicable to child employees.</p> <p>Need not be consistent with the calendar days.</p> <p>1.The conditions and procedure shall comply with the regulations.</p> <p>2.Special provisions apply to work under tunnels.</p> <p>1.Child employees’ work hours are limited to 8 hours per day and 40 hours per week, with restrictions on working night shifts. The above rule is also applicable to workers under 15, regardless of employment relationship.</p> <p>2. The conditions and procedure shall comply with the regulations.</p> <p>3. A worker under 18 has to receive physical</p>

<p>7. Female employees' night shift hours 8. Breast-feeding time.</p>	<p>Articles 49 and 30-1.</p>	<p>examination in accordance with the Occupational Safety and Health Act. If the result of the physician's evaluation suggests that total work hours need to be decreased, the employer shall take the physician's suggestion into consideration.</p>
<p>9. Work hours for work under high temperature, delicate work, work requiring physical strength, work on scaffold, work under abnormal air pressure</p>	<p>Article 52; Article 18 of the Act of Gender Equality in Employment. Article 19 and relevant provisions of</p>	<p>The conditions and procedure shall comply with the regulations.</p>
<p>10. Work hours of a female worker who is pregnant or has delivered a baby within a year for work that may impair her health</p>	<p>the Occupational Safety and Health Act.</p>	<p>Breast-feeding time is regarded as work time.</p>
<p>(2) Break Time</p>	<p>Article 31 and</p>	<p>Where necessary, labor inspections institutions shall be</p>
<p>1. Beginning and end of break time</p>	<p>relevant provisions of</p>	<p>contacted for better understanding of the work involved</p>
<p>2. Provisions regarding rescheduling break time</p>	<p>the Occupational Safety and Health Act.</p>	<p></p>
<p>(3) Regular days off and rest days</p>	<p>Article 35.</p>	<p>Pay attention to whether there is any appropriate assessment scheme for physicians, and adjust work to protect the health of female workers.</p>
<p>1. Method of scheduling regular days off and rest days</p>	<p>Article 36.</p>	<p>Pay attention to the legal reasoning for requiring break times and the reasons for rescheduling.</p>
<p>2. Standards regarding the payment of wages when a regular day off is cancelled and provisions regarding days off as compensation thereof</p>	<p>Article 40.</p>	<p></p>
<p>3. Attendance on rest days</p>	<p>Articles 32 and 36</p>	<p>All shall be explicit. Ensure that regular days off and rest days provided shall not be less than the number stipulated by regulations.</p>
<p>(4) Memoria Day, Labor Day, etc.</p>	<p>Article 37</p>	<p>There must be legitimate conditions.</p>
<p>1. Dates of the holiday</p>	<p>Articles 39 and 40</p>	<p></p>
<p>2. Standards regarding the payment of wages when the holiday is cancelled and provisions regarding days off as compensation thereof</p>	<p></p>	<p></p>
<p>(5) Annual paid leave</p>	<p></p>	<p></p>
<p>1. Calculation of the number of days of annual paid leave</p>	<p></p>	<p></p>

<p>2. Method of scheduling annual paid leave and the application procedure in respect thereto</p> <p>3. Procedure for employees to apply for annual paid leave</p> <p>4. Informing employees in writing of the dates scheduled for annual paid leave and the amount of wages for unused days of annual paid leave</p> <p>5. With the consent of the employee and the Company, the days of annual paid leave unused by the employee before the end of the year may be used in the following year. When the deferred days of annual paid leave are still not used at the end of the following year or the expiration of his or her contract, wages for the unused days of annual paid leave shall be paid to the employee.</p> <p>6. Standards regarding the payment of wages when leave is cancelled and provisions regarding days off as compensation thereof</p> <p>(6) Maternity Leave for Female Employees</p> <p>1. Calculation of maternity leave</p> <p>2. Provisions regarding the payment of wages during the maternity leave</p>	<p>Article 38</p> <p>Article 38</p> <p>Article 38</p> <p>Article 38</p> <p>Article 38</p> <p>Article 38</p> <p>Articles 39, 40 and</p>	<p>Dates must be specified Grounds for cancelling holidays and the procedure in respect thereto</p> <p>Annual paid leave shall be calculated based on the date from which seniority began to be accumulated. The wages for unused days of annual paid leave shall be settled at the end of the year or upon expiration of the contract. Where the days for annual leave deferred to the next year are unused at the end of the next year or upon expiration of the contract, the wages for such unused days for annual leave shall be paid to the employee. Dates for annual leave shall be arranged by the employee.</p> <p>With the consent of the employees and the employer, days of annual paid leave may be deferred to the next year. Wages for unused days of leave shall be paid at the end of the</p>
---	--	---

<p>(7) Leave of Absence 1. Numbers of days for different types of leave 2. Payment of wages during the leave 3. Leave taking procedure (8) Rotation of Shift for Continuous Work 1. Commencement of each shift and the method of shift rotation.</p> <p>2. Hand-over of work from one shift to another</p>	<p>41.</p> <p>Article 15 of the Act of Gender Equality in Employment.</p> <p>Article 50.</p> <p>Articles 22, 23 and 43. Articles 14 to 16 and 20 of the Act of Gender Equality in Employment</p> <p>Article 34</p>	<p>year or upon expiration of the contract.</p> <p>Grounds for cancelling the scheduled leave and procedure of cancellation</p> <p>All shall be explicit and shall not be less than the standards required by law.</p> <p>Compliance with the provisions regarding the normal work hours and holidays as required by law, and the reason and procedure of changing break time in accordance with the proviso. Provisions regarding the rotation of day shifts and night shifts.</p>
<p>Item 2 Specified in the Work Rules Wage Standards, Method of Calculation and Pay Day</p>		
<p>Contents</p>	<p>Legal Basis</p>	<p>Matters Requiring Attention when Reviewing the Work Rule</p>

<p>(1) Standards for Wages</p> <p>1. The amount of the wage</p> <p>2. Wages for male and female employees</p> <p>(2) Calculation of the wage</p> <p>1. By months, by days, by hours, by case and the method of calculation</p> <p>2. Name of the items.</p> <p>3. Adjustment of wages</p> <p>(3) Payment of wages</p> <p>(4) Other matters related to wages</p> <p>1. Standards for the extension of work hours and the payment of overtime pay</p> <p>(1) Rest days and ordinary circumstances</p> <p>(2) Regulations of overtime and compensatory leave</p>	<p>Article 21</p> <p>Article 25</p> <p>Article 22</p> <p>Article 23</p> <p>Article 24</p> <p>Article 32-1</p>	<p>The minimum wage shall be announced by the Ministry of Labor. The wage negotiated and agreed by the employer and employee shall not be lower than the minimum wage. The wage shall be set by agreement and male employees and female employees shall be entitled to the same amount of remuneration for the same kind of work.</p> <p>Must be specific and may be indicated by words, lists or formula.</p> <p>Must be listed explicitly.</p> <p>Attention should be given to the reasonableness and framework thereof.</p> <p>Payment date, currency or physical objects.</p> <p>The employer shall maintain a record of wages paid, which shall indicate wages paid to employees, method of wage calculation, and the total amount of wages.</p> <p>Calculation of the standard amount and the amount shall increase pro rata.</p> <p>1. With the consent of the employer, the employee may choose to take compensatory leave for overtime work on a regular working day or a rest day, and hours of compensatory leave shall be calculated based on work hours.</p>
---	--	--

<p>(3) Natural disasters, emergencies, unexpected events on a regular working day</p> <p>(4) Natural disasters, emergencies, unexpected events on a rest day</p> <p>2. Wages for work during holidays</p> <p>(1) Ordinary circumstances</p> <p>(2) Natural disasters, emergencies, unexpected events</p> <p>3. Wages for female employees on maternity leave</p> <p>4. Wages for work during natural disasters</p>	<p>Paragraph 3 of Article 24 (1) and Article 32 (4).</p> <p>Articles 24 (2) and 32 (4).</p> <p>Article 39.</p> <p>Article 40.</p> <p>Article 50.</p> <p>Guidelines for Management of Attendance of Business Entity Employees upon Natural Disaster and Payment of Wages</p>	<p>2. The period for taking compensatory leave is determined through negotiation by the employee and the employer.</p> <p>3. The wage for any compensatory leave not taken yet upon expiration of the period for taking compensatory leave shall be calculated based on the daily wage and paid to the employee.</p> <p>4. The employer shall not require that all employees choose compensatory leave instead of wages for extension of work hours or work on rest days.</p> <p>Calculation base and double pay.</p> <p>Calculation of the standard amount and paid in double, days off as compensation thereof shall be granted thereafter.</p> <p>Determination of the wages paid to employees who are unable to go to work due to natural disasters and the wages paid to employees who are required to work by the employer.</p>
--	---	---

Item 3 Specified in the Work Rules Extension of work hours		
Contents	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule
(1) Overtime work which the employee thinks necessary (2) Overtime work for natural disasters, emergencies or unexpected reasons (3) Overtime work for the convenience of the public or for other special reasons	Article 32 (1), (2) and (3). Article 32 (4). Article 33	The procedure and the extension of work hours shall comply with the regulations. The employer shall provide employees with days off as compensation. The conditions and procedure shall comply with the regulations. Moreover, Article 19 of the Occupational Safety and Health Act and the related provisions must be taken into consideration. The work hours for child employees shall not be extended. The spirit of the Act shall be respected.
Item 4 Specified in the Work Rules Allowances and Bonuses		
Contents	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule
(1) Year-end bonuses or distribution of bonuses 1. Proportion of the bonuses to the profit surplus 2. Criteria for the receipt thereof and the method of calculation 3. Time of distribution (2) Holiday bonuses (3) Amount of different kinds of allowances and the criteria for the distribution thereof (4) Granting of bonuses for productivity, efficiency, full attendance or other kinds of motivational bonuses	Article 29; Article 21 of the Act of Gender Equality in Employment	Must be specific and provide objective standards. Ensure that the rights of the employee shall not be damaged when the employee requests a bonus or allowance in accordance in accordance with the law. The amount and distribution thereof must be specific. Whether such allowances are considered part of the employee wages in nature and whether there are provisions regarding the deduction or distribution thereof. 1. Whether such allowances are considered part of employee

		wages in nature and whether there are provisions regarding the deduction or distribution thereof. 2.The calculation of a full attendance award shall be based on the days for which the employees have fulfilled their duty by coming to work.
Item 5 Specified in the Work Rules Disciplinary Measures		
Contents	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule
(1) Statutory disciplinary measures (2) Disciplinary measures as mutually agreed by the parties with respect to the following: 1. Loyalty to the Company 2. Maintenance of order in the work place 3. Maintenance of the credit, reputation and business secrets of the Company 4. Protection of the mutual interests of the employer and the employees 5. Full-time duty (except where the employer has agreed to the employees taking on side jobs)	Subparagraphs 1 to 3, 5 and 6 of Article 2 (1)	Must be explicit and specific and shall not exceed the scope permitted by law. Establish the necessary management guidelines based on the principle of cooperation between employees and employer to promote business development: 1. The moral character and dignity of the employees shall not be damaged. 2. In principle, the personal conduct of the employees outside of the work place shall not be interfered with. 3. Act based on mutual respect and cooperation between the employer and employees. 4. Comply with the general social rules. 5. Important provisions shall be set out explicitly.
Item 6 Specified in the Work Rules Attendance, Taking Leave, Rewards and Sanctions and Promotions		
Content	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule
(1) Attendance 1. Standards for Attendance and Leaving Work 2. Method of conducting attendance review		Attendance should be recorded by specific methods such as punch-in or sign-in (off). With the aim of encouraging hard work.

(2) Taking leave and provisions related to wages during leave (3) Rewards and sanctions 1. Classification for levels of awards and sanctions. 2. Facts and the levels of awards and sanctions 3. Conversion of awards and carrying out of sanctions (4) Promotions and Transfers 1. Promotion 2. Horizontal transfer 3. Demotion (5) Labor Complaint	Article 43 Article 10-1 Article 74	Shall not be lower than the required standards. Measures of sanction shall not include dismissal. In principle, the Company shall respect the willingness of the employee. In case of a transfer, it shall comply with applicable provisions of Article 10-1. Punitive demotion shall be made according to the specific provision and facts and shall take into consideration the employee 's ability. Must be specific.
Item 7 Specified in the Work Rules Recruitment, Transfer, Dismissal, Termination, Resignation and Retirement		
Contents	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule
(1) Recruitment 1. Methods and conditions of recruitment 2. Procedure for commencing work (2) Transfer (3) Dismissal 1. Grounds for dismissal (1) Breach of statutory disciplinary provisions (2) Severe breach of agreed disciplinary provisions 2. Labor complaint and	Article 10-1 Subparagraphs 1 to 3, 5 and 6 of Article 12 (1). Subparagraph 4 of Article 12	The provisions shall not violate the Employment Services Act or discriminate against particular persons. Must be specific and comply with Article 10-1. Attention should be given to the reasonableness and specification of general social rules. It should be balanced with the labor contracts. Attention should be drawn to the specific matters that may influence operation of the enterprise. If the result of a review indicates that during the probation period, an employee is not competent, such

<p>protection measures</p> <p>(4) Termination 1. Grounds for termination</p> <p>2. Issuance of severance payment</p> <p>3. Notice period (5) Resignation 1. Causes of resignation (1) Attributable to Employer</p> <p>(2) Voluntary resignation</p> <p>(3) Notice period</p>	<p>Article 74 (2)</p> <p>Article 11, proviso of Article 13, Article 20, and Article 23 of the Act for Protecting Worker of Occupational Accidents</p> <p>Subparagraph 4 of Article 2 (1), Articles 17 and 84-2; Articles 11 (2) and 12 (1) and (3) of the Labor Pension Act Article 16.</p> <p>Article 14 (1); Article 24 of the Act for Protecting Worker of Occupational Accidents. Article 15.</p>	<p>incompetence is not a serious violation of discipline.</p> <p>When an employee files a complaint, the employer shall not dismiss or treat the employee unfavorably.</p> <p>1.Attention should be drawn to the specific matters and the reasonableness thereof. 2.The employee and the employer may determine a period of probation based on the nature of work without violating applicable laws and pursuant to the principle of contractual sincerity, even though the provisions for probation period have been deleted from the Enforcement Rules of the Labor Standards Act. However, if the employer intends to terminate the labor contract during the probation period or upon its expiration, the employer shall do so in accordance with Articles 11 and 12 and the proviso of Article 13. Attention should be given to the pension regulations applicable to the employees.</p> <p>Attention should be drawn to the specific matters and the reasonableness thereof.</p> <p>Attention should be given to the provisions related to compensation after the termination of the contract and whether such provisions comply with the principle of balance.</p>
--	---	---

<p>2. Where the resignation is attributable to an Employer, there should be severance payment</p> <p>(6) Retirement provisions 1. Contribution and issuance of retirement pensions</p> <p>2. Notice period</p> <p>(7) Issuance of service certificate upon resignation</p>	<p>Articles 15 and 16</p> <p>Articles 17 and 84-2; Articles 11 (2), Article 12 (1) and (3) of the Labor Pension Act</p> <p>Articles 53, 54, 55, 56, 58 and 84-2; Article 6, 11 (2), 12 (3), 14 and 16 of the Labor Pension Act. Articles 15 (2) and 16.</p> <p>Article 19.</p>	<p>1. The notice period required for resignation of an employee shall not be longer than that stipulated in Article 16.</p> <p>2. The employee and the employer may determine a period of probation based on the nature of work without violating applicable laws and pursuant to the principle of contractual sincerity, even though the provisions for probation periods have been deleted from the Enforcement Rules of the Labor Standards Act. However, during the probation period or upon its expiration, the employer shall not arbitrarily request the employee to resign or deem that the contract has been terminated automatically. Attention should be given to the pension regulations applicable to the employees.</p> <p>Attention should be given to the pension regulations applicable to the employees.</p> <p>The notice period required for voluntary retirement of an employee shall not be longer than that stipulated in Article 16.</p> <p>The certificate of employment shall not state any content that is unfavorable to the employee.</p>
<p>Item 8 Specified in the Work Rules Compensation for Occupational Accidents and Condolence Compensation</p>		
<p>Contents</p>	<p>Legal Basis</p>	<p>Matters Requiring Attention when Reviewing the Work Rule</p>
<p>(1) Compensation for occupational accidents</p>	<p>Article 59</p>	<p>Must comply with the provisions.</p>

(2) Condolence compensation for general accidents	Article 70	Must be specific and unequivocal.
Item 9 Specified in the Work Rules Occupational Welfare		
Contents	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule
(1) Legal provisions for matters of occupational welfare (2) Employees' welfare provided by the Company	Employee Welfare Fund Act	Must comply with the provisions thereof. Must be specific.
Item 9 Specified in the Work Rules Measures to prevent sexual harassment in the workplace		
Contents	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule

<p>(1)The employer shall make efforts to prevent sexual harassment.</p> <p>(2)The employer shall take effective correction measures and implement remedies immediately once aware of any occurrence of sexual harassment.</p>	<p>Act of Gender Equality in Employment and applicable regulations</p>	<p>1. Measures to address the prevention, complaint and punishment of sexual harassment are established in accordance with the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace.</p> <p>2. The employer has the responsibility to make efforts towards preventing employees from sexually harassing others. If the result of an investigation verifies any sexual harassment, the employer shall discipline the offender.</p> <p>3. If a complainant of sexual harassment is a dispatched worker, the division where the worker is employed shall accept his or her complaint and conduct an investigation together with the dispatching entity. If the sexual harassment is verified, the employer shall discipline the offender and shall notify the dispatching entity and the complainant of the disciplinary measures taken.</p>
<p>Item 11 Specified in the Work Rules Regulations of occupational safety and health abided by the employees and the employer</p>		
<p>Contents</p>	<p>Legal Basis</p>	<p>Matters Requiring Attention when Reviewing the Work Rule</p>
<p>(1)Measures taken by the employer to prevent occupational accidents</p> <p>(2)Regulations provided for employees to comply with the measures referred to in the preceding item</p>	<p>Article 8; Occupational Safety and Health Act and applicable regulations</p>	<p>1. The measures taken by the employer shall be consistent with the regulations provided for employees to comply with, especially in terms of equipment and expenses.</p> <p>2. If the employer dismiss the employee in violation thereof, the grounds for dismissal shall be specified explicitly.</p>

Item 12 Specified in the Work Rules Methods to Enhance Communication and Cooperation between Employer and Employees		
Contents	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule
(1) Communication and cooperation required by law 1. Labor complaint review mechanism 2. Labor-management meetings (2) Communication and cooperation as agreed by the parties	Article 74 Article 83	
Item 13 Specified in the Work Rules Miscellaneous		
Contents	Legal Basis	Matters Requiring Attention when Reviewing the Work Rule
(1) Establish a proper work environment. (2) Enhance relationship between the employer and employees 1. Encourage improvement in work 2. Commend performance 3. Group activities (3) Matters related to apprenticeship	Article 8 Article 1 Applicable parts of Chapter 8	

Frequently Asked Questions and Answers (Q&A) on the Work Rules

Q1: What are the Work Rules? What should be included in the content of the Work Rules?

A: According to Article 70 of the Labor Standards Act, an employer hiring more than 30 employees shall enact the Work Rules and shall establish the provisions related to issues such as work hours, break times, holidays, wages, allowances and bonuses, attendance, leaves of absence, recruitment, dismissal, termination, resignation and retirement, compensation for occupational accidents, etc., depending on the nature of the business. The Work Rules shall be publicly disclosed after having obtained the approval from the competent authority. The detailed contents of the provisions can be drafted with reference to the Sample Work Rules provided by the Council of Labor Affairs.

Q2: Why should a company enact the Work Rules? Is it mandatory?

A: According to Article 70 of the Labor Standards Act, an employer hiring more than 30 employees shall enact the Work Rules. In the event where an employer breaches such obligation, according to Article 79 (3) and (4) of the same Act, the employer may be punished by the competent authority by a fine of not less than NT\$20,000 and not more than NT\$300,000. Additionally, the competent authority may, in accordance with the size of business, the number of violating persons or the circumstances of violations, increase the penalty by an additional 50% above the maximum amount of the legal fine, and may also publicly announce the name of such a business entity and the name of its owner and order such a business to make improvements within a given period in accordance with Article 80-1 (1) of the Act. Failure to make improvements shall result in subsequent fines. A company hiring less than 30 employees may decide to enact the Work Rules or not, provided that, if it decides to enact the Work Rules, such a company shall still comply with Article 70 of the Labor Standards Act and shall publicly disclose the Work Rules after having obtained the approval from the competent authority.

Q3: After the enactment of the Work Rules, will the company become less flexible and the management regime become more rigid as a result thereof?

A: The contents of the Work Rules are important internal management rules enacted by an employer depending on the nature of its business and greatly affect the labor conditions and interests of the employees. Therefore, the Work Rules must be submitted to the local labor affairs authority for approval before the said Rules can be publicly disclosed. The same applies in respect to amendment of the Work Rules. Moreover, if the employer wishes to alter any

labor conditions under the Work Rules which were better than the labor conditions set out in the Labor Standards Act, the employer must negotiate with the employees in respect thereof. Thus, matters provided for under the Work Rules cannot be changed or amended at any time. As such, it is recommended that matters provided thereunder should be of certain “importance” and “continuity.” If there are matters that may be amended by the company from time to time and are not mandatorily required to be included therein, e.g. educational training, dress code, service standards, group insurance, etc., it would be more appropriate to include such matters under the internal management regulations of the company and not have them included under the Work Rules. Furthermore, provisions regarding wage are deemed valid as long as the said provisions do not breach Articles 21 to 28 of the Labor Standards Act. As to matters such as wage adjustments, year-end bonuses, the amount of or standards for the distribution of bonuses, if such matters may be subject to change from time to time depending on business operations of the company, in order to ensure the flexibility of the company’s operation, it is recommended that provisions related thereto be enacted with certain flexibility.

Q4: What are the issues that should not be included in the Work Rules?

A: Certain provisions are invalid without the consent of individual employees, e.g. provisions regarding non-competition after resignation, the minimum period of employment, penalties and damages, and the ownership of copyright, etc. If it is necessary to set out these provisions, it would be more appropriate to include such provisions within the labor contracts.

Q5: What are the issues and principles that a company should look out for when enacting the Work Rules?

A:

1. If the company provides for rules related to disciplinary compliance, attendance and rewards, and sanctions under the Work Rules, the contents thereof must be detailed, reasonable and clear cut, and shall not use any term indicating uncertainty such as “other circumstances.”
2. The labor conditions are negotiated and agreed upon by the employer and the employees. If the employer wishes to alter the labor conditions under the Work Rules which were better than the labor conditions set out in the Labor Standards Act, the employer must negotiate with the employees in respect thereof. For the labor conditions involving an individual worker, the employer shall obtain the consent of the individual worker.

Q6: What is the procedure for enacting the Work Rules and what is the procedure used by the labor affairs authority to review the Work Rules?

A: Please refer to Attachment 2 “Process for Application for Review of Work Rules” and Attachment 4 “Standard Work Rules Review Process by the Local Labor Affairs Authority.”

Q7: When a company enacts the Work Rules, what are the issues that must be resolved by the labor union or by the labor-management meeting?

A: Please refer to Articles 30, 30-1 and 32 of the Labor Standards Act regarding the work hours and Article 49 of the same Act regarding female employees on night shift. In addition, where the provisions on the sanction or dismissal of employees involve factual determinations on a case-by-case basis, if it is necessary to clearly list the criteria for such determinations in the Work Rules, such criteria shall be negotiated by the employer and the employees and clearly set out in the Work Rules, so as to avoid potential disputes in the future.

Q8: What is the difference between the Work Rules and the internal employees’ handbook or management rules (regulations)?

A:

1. The Work Rules are the rules that the law requires an employer to provide, which clearly detail the labor conditions and important issues under the Labor Standard Acts, so that both the employer and the employees can fully understand the rights and obligations of each other thereunder. The Work Rules must be submitted to, and approved by, the competent authority. Any Work Rules not submitted to, and approved by, the competent authority are not effective in accordance with the Act. To protect the rights of employees, the employer shall not cite any provision of unapproved work rules to terminate labor contracts.
2. If the contents of the manual for employees or the rules (regulations) of management established by the a company are qualify as individual work rules as stipulated provided in Article 39 of the Enforcement Rules of the Labor Standards Act, the manual or the rules shall also be reported to the labor affairs authority for approval in accordance with Article 70 of the Labor Standards Act.

Q9: What is the difference between the Work Rules and the Labor Contracts and Collective Agreements?

A: According to Subparagraph 6 of Article 2 (1) of the Labor Standards Act, the labor contract refers to a contract that regulates the employer-employee relationship. According to Article 2 of the Collective Agreement, the collective agreement refers to the written agreements executed by and between the employer or the employing entity with legal status, and the union established pursuant to the Labor Union Act for the purpose of governing labor-management relations and other related matters. An employer hiring more than 30 employees shall enact Work Rules pursuant to Article 70 of the

Labor Standards Act and shall set out the provisions related to issues such as work hours, leave, wages, attendance and recruitment depending on the nature of the business. According to Article 19 of the Collective Agreement Act, “Working conditions agreed upon in a collective agreement are certainly the contents of a labor contract between an employer and workers of that collective agreement. If working conditions in a labor contract differ from the stipulations in a collective agreement, those portions that are different shall become ineffective; and those portions that are ineffective shall be replaced by stipulations in the collective agreement. However, if the stipulations which differ from the collective agreement are allowed by that agreement, or are intended to improve working conditions for the benefit of workers, and are not forbidden by the collective agreement, then the foresaid stipulations shall remain effective.” Additionally, according to Article 71 of the Labor Standards Act, “the work rules shall be null and void if they violate any mandatory or prohibitive provisions of statutes, administrative regulations, or collective agreements applicable to a particular business entity.”

Q10: Can deduction of wages, and/or punitive or compensatory fines be stipulated in the Work Rules?

A: The Work Rules may include provisions for discipline and punishment, but the employer shall not stipulate any punitive or compensatory fines in the Work Rules because the employed workers labor for the purpose of obtaining remuneration. The appropriateness of the provisions for penalties in lieu of fines shall be determined by the labor affairs authority.

Q11: Is an employer allowed to post the Work Rules on the intranet and request employees to check and download them instead of printing and distributing the Work Rules to each employee?

A:

1. According to Article 70 of the Labor Standards Act, an employer hiring more than 30 workers shall establish 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 authority for approval. Additionally, according to Article 38 of the Enforcement Rules of the Labor Standards Act, after the work rules have been approved by the competent authority, the employer shall display them in the workplace and distribute a copy to each worker.
2. The method of “publicly displaying” means publicly announcing and distributing a copy of the rules to each worker. “Announcing” means displaying in the obvious place where workers enter and leave. “Printing and distributing to each worker” means printing and distributing a copy to each worker for his or her record and reference.
3. If a business entity posts the work rules on its intranet so that employees are

able to browse and review the rules from time to time, such a method of displaying the work rules is appropriate, provided that the business entity shall also provide a hard copy of the work rules in the work place for employee reference. Employees should also be required to sign their name after receiving and reviewing the hard copy of the Work Rules. Additionally, the Company shall provide a download service for the rules free of charge (instead of printing and distributing a copy to each worker).

Q12: Is the company required to report any amendment to the Work Rules to the labor affairs authority for approval?

A:

1. According to Article 70 of the Labor Standards Act and Article 38 of the Enforcement Rules of the Labor Standards Act, an employer hiring more than 30 workers shall establish work rules in accordance with the nature of the business and submit the rules to the competent authority for approval. The obligations of “establishing” the Works Rules includes “establishing” and “modifying.” Additionally, according to Article 37 of the Enforcement Rules of the Labor Standards Act, the Work Rules shall be revised from time to time according to changes in statutes and administrative regulations, worker-employer agreements or management systems.
2. As summarized above, the Work Rules shall be revised from time to time according to changes in statutes and administrative regulations, worker-employer agreements or management systems. The revised rules shall be submitted to the labor affairs authority for approval.

Q13: How shall employees be counted to determine if a company employs “more than 30 workers” as indicated in Article 70 of the Labor Standards Act?

The number of workers employed by an employer, as indicated in Article 70 of the Labor Standards Act, shall be determined in accordance with Article 22-1 (1) of the Enforcement Rules of the Labor Standards Act. The number shall be calculated based on the number of workers employed by the same employer, including those from different branches of a single business entity.

Local Labor Affairs Authority Contact Information

Name of the Agency	Telephone	Address
Department of Labor, Taipei City Government	02-27208889	5F, No. 1, Shifu Road, Xinyi District, Taipei City 11008
Labor Affairs Bureau, New Taipei City Government	02-29603456	7F, No. 161, Sec. 1, Zhongshan Road, Banqiao District, New Taipei City 22001
Department of Labor, Taoyuan City Government	03-3322101	3F & 4F, No. 1, Xianfu Road, Taoyuan City 33001
Labor Affairs Bureau, Taichung City Government	04-22289111 ext. 35099	4F, Huazhong Building, No. 99, Sec. 3, Taiwan Boulevard, Xitun District, Taichung City 40701
Labor Affairs Bureau, Tainan City Government	06-6320310(Headquarters) 06-2982331(Yonghua Civic Center)	8F, No. 6, Sec. 2, Yonghua Road, Anping District, Tainan City 70801 (Yonghua Civic Center) 7F, No. 36, Minzhi Road, Xinying District, Tainan City 73001 (Headquarters)
Labor Affairs Bureau, Kaohsiung City Government	07-8124613	No. 6, Zhenzhong Road, Qianzhen District, Kaohsiung City 806
Department of Social Affairs, Keelung City Government	02-24201122	No. 1, Yi First Road, Zhongzheng District, Keelung City 20201
Department of Labor Affairs, Ilan County Government	03-9251000	No. 1, Xianzheng N. Road, Neighborhood 3, Kaixuan Village, Ilan City 26060
Department of Labor Affairs, Hsinchu County Government	03-5518101	No. 10, Guangming 6 th Road, Zhubei City, Hsinchu County 30259
Department of Labor Affairs, Hsinchu City Government	03-5324900	5F, No. 69, Guohua Street, Hsinchu City 30050
Department of Social Affairs, Miaoli County Government	037-322150	No. 1, Fuqian Road, Miaoli City 36046
Department of Social and Labor Affairs, Nantou County Government	049-2222106~9	No. 660, Zhongxing Road, Nantou City 54001
Department of Labor Affairs,	04-7264150	8F, No. 100, Zhongxing Road, Changhua City 50001

Name of the Agency	Telephone	Address
Changhua County Government		
Department of Labor Affairs, Yunlin County Government	05-5522810	No. 515, Sec. 2, Yunlin Road, Douliu City, Yunlin County 64001
Social Affairs Bureau, Chiayi County Government	05-3620900	No. 1, E. Section, Xianghe 2 nd Road, Taibao City, Chiayi County 61249
Department of Social Affairs, Chiayi City Government	05-2254321	No. 199, Zhongshan Road, E. District, Chiayi City 60006
Department of Labor Affairs, Pingtung County Government	08-7558048	No. 17, Ziyou Road, Pingtung City 90081
Department of Social Affairs, Taitung County Government	089-351834	No. 210, Guilin N. Road, Taitung City 95054
Department of Social Affairs, Hualien County Government	03-8227171 ext. 380~393	No. 17, Fuqian Road, Hualie City, Hualien County 97001
Department of Social Affairs, Penghu County Government	06-9274400 ext. 531; 532; 355	No. 32, Zhiping Road, Magong City, Penghu County 880
Department of Social Affairs, Chinmen County Government	082-373291; 082-371450	No. 60, Minsheng Road, Jincheng Township, Chinmen County 89345
Civil Affairs Department, Lienchiang County Government	0836-25131 ext. 301~316	No. 76, Jieshou Village, Nangan Township, Lienchiang County 20941
Export Processing Zone Administration, Ministry of Economic Affairs	07-3611212 ext. 412~418	No. 600, Jiachang Road, Nantzu Export Processing Zone, Kaohsiung City 811
Hsinchu Science Park Administration, Ministry of Science and Technology	03-5773311 ext. 2310~2316	No. 2, Xinan Road, Hsinchu City 300
Central Taiwan Science Park Administration,	04-25658588 ext. 7911; 7913; 7919~7920	No. 2, Zhongke Road, Xitun District, Taichung City 40763

Name of the Agency	Telephone	Address
Ministry of Science and Technology		
Southern Taiwan Science Park Administration, Ministry of Science and Technology	06-5051001 ext. 2303; 2319; 2326	No. 22, Nanke 3 rd Road, Xinshi District, Tainan City 74147

Attachment 1

Sample of Application (Amendment) Letter

Recipient:

Date of Issuance: _____ (DD) _____ (MM) _____ (YYYY)

Issuance No.: _____ Zi No. _____

Attachment: Two copies of the Newly Enacted (Amended) Work Rules

Subject: Attached please find two copies of our Company's Newly
Drafted (Amended) Work Rules for your Approval

Explanation: Application made pursuant to Article 70 of the Labor
Standards Act

Company Name (Seal):

Responsible Person (Seal):

Unified Business No.:

Company Address:

Company Telephone:

Contact Person:

Contact Telephone:

Date:

Attachment 2

Process for Application for Review of Work Rules (flowchart)

Company

Refer to the Sample Work Rules and enact Company Work Rules according to each Company' s actual needs.



During the drafting process, discuss issues with Local labor affairs authority by telephone.



Apply for government approval by submitting two copies of the Work Rules affixed with Company Seal together with other application documents.

Local Labor Affairs Authority

Review, Registration, Approval



Approval Granted (Return copy of the Work Rules)

Company

Announce the Work Rules in the Company, print and distribute the Work Rules to each Employee.

Attachment 3

Documents Required to be Submitted for Application for Review of Work Rules

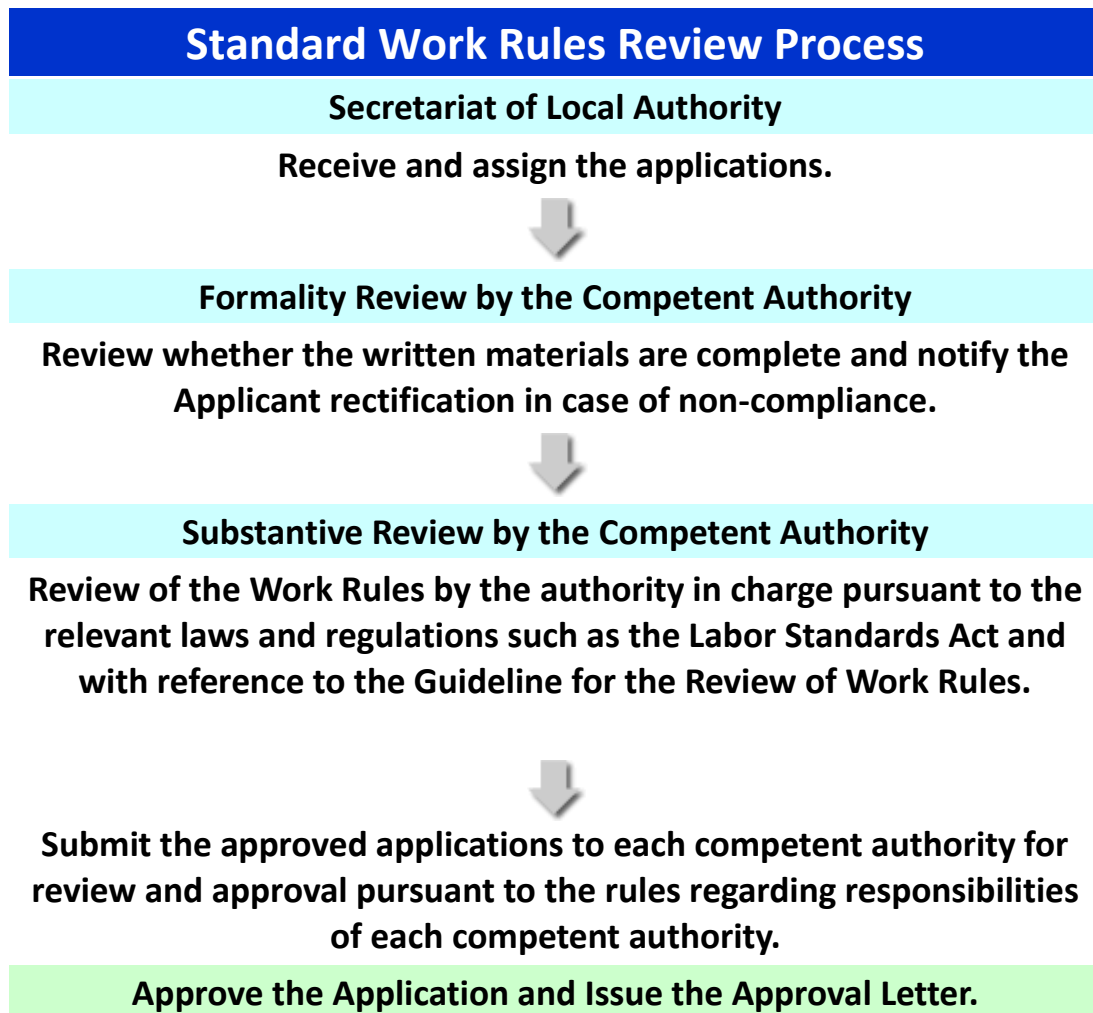
1. For Company Enacting New Work Rules:
<ul style="list-style-type: none"><input type="checkbox"/> Application Letter (Attachment 1)<input type="checkbox"/> Two Copies of the Work Rules to be reviewed (Please refer to Sample Work Rules)<input type="checkbox"/> Summary Table of the Differences between the Sample Work Rules and the Company Work Rules (Attachment 5)<input type="checkbox"/> Labor-Management Meeting Minutes or Union Meeting Minutes (Attachments 7 and 8)<input type="checkbox"/> Table of the branch offices (Not required if the Work Rules do not apply to all local branch offices)
2. For Company Amending the Work Rules:
<ul style="list-style-type: none"><input type="checkbox"/> Letter of Amendment (Attachment 1)<input type="checkbox"/> Two Copies of the Work Rules to be reviewed (Please refer to Sample Work Rules)<input type="checkbox"/> Comparison Table Between the Original Provisions and the Amended Provisions of the Work Rules (Attachment 6)<input type="checkbox"/> Labor-Management Meeting Minutes or Union Meeting Minutes (Attachments 7 and 8)<input type="checkbox"/> Table of the branch offices (Not required if the Work Rules do not apply to all local branch offices)

Notes:

1. If the Company is applying for the review of the amended Work Rules, the Company must submit a comparison table of the amended provisions.
2. If any portion of the Work Rules shall be agreed by, reported to or approved by the labor union or the labor-management meeting in accordance with the Labor Standards Act and applicable laws, the Company shall submit the Work Rules together with relevant documents for approval or meet all requirements before including such a portion in the Work Rules. As for other portions of the Work Rules, the Company shall negotiate with the labor union or at the labor-management meeting before submitting such portions together with supporting documents for approval. In case of any labor conditions involving an individual worker, the Company shall obtain the consent of the individual worker.

Attachment 4

Standard Work Rules Review Process by the Local Labor Affairs Authority (flowchart)



Attachment 5

Summary Table of the Differences between the Sample Work Rules and the Company Work Rules

Articles of the Sample Work Rules	Differences between the Sample Work Rules and the Company Work Rules	
	Amendment to the Content of the Article (Please mark the amendment in bold in red)	Change in the numbering of the Articles (Please mark the Article number to which the original provision is amended)
Article o		
Article o		
Article o		
Article o		
Article o		
Article o		

Attachment 6

Comparison Table Between the Original Provisions and the Amended Provisions of the Work Rules

ooo Inc.

Comparison Table Between the Original Provisions and the Amended Provisions of the Work Rules

Original Provisions	Amended Provisions	Explanations
Article ___:	Article ___:	
Article ___:	Amended to Article ___:	
Article ___:	Deleted	
Article ___:	Amended to Article ___:	
	<u>New Provision</u>	
Article ___:	Amended to Article ___:	
Article ___:	Article ___:	

【Sample】

ooo Inc.

Comparison Table Between the Original Provisions and the Amended Provisions of the Work Rules

Original Provisions	Amended Provisions
<p>Article 26: Employees shall not bring any weapons (ammunition, knives, guns), dangerous objects, forbidden objects, cameras or other objects that are not related to business operations into the plant.</p>	<p>Article 26: Employees shall not bring any <u>drugs, alcohol, betel nut</u>, weapons (ammunition, knives, guns), dangerous objects, forbidden objects, cameras or other objects that are not related to business operations into the plant.</p>
<p>Article 32: Leaves of absence may be divided into 7 categories, including leave for public duties, accident leave, personal leave, sick leave, marriage leave, funeral leave, and maternity leave. The amount of permitted leave and the payment of wages during the period thereof shall be made in accordance with the following:</p>	<p>Amended to Article 34 Leaves of absence may be divided into <u>12 categories</u>, including leave for public duties, accident leave, personal leave, sick leave, leave for marriage, funeral leave, and maternity leave, <u>menstruation leave, paternity leave, leave for pregnancy checkups, leave for recuperation after pregnancy, and leave for family care</u>. The amount of permitted leave and the payment of wages during the period thereof shall be made in accordance with the following:</p>
<p>Article 32: VI. Leaves of absence for funerals: Employees may take a leave of absence for a funeral in accordance with the following:</p> <ol style="list-style-type: none"> 1. Where the Employee's parent, adoptive parent, step parent or spouse is deceased, the Employee may take 8 days of paid leave for the funeral. 2. Where the Employee's grandparent, child, his or her spouse's parent, adoptive parent or step parent is deceased, the Employee may take 6 days of paid leave for the funeral. 3. Where the Employee's brother or sister is deceased, the Employee may take 3 days of paid leave for the funeral. 	<p>Amended to Article 34 VI. Leaves of absence for funerals: Employees may take a leave of absence for a funeral in accordance with the following:</p> <ol style="list-style-type: none"> 1. Where the Employee's parent, adoptive parent, step parent or spouse is deceased, the Employee may take 8 days of paid leave for the funeral. 2. Where the Employee's grandparent, child, his or her spouse's parent, adoptive parent or step parent is deceased, the Employee may take 6 days of paid leave for the funeral. 3. Where the Employee's <u>paternal or maternal grandparent</u>, brother or sister, or his or her spouse's grandparent is deceased, the Employee may take 3 days of paid leave for the funeral. <p>The aforementioned grandparent or spouse's grandparent may indicate the parents of the mother of the Employee or those of his or her spouse.</p>

<p>Article 32:</p> <p>VII. Maternity Leave: Before and after a female employee gives birth, she should stop work and be given 8 weeks of maternity leave. Where a female employee is pregnant for more than 3 months and had a miscarriage, she should be given 4 weeks of maternity leave. Where the aforementioned female employee has been working for the Company for more than 6 months, full wages will be given during the maternity leave. Where the aforementioned female employee has been working for the Company for less than 6 months, half of her regular wages will be given during the maternity leave.</p>	<p>Amended to Article 34</p> <p>VII. Maternity Leave: Before and after a female employee gives birth, she should stop work and be given 8 weeks of maternity leave. Where a female employee is pregnant for more than 3 months and had a miscarriage, she should be given 4 weeks of maternity leave. Where the aforementioned female employee has been working for the Company for more than 6 months, full wages will be given during the maternity leave. Where the aforementioned female employee has been working for the Company for less than 6 months, half of her regular wages will be given during the maternity leave. <u>Where a female employee is pregnant for more than 2 months but less than 3 months and had a miscarriage, she shall stop work and be given 1 week of maternity leave. Where a female employee is pregnant for less than 2 months and had a miscarriage, she shall stop work and be given 5 days of maternity leave. (The calculation of wages during the maternity leave shall be made in accordance with the relevant laws and regulations).</u></p>
<p>VIII. Menstruation Leave: Where it is difficult for a female employee to work while menstruating, the female employee may take 1 day of menstruation leave. The amount of menstruation leave taken shall be combined with sick leave. (The calculation of wages during the menstruation leave shall be made in accordance with the provisions on sick leave).</p>	<p>VIII. Menstruation Leave: Where it is difficult for a female employee to work while menstruating, the female employee may take 1 day of menstruation leave. <u>Where the days of menstruation leave used in a year are less than three, the menstruation leave taken shall not be counted as sick leave. Any portion in excess of three days shall be included in sick leave. (No supporting document is required for menstruation leave. Additionally, a half of an employee's wages shall be paid for the days of menstruation leave whether designated or not designated as sick leave).</u></p>

<p>IX. Paternity Leaves: Where the spouse of a male employee gives birth, the male employee may apply for three days of paid paternity leave. The three days of paternity leave may be taken within a period of five days, i.e. two days before the day of birth, on the day of birth and two days after the day of birth. During the paternity leave, wages shall be paid. The paternity leave shall be taken on a per diem basis.</p>	<p>IX. Paternity Leave: Where the spouse of a male employee gives birth, the male employee <u>may take five days of paternity leave within a period of fifteen days before, on and after the day of birth.</u> During the paternity leave, wages shall be paid. The paternity leave shall be taken on a per diem basis.</p>
	<p><u>New Provision</u> X. Leave for pregnancy checkups: During leave for pregnancy checkups, wages shall be <u>paid.</u></p>
	<p><u>New Provision</u> XI. Leave for family care: Where a family <u>member of an employee needs to receive a vaccination or is seriously ill, or should a major accident occur, as a result of which the employee must personally take care of the family member(s), the employee may take leave for family care.</u> The amount of family care leave taken shall be counted as personal leave and shall not exceed seven days per year. (Wages during the family care leave period shall be calculated in accordance with the provisions for personal leave.) ✘ <u>In case any day of personal leave, sick leave, leave for marriage or leave for a funeral falls on a regular day off, a memorial day, Labor Day or any other holiday designated by the central competent authority, such days shall not be counted among days used for the leave.</u></p>
<p>Article 69: 1. Where the Employee attains the age of sixty.</p>	<p>Article 69 1. Where the Employee attains the age of <u>sixty-five.</u></p>

✘ Please mark all changes and amended wordings in red.

Attachment 7

(Name of the Company) The ___th Labor-Management Meeting Minutes for the ___th Term

Time: ___:___ AM (PM), ___(DD)/___(MM)/_____(YYYY)

Place:

Attendees: (Please sign.)

Labor Representatives:

Management Representatives:

Observers: (Please sign.)

Representatives on leave or absent:

Labor Representatives: ooo (leave of absence), ooo (sick leave)

Management Representatives: ooo (business trip), ooo (absent)

Chairman: Minute Taker:

1. Chairman's Address:

2. Observer's Address:

3. Reports:

- (1) Status of the matters resolved at the last meeting
- (2) Number of workers, changes in workers, rate of resignation
- (3) Production plan, business profile, market conditions and other information of production
- (4) Labor activities, welfare, and improvement of work environment
- (5) Others

4. Discussions:

- (1) Proposal 1:
Issue:
Explanation:
Proposed Solution:
Resolution:
- (2) Proposal 2:
Issue:
Explanation:
Proposed Solution:
Resolution:

5. Suggestions (Extempore Motion):

- (1) Proposal 1:
Issue:
Resolution:
- (2) Proposal 2:
Issue:
Resolution:

6. Conclusion by Chairman:

7. Meeting Dismissed: ___:___ AM (PM)

Chairman: () Signature Minute Taker: () Signature

Attachment 8

The First ○○○ County (City) ○○○○○ Union Meeting

Minutes of the First Term (Sample)

1. Time: ____:____ AM (PM), ____ (DD)/ ____ (MM)/ ____ _ (YYYY)
2. Place: ○○○
3. Government Representative: ○○ City Government Labor Affairs
Department ○○○
4. Guests:
5. Attendees: ____ persons attended (See the attendance sheet attached hereto)
 - Observers: ____ persons
 - On leave of absence: ____ persons
 - On leave for public duties : ____ persons
 - Absentees: ____ persons
6. Chairman: _____ Minute Taker: _____
7. Chairman's Address:
8. Government Representative's Address:
9. Guests' Address:
10. Report on preparatory work:
11. Discussions:
 - 1 . Issue:
Explanation:
Resolution:
 - 2 . Issue:
Explanation:
Resolution:
 - 3 . Issue:
Explanation:
Resolution:
 - 4 . Issue:
Explanation:
Resolution:
12. Extempore Motion:
13. Meeting Dismissed: ____:____ AM (PM)

