



# INSURE Your Life

| Brief Introduction |



Bureau of Labor Insurance, Ministry of Labor

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## Preface

The first social insurance program in Taiwan— labor insurance – began in 1950. Since its implementation, the statutes governing the labor insurance system have undergone revisions several times in response to social changes and economic development. These amendments have expanded the range of insurance beneficiaries, gradually increased different types of benefits, progressively lowered requirements of benefits payment and brought about greater protection for laborers' work and lives. Labor insurance lifted the curtain on our country's social insurance system. As various social security systems were promoted, the delegated businesses operated by the Bureau of Labor Insurance, Ministry of Labor have increased and diversified. The Bureau of Labor Insurance, Ministry of Labor's organization has thus been increasingly growing in size, providing protection and services for laborers.



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## Chapter One

# Organization and Businesses

## Organization

The labor insurance program began in 1950. During the early stage, the government commissioned the Department of Labor Insurance of Taiwan Life Insurance Co. to handle the whole business. In 1960, the Taiwan Provincial Bureau of Labor Insurance was established to be responsible for the affairs of labor insurance under the enforcement of the Labor Insurance Act. In 1970, the organization was renamed as the Taiwan and Fujian Province Labor Insurance Bureau. In 1996, it was assigned to be under the jurisdiction of the central government and its name was changed to the “Bureau of Labor Insurance”. In 2014, the BLI was revamped into an administrative agency and classified under the Ministry of Labor, and the organization’s name was officially changed to the “Bureau of Labor Insurance, Ministry of Labor”.

In accordance with the Bureau of Labor Insurance, Ministry of Labor Organization Act, the BLI has one Director General, two Deputy Director General, and one Chief Secretary, and according to Organization Directions of the Bureau of Labor Insurance, Ministry of Labor, the BLI consists of the following divisions and offices: the Planning and Management Division, Enrollment Division, Premiums Division, Ordinary Accident Benefits Payment Division, Occupational Benefits Payment Division, Labor Pension Division, National Pension Division, Farmer Insurance Division, Secretariat, Personnel Office, Civil Service Ethics Office, Accounting and Statistics Office, and Information Management Office. Moreover the BLI has formed 24 local offices as supporting units located in Taiwan, Penghu, Kinmen, and Matsu to locally provide relevant services.

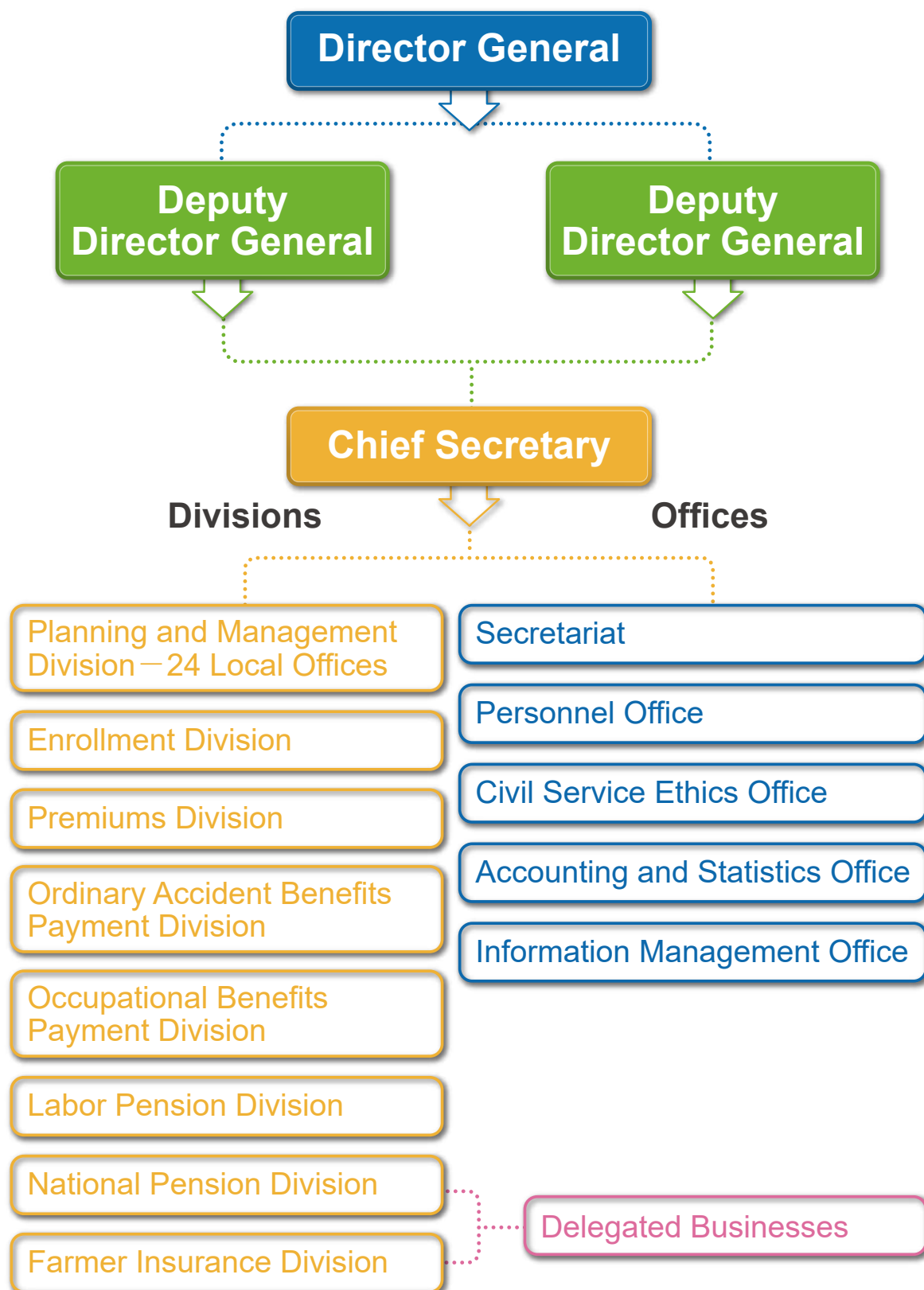
**1950 Department of Labor Insurance of Taiwan Life Insurance Co.**

**1960 Taiwan Provincial Bureau of Labor Insurance**

**1970 Taiwan and Fujian Province Labor Insurance Bureau**

**1996 Bureau of Labor Insurance**

**2014 Bureau of Labor Insurance, Ministry of Labor**



## Scope and Variety of Businesses

The BLI's primary mission is the handling of labor insurance services; it has also continually been commissioned other social security services. The scope of the BLI's services has been expanded to include social insurance, labor protection, social welfare allowances and so on. The BLI has been commissioned to handle the collection and disbursement of wage arrears payment fund program since November 1986, as well as farmer health insurance, which the Ministry of Interior entrusted to the BLI since July 1989 (From November 1, 2018, the central competent authority changed to the Council of Agriculture, Executive Yuan). In June 1995, the Council of Agriculture, Executive Yuan (hereinafter referred to as COA) commissioned the BLI to handle the welfare allowance for elderly farmers program. On April 28, 2002, the BLI was commissioned to handle the subsidies of occupational accident

labor protection (The business has been transferred to the Occupational Safety and Health Administration in 2014). In June 2002, the BLI was commissioned by the Ministry of Interior and the Council of Indigenous Peoples to handle the old-age citizens' and indigenes' welfare allowances programs. On January 1, 2003, the BLI began to implement the employment insurance program. On July 1, 2005, the BLI started implementing the new labor pension program. On October 1, 2008, the BLI was commissioned by the Ministry of Interior (From July 2013, the central competent authority changed to the Ministry of Health and Welfare) to implement the national pension program. On November 1, 2018, the BLI was commissioned by the COA to implement the farmer occupational injury insurance on a trial basis. On January 1, 2021, the BLI was commissioned by the COA to implement the farmer pension program. With effect from July 1, 2021, the BLI shall provide new services on parental leave wage subsidy and pregnancy checkup leave wage subsidy.





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## Chapter Two

# Profile of Labor Insurance and Labor Protection Programs



## Labor Insurance Program

The labor insurance program was established in March 1950; during the initial stage, it only issued cash benefits. In July 1956, inpatient medical benefits were added, followed by outpatient medical benefits in 1970. In 1979, labor insurance was classified into ordinary accident insurance and occupational accident insurance. On March 1, 1995, the responsibility of providing medical-care benefits of ordinary accident insurance was transferred to the Bureau of National Health Insurance (which was revamped as the National Health Insurance Administration, Ministry of Health and Welfare) after the national health insurance program was established. On January 1, 1999, the business of unemployment benefits of labor insurance was implemented. On January 1, 2003, after the Employment Insurance Law was promulgated, the business of unemployment benefits was separated from the labor insurance program and merged into the Employment Insurance Act.

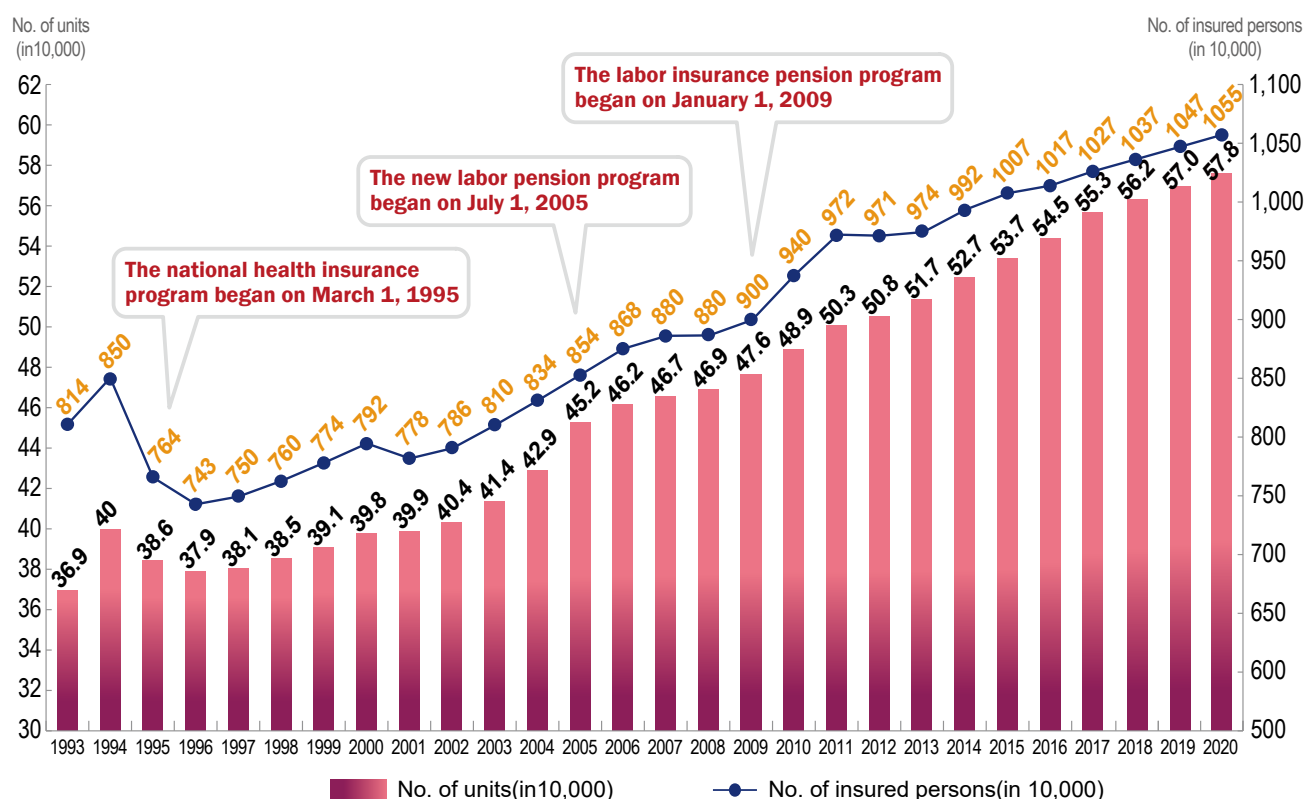
Amendments to some articles in the Labor Insurance Act were passed at the Legislative Yuan on July 17, 2008, and announced by the President on August 13 of the same year, followed by the Executive Yuan's official promulgation that January 1, 2009 was the enforcement date of the labor insurance pension program.

Labor insurance benefits payment is divided into two main categories: ordinary accident insurance and occupational accident insurance. Ordinary accident insurance includes five kinds of cash benefits: maternity, injury or sickness, permanent disability, old-age and survivor benefits, while occupational accident insurance provides three types of benefits payable in cash, which are injury or sickness, permanent disability, and survivor benefits, plus medical benefits.

### 1. Insured Units and Insured Persons

Labor insurance is a group insurance. All units eligible for coverage should join the program, insuring their employees. Labor insurance is divided into compulsory insurance and voluntary insurance. Under the compulsory insurance category, all the workers, aged above 15 and below 65, working in a company, enterprise, and institution with 5 or more employees, employees of government agencies or public or private schools who are not legally entitled to join the civil servant and teacher insurance program, workers employed in fishing production, members of an occupational union who have no definite employer or who are self-employed, and fishermen who belong to Class A of fishermen's associations are required to join. Candidates participating on a voluntary basis include persons employed in occupations outside of those mentioned in the paragraph 1 of Article 6 of the Labor Insurance Act, employers concurrently engaged in laboring services, persons employed in enterprises which have less than 5 employees in occupations, seamen serving in vessels abroad who are members of the Chinese Seamen's Union or the Association of Chinese Ship owners, persons who are under military service, sent abroad for investigation, research, or providing services, during injury or sick leave without pay—injured or sick for a period of less than 1 year owing to ordinary accidents, or absent from work for a period of less than 2 years as a result of occupational accidents; insured persons who have withdrawn from the program due to separation from employment but have not applied for old-age benefits and have resumed working after reaching the age of 65, are detained or suspended from work on account of a court case before the decision of the court is announced, have been laid off and not entitled to claim old-age benefits, are exposed

Trend Changes in the No. of Units and Insured Persons in the Labor Insurance Program (1993-2020)



to occupational accidents, and during the period of medical treatment for occupational injury or illness withdraws from the insurance program upon the termination of work contract, and are not qualified to apply the old-age benefits, and persons, who have, in accordance with the law, applied for leave without pay for nursing at home. In addition, the persons who have claimed labor insurance old-age benefits and who are more than 65 years of age that have applied for old-age payments of other related social insurance and resumed working, they may participate in the occupational accident insurance voluntarily via their insured units.

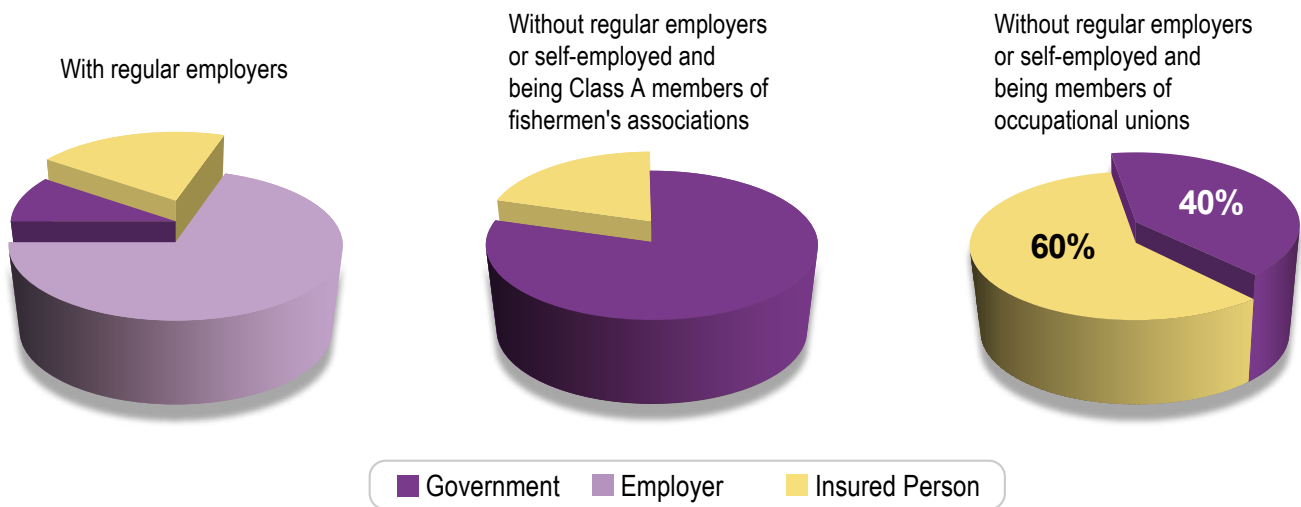
## 2. Premium Rates and Insurance Salary

The premium rates of labor insurance are of two types: ordinary and occupational accident,

which are categorized as combined insurance rates. Starting from 2021, the former has been set at 10.5% of the monthly insurance salary. The latter varies according to the Table of Business Category and Premium Applicable for the Occupational Accident of Labor Insurance. By January 1, 2010, the premium rate for occupational accident is divided into two categories: business category accident premium and on and off duty accident premium. In addition, the Experience Rate System of Occupational Accident Insurance applies to insured units with more than 70 employees. That is, the business category accident premium rate is readjusted every year pursuant to the increase or decrease of occupational accident benefits claimed by insured units.

Insurance premiums are paid jointly by the government, employers and workers according to

### Premium Payment Ratio



different ratios. The ratio of premium payment is as follows: when an insured person has a regular employer, 70% of the ordinary accident insurance premium is shared by the employer, 20% by the insured person and 10% by the government. The occupational accident insurance premium is paid entirely by the employer. When an insured person does not have a regular employer or is self-employed and affiliated with an occupational union, he/she will bear 60% of the premium for both ordinary and occupational accident insurance, and the remaining 40% will be paid by the government.

The insured who do not have regular employers or are self-employed and qualified as Class A members of fishermen's associations will share 20% of the premium for both ordinary and occupational accident insurance, with the government paying for the remaining 80%. Furthermore, the monthly insurance salary of labor insurance is based on the actual monthly salary total of the insured and should be reported correctly in accordance with the Table of Grades of Labor Insurance Salary.

### 3. Insurance Benefits

Labor insurance is divided into two major categories: ordinary accident insurance and occupational accident insurance. Ordinary accident insurance consists of five kinds of cash benefits, including maternity, injury or sickness, permanent disability, old-age and survivor benefits. The occupational accident insurance consists of injury or sickness, permanent disability and survivor benefits, plus medical benefits. Besides, the labor insurance pension program was launched on January 1, 2009.

#### [Qualification]

#### 1. Article 19 of Labor Insurance Act:

Upon the occurrence of a contingency covered by the insurance after the beginning and before the end of the effective period of the insurance, an insured person or his/her beneficiaries may claim insurance benefits payment pursuant to the provisions of this Act.

#### 2. Article 20 of Labor Insurance Act:

(1) For within 1 year after the insurance policy has been terminated, an insured person





shall remain entitled to injury or sickness benefits, permanent disability benefits, survivor benefits or occupational accident medical benefits for the injury or sickness and the diseases it causes occurring during the effective period of the insurance policy.

- (2) For within 1 year after the insurance policy has been terminated, an insured person who is pregnant during the period of her insurance policy, and conforms to the provisions of coverage days stipulated in the 1st or 2nd subparagraph of the 1st paragraph of Article 31 of the Act, shall be entitled to maternity benefits for childbirth or premature delivery due to the pregnancy.

### [Calculation of cash benefits payment]

The benefits payment which is issued by cash is calculated pursuant to the insured person's average monthly insurance salary and benefit payment standards. The average monthly insurance salary is calculated below:

### 1. Pension Benefits and Lump-Sum Old-Age Benefits:

It is calculated by averaging the highest 60 months insurance salary during the coverage duration of the insured person. For those who joining the insurance for less than 5 years, it would be calculated using the average monthly insurance salary for the actual insurance period.

### 2. One-Time Old-Age Benefits:

It is calculated by averaging the actual monthly insurance salary of the previous 3 years prior to the month the insured terminates the insurance. For those who joining the insurance for less than 3 years, it would be calculated using the average monthly insurance salary for the actual insurance period.

### 3. Other Cash Payment:

It is computed on the basis of average monthly insurance salary for the last 6 months prior to the month in which the insured contingency occurs.

### (1) Maternity Benefits

A female insured person who has childbirth occurring more than 280 days or has premature delivery occurring more than 181 days after joining the labor insurance program is entitled to claim a lump sum of maternity benefits equivalent to 60 days' salaries computed on the basis of her average monthly insurance salary of the last 6 months before the month of delivery or premature delivery (for people who withdraws from the labor insurance, the month of withdrawal). In case of a plural birth resulting from childbirth or premature labor, the payment shall be increased proportionately. For those insured persons who are also eligible for maternity benefits under related social insurance programs, or for military, civil and educational

personnel who also qualify for national maternity allowances, they have to choose one type of maternity benefits or allowances only.

## (2) Injury or Sickness Benefits (Temporary Disability Benefits)

In case an insured person does not receive original salary payment due to injury or sickness for which he/she is under medical treatment, he/she is entitled to claim injury or sickness benefits from the fourth day when he/she is unable to work full day. Injury or sickness benefits include ordinary injury or sickness benefits (only claimable during the period of inpatient hospitalization) and occupational injury or sickness benefits (can be claimed during the period of inpatient hospitalization as well as outpatient medical care. The benefit, however, shall not cover the period when the insured person is not receiving any treatment).

### ① Ordinary Injury or Sickness Benefits

The benefits of ordinary injury or sickness for inpatient hospitalization will be payable at the rate of 50% of the average monthly insurance salary of an insured person for a maximum period of 6 months. When an insured person has at least one full year of insurance coverage prior to the occurrence of injury or sickness, such benefits shall be payable for an additional 6 months.

### ② Occupational Injury or sickness Benefits

The benefits of occupational injury or sickness for inpatient hospitalization and outpatient medical care will be payable at the rate of 70% of the insured person's average monthly insurance salary. In case an insured person has not recovered from injury or sickness after one full year and been unable to work, the benefits shall

be reduced to 50% of average monthly insurance salary for a maximum period of 1 year. Total compensation payment period is 2 years.

## (3) Permanent Disability Benefits

An insured person suffers from injury or sickness and the person's condition is stable after medical treatment but no improvement could be expected for further treatment, and if the insured person is diagnosed to be permanently disabled by the national health insurance specially contracted hospitals and the disability comply with the disability benefit standard regulation, the insured person could claim permanent disability benefits.

### ① Lump-Sum Disability Benefits

The benefits are available to an insured person whose disability conditions conforming to the criteria stipulations of disability benefits payout, but not yet reaching the "permanent inability to work" payout item (a total of 200 disability items); or an insured person whose disability conditions conforming to the "permanent inability to work" payout item, and also has insured seniority prior to January 1, 2009, may also choose to file for the lump-sum benefits payout.

### ※ Payment Standards:

- A. It is calculated by averaging the actual monthly insurance salary 6 months prior to the date the insured person is diagnosed as permanently disable; the average daily insurance salary is calculated by dividing the average monthly insurance salary by 30.
- B. There are fifteen levels defined for disability classification. The highest is Level 1, in which the insured are paid up to 1,200 days; the lowest is Level

15, in which the insured get paid for 30 days. An insured person will be paid an additional 50% of the original lump-sum payment if the disability is caused by occupational injury or sickness. The highest level is Level 1, in which the insured are paid up to 1,800 days; the lowest level is Level 15, in which the insured get paid for 45 days.

## ② Disability Pension

An insured person who meets the “permanent inability to work” requirement under the “Disability Conditions” column of the Disability Benefit Payment Schedule, for a total of 20 items; or an insured person needs to be assessed with a disability level conforming to levels 1 to 7, and has also undergone the individualized professional assessment to suffer loss of working capability by 70% or more, and who also can no longer return to the workplace, may file to collect the disability pension payout.

### ※ Payment Standards:

- A. Average monthly insurance salary x coverage years x 1.55% (minimum guarantee of NT\$4,000)
  - Average monthly insurance salary is calculated by averaging the highest 60 months of insurance salary during the insurance coverage years.
- B. Additional dependent allowances: For those who have a spouse or children who meet the qualification, 25% of the disability pension shall be granted for each dependent, a maximum 50% will be granted.
- C. For those who have suffered from occupational injury or are disabled owing to occupational diseases, a

lump-sum payment of 20 months occupational disability compensation shall be granted in addition to the pension.

- D. Insured persons who have a record of national pension insurance coverage may choose to claim disability pension payments on a combined basis in accordance with the regulations of the national pension insurance program.

## (4) Old-Age Benefits

### ① Old-Age Pension Benefits

The insured person could claim for old-age pension benefits if he/she meets one of the following conditions:

- A. An insured person whose insurance coverage reached over 15 years, and who is at least 60 years of age and has resigned from work and withdrawn from insurance coverage (The age limit for claiming will be increased gradually and it was raised to 61 in 2018. Then the limit will be raised by one year for every two years until the limit reaches 65 years of age in 2026).
- B. An insured person who has worked in dangerous, physical hard labor, or work of special character (certified by the central competent authority) for more than 15 years, and who is at least 55 years of age and has resigned from work and withdrawn from insurance coverage (In other words, if the insured person is engaged in high-pressure chamber operations or diving operations as stipulated in the “Standards for Preventing the Risks of Injuries Posed by Abnormal Atmospheric Pressure”, he/she shall not be applicable to the rules with respect



to the gradual increase of the age limit for claim, advanced claim or postponed claim).

- C. An insured person whose insurance coverage year has not reached 15 years, and who is at least 65 years of age and has resigned from work and withdrawn from insurance coverage, he/she has been covered by both labor insurance and national pension insurance for 15 years or more. (In this case, old-age pension benefits couldn't be claimed in advance or postponed).

#### ※ Payment Standards:

- ① The better result will be chosen:

A. Average monthly insurance salary of the 60 months with the highest salary levels during the coverage duration ×

coverage years × 0.775% + NT\$3,000

B. Average monthly insurance salary of the 60 months with the highest salary levels during the coverage duration × coverage years × 1.55%

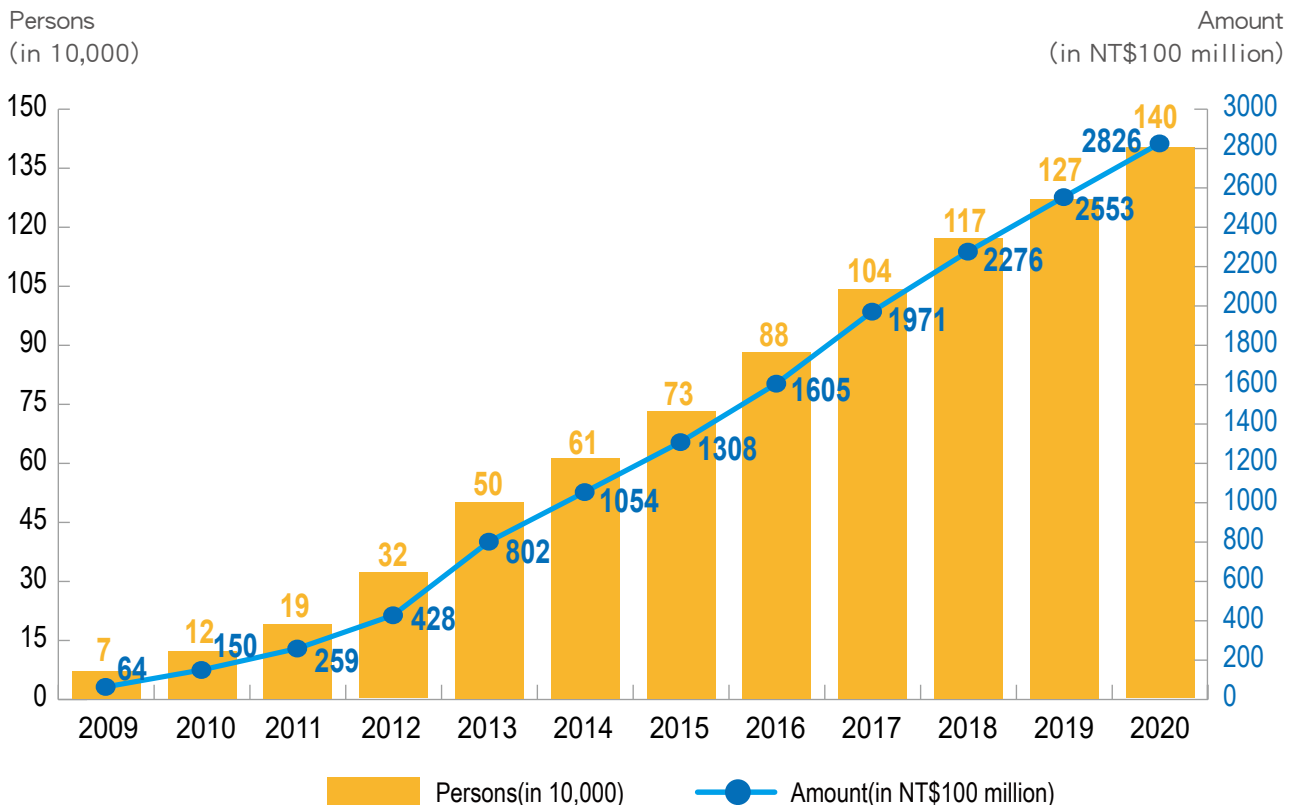
- ② Old-age pension benefits could be claimed in advance:

If the insured person has not attained the legal age, a deduction of 4% of the pension benefit amount shall be made against each advanced year; the upper limit for the advance year is 5 years.

- ③ Old-age pension benefits could be claimed postponed:

If the insured person has attained the legal age, an additional 4% of the pension benefit amount shall be paid against each postponed year, the maximum addition shall be 20%.

Trend in Old-Age Pension Benefits of Labor Insurance  
(2009-2020)



**② Lump-Sum Old-Age Benefits**

An insured person whose insurance coverage is less than 15 years and who is at least 60 years of age, and has resigned from work and withdrawn from insurance coverage, shall claim for lump-sum old-age benefits (The age limit for claiming will be increased gradually and it was raised to 61 in 2018. Then the limit will be raised by one year for every two years until the limit reaches 65 years of age in 2026).

**※ Payment Standards:**

1 month payout based on the average monthly insurance salary of the 60 months with the highest salary levels during the coverage duration shall be granted for every full year the participant is insured; for elders over the age of 60 the payout shall be capped at 5 years.

**③ One-Time Old-Age Benefits**

If an insured person has insurance coverage before the amendment of the Labor Insurance Act made on January 1, 2009, and meets one of the following requirements, he/she will be eligible for one-time old-age benefits.

- A. A male insured person at least 60 years of age or a female insured person at least 55 years of age who has been insured for at least 1 year and resigns.
- B. An insured person whose insurance coverage reached over 15, who is at least 55 years of age and resigns.
- C. An insured person who has been insured in the same insured unit for over 25 years and resigns.
- D. An insured person whose insurance coverage reached over 25 years, who is at least 50 years of age and resigns.
- E. An insured person who has been employed for more than 5 years in

dangerous and physically hard labor, or work of special character certified by the central competent authority, who is at least 55 years of age and resigns. (If the insured person is engaged in high-pressure chamber operations or diving operations as stipulated in the "Standards for Preventing the Risks of Injuries Posed by Abnormal Atmospheric Pressure").

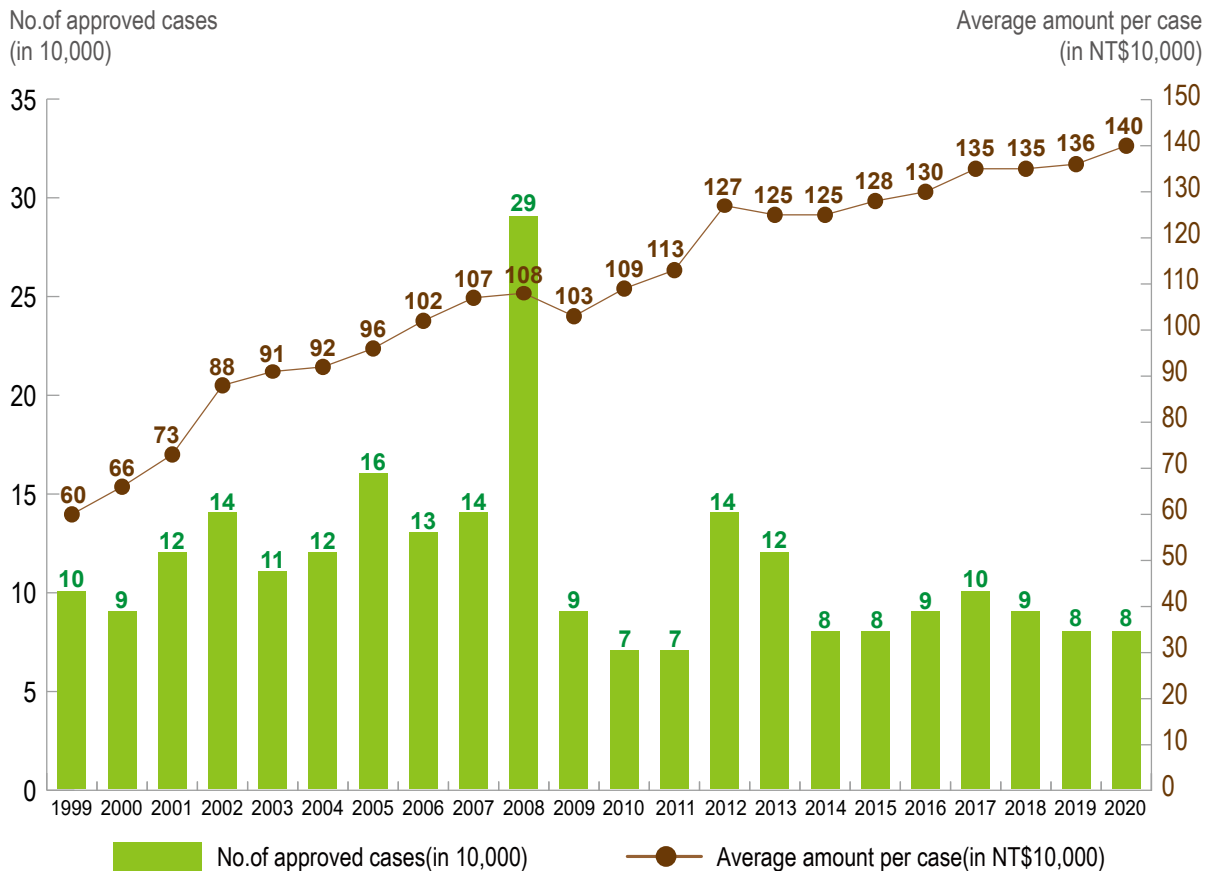
- F. The insured persons who have transferred to the military personnel insurance, the civil servant and teacher insurance, and who have resigned and keep their labor insurance seniority pursuant to Article 76 of Labor Insurance Act.

**※ Payment Standards:**

For every one full year of insurance coverage, 1 month of average monthly insurance salary of the previous 3 years prior to the month the insured person withdraws insurance coverage would be issued; should the total insurance coverage is more than 15 years, for the part which is more than 15 years, 2 months of average monthly insurance would be issued for every one extra year of insurance coverage, and the highest limit is 45 months before the age of 60. If the insured person is more than 60 years of age and continue to work, the insurance coverage after 60 years of age would be counted as 5 years for the maximum. The highest limit is 50 months if combining one-time old-age benefits before and after 60 years of age.

**(5) Survivor Benefits**

Trends in One-Time Old-Age Benefits of Labor Insurance (1999-2020)



### ① Death of Family Members

#### ※ Payment Standards:

The payment standards of funeral grant is based on the insured person's average monthly insurance salary for 6 months prior to the month of the death of the dependent.

- A. 3 months of funeral grant shall be granted when parents or spouse die.
- B. 2.5 months of funeral grant shall be granted when children aged 12 or above die.
- C. 1.5 months of funeral grant shall be granted when children aged less than 12 die.

### ② Death of the Insured

#### A. Funeral Grant

If the insured person died during the

effective period of the insurance, the persons who pay for the funeral expenses could claim 5-month funeral grant based on the insured person's average monthly insurance salary for the last 6 months before the month the insured person died. If the insured person's dependents do not meet the criteria for claiming survivor pension or survivor allowances or there is no dependent, the persons who pay for the funeral expenses could claim 10-month funeral grant based on the insured person's average monthly insurance salary for the last 6 months before the month the insured person died.

#### B. Survivor Pension

#### ※ Qualification:



- ❶ An insured person who dies during the effective coverage period of labor insurance.
- ❷ An insured person who has withdrawn from insurance coverage and dies during the period of receiving old-age pension or disability pension.
- ❸ An insured person who has at least 15 years of insurance coverage and meets the requirements of claiming old-age benefits according to the paragraph 2 of Article 58 of the Labor Insurance Act but dies before claiming old-age benefits.

※ **Payment Standards:**

- ❶ An insured person who dies during the effective coverage period of labor insurance: An insured person's average monthly insurance salary of the highest 60 months x coverage years x 1.55% (minimum guarantee of NT\$3,000).
- ❷ An insured person who dies under the circumstances ❷ and ❸ described in qualification of survivor pension: Half of the amount calculated according to disability pension or old-age pension payments standard shall be granted (minimum guarantee of NT\$3,000).
- ❸ Additional survivor pension: When there is more than one dependent in the same order for receiving survivor pension, 25% additional payments shall be granted for every one additional dependent and the maximum is 50% additional benefits.
- ❹ For those who die due to occupational accidents, in addition to the pension benefits, a lump-sum payment of 10 months death compensation for occupational accidents shall be granted.

※ **Priority of entitled dependents to claim survivor pension:**

- ❶ Spouse and children ❷ parents

❸ grandparents ❹ grandchildren who are raised by the insured person ❺ brothers and sisters who are raised by the insured person. Should survivors listed in the first order are all disqualified for survivor pension or having one of the following conditions happened when there is no survivor qualified in the same order, survivors in the second order could claim survivor pension benefits:

- ❶ Die while claiming survivor pension benefits;
- ❷ Nowhere to be found or overseas;
- ❸ Submit a claiming waiver;
- ❹ Don't submit an application within 1 year after being qualified for claiming benefits.

※ **If an insured person who dies during the effective coverage period of labor insurance, dependents should select one of the survivor allowances or the survivor pension; no changes can be made after the reimbursement.**

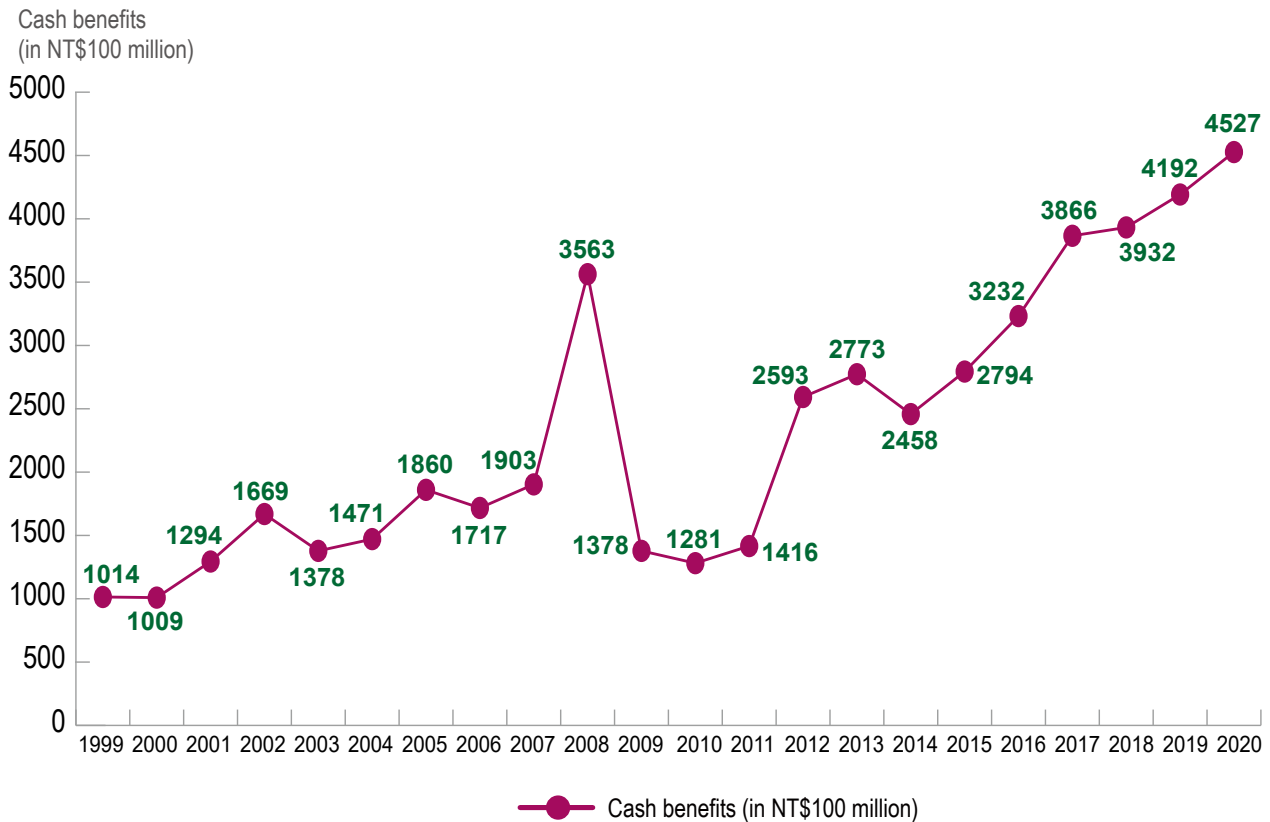
C. Survivor Allowances

An insured person has insurance coverage seniority prior to the implementation of the labor pension program (January 1, 2009) and dies during the effective coverage period of labor insurance, his/her qualified dependents could choose to claim one-time survivor allowances.

※ **Payment Standards:**

- ❶ An insured person whose insurance coverage is less than 1 year will be paid 10 months survivor allowances.
- ❷ An insured person whose insurance coverage is more than 1 year but less than 2 years will be paid 20 months survivor allowances.
- ❸ An insured person whose insurance coverage is more than 2 years will be

Trends in Cash Benefits of Labor Insurance (1999-2020)



paid 30 months survivor allowances.

- ④ An insured person dies from occupational accident and his/her entitled dependents shall be paid 40 months survivor allowances regardless of his/her coverage years.

※ **Priority of the entitled dependents to claim survivor allowances:**

It is the same order as that for survivor pension. Survivors listed on the rear order are not entitled to apply for survivor allowances if survivors listed on the front still exist. To safeguard the financial stability of survivors, the payment may be claimed by the followed beneficiary if the qualified pre-order beneficiary has confirmed that he/she will not claim the survivor allowance and has issued in person a letter of agreement or letter of

renunciation for such purpose. However, in accordance with Article 1088, Paragraph 2 of the Civil Code, the statutory agent is not entitled to declare abandonment of the claim right on behalf of a minor beneficiary.

## (6) Missing Allowances

In case of an insured person is a full-time fisherman, aviation or navigation worker, or a mine-worker, and is declared missing due to an accident happened in the course of fishing, aviation, navigation, or mining as the case may be, special missing allowances equivalent to 70% of the average monthly insurance salary shall be paid at the end of every three months period from the day the insured person is declared missing in the census registry until the day prior to (1) he is found alive, (2) the expiration of 1 year after he was

declared missing, or (3) he is declared dead by the final judgment, whichever happens first.

※ Priority of the entitled dependents to claim missing allowances is the same as survivor allowances.

### (7) Occupational Accident Medical Benefits

The medical expenses for ordinary sickness or injuries are covered by the national health insurance. Such expenses, however, shall be covered by the labor insurance system when an insured person is injured at work, has an accident while commuting to or from the workplace, or when he/she has contracted an occupational disease. Insured persons who go to a clinic or stay in a hospital due to occupational injuries/diseases may download the Occupational Injury/Disease Medical Treatment Form from the Bureau of Labor Insurance website. Once the form is certified by the insured unit via official seal and submitted along with the insured person's NHI Card and personal identity documents to NHI contracted hospitals or clinics for medical services, co-payments shall be waived, and a 50% subsidy for meals will be granted for up to 30 days of hospitalization. To protect the health of the insured persons, the BLI provides yearly physical examinations for preventing occupational diseases, which are available to the insured persons involved in the 31 types of tasks with special health hazards (including high temperature, noise, ionizing radiation and dust) under the Labor Health Protection Regulations or those who used to be exposed to asbestos operations but are no longer involved therein, and subject to that the insured has been consecutively participating in the labor insurance program for one year or more recently. The purpose

of providing the physical examinations is to ensure early discovery and treatment of occupational diseases.

## Employment Insurance Program

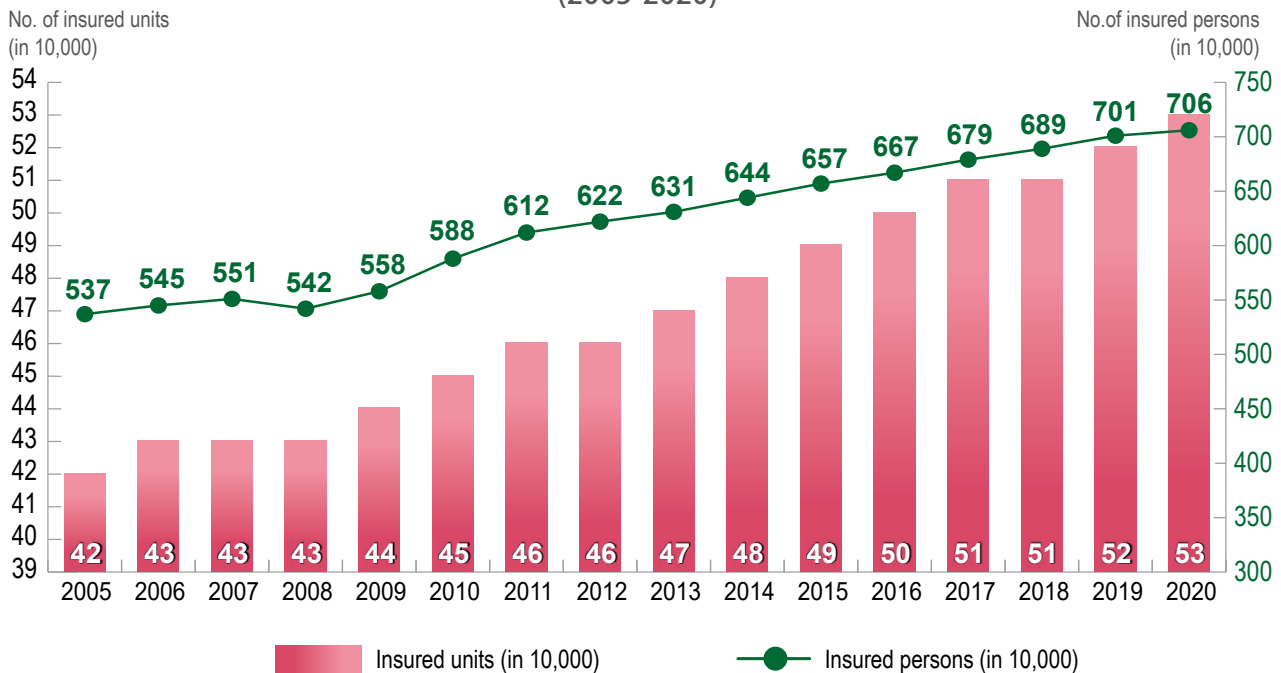
The unemployment benefits of labor insurance began in 1999. After the Employment Insurance Act was implemented on January 1, 2003, unemployment benefits were taken out of the labor insurance program and increased with vocational training living allowances, early reemployment incentives, and national health insurance premium subsidies for unemployed insured persons. Since January 31, 2007, dependents enrolled with insured persons have been allowed to receive national health insurance premium support as well. The Employment Insurance Act was promulgated on March 31, 2009 after three readings at the Legislative Yuan and implemented on May 1, 2009. Major amendments include: raising the insured age to 65 and expanding the scope of coverage, granting parental leave allowances during unpaid parental leave, and increasing unemployment benefits and vocational training living allowances for specific groups.

### 1. Insured Units and Insured Persons

Employed workers of ROC nationals, foreign spouses, and spouses from Mainland China, Hong Kong, or Macau of ROC citizens who legally work in Taiwan aged above 15 and below 65 shall join the employment insurance program as insured persons via their employers or organizations to which they belong. However, the following people are not allowed to participate in the employment insurance program: those who are required by law to join the civil servant and



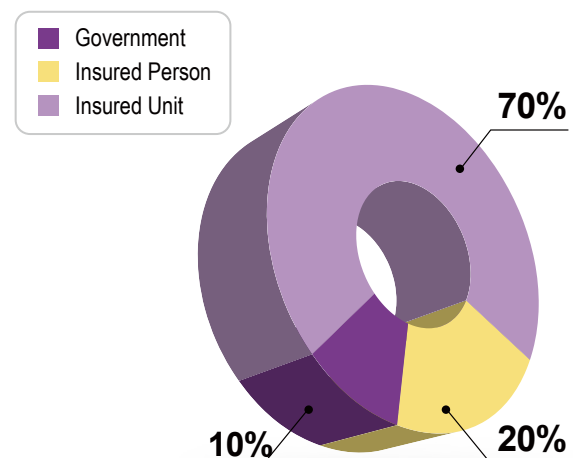
Growth Trends in the No. of Insured Units and Persons for Employment Insurance  
(2005-2020)



teacher insurance program or military personnel insurance, those who are already covered by labor insurance benefits for the elderly or old-age pensions for civil servants and teachers and those who employed by an employer or organization legally exempt from business registration and business tax or legally exempt from business registration and not required to provide uniform invoices as proof of purchase.

## 2. Premium Rates and Insurance Salary

In 2003, the Employment Insurance Act was implemented, the employment insurance premium has been collected on the basis of 1% of insured persons' monthly insurance salary since then, in which insured persons pay 20%, insured units pay 70%, and the remaining 10% is paid by the government. The monthly insurance salary should be filed based on the total amount of the insured person's monthly salary according to the "Table of Grades of Labor Insurance Salary".

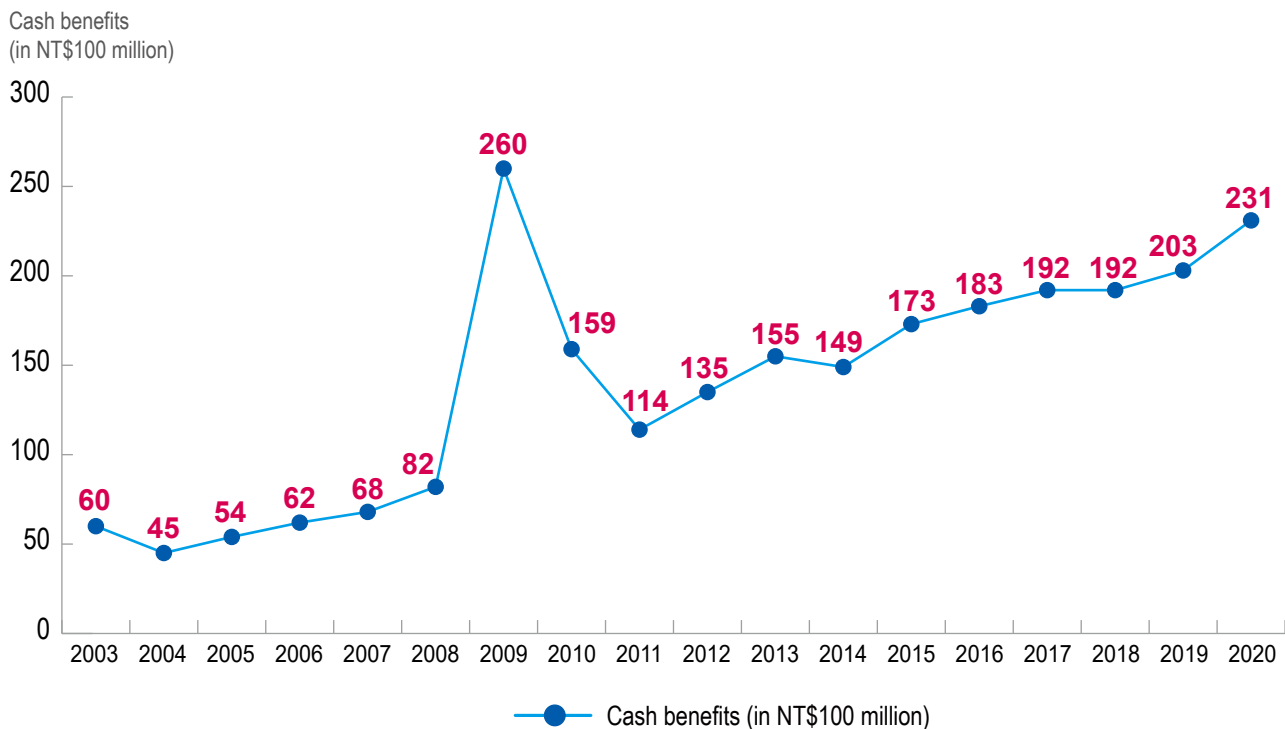


## 3. Insurance Benefits

### (1) Unemployment Benefits

The insured person should have accumulated at least 1 year of insurance coverage within 3 years before the insured person non-voluntarily leaves his/her job and withdraws from the Insurance, and the insured person is able and willing to work and has registered with the public employment service institution

### Trends in Cash Benefits of Employment Insurance (2003-2020)



for seeking a job and is still unable to get a job or take vocational training within 14 days after the job seeking registration date.

#### ※ Payment Standards:

- ❶ Unemployment benefits are issued based on 60% of the average monthly insurance salary for the 6 months before the month the applicants leave their posts and withdraw from this insurance, and the longest period the qualified insured person could claim for unemployment benefits is 6 months.
- ❷ If the applicant who withdraws from this insurance is already 45 years old or holds a physical and mental disability certificate issued by competent authority of social welfare. The longest period for unemployment benefits is then 9 months.
- ❸ After the insured person non-voluntary leaves his/her job and withdraws from the insurance and during the period of receiving unemployment benefits, if the

insured person has any dependents (non-working spouse, minor children or children with mental or physical impairment), an extra 10% of benefit counted based of the average monthly insurance salary for the 6 months period before the month the insured person withdraws from the insurance would be issued to every dependent, however, the maximum extra benefit is 20% of the base stated above.

### (2) Early Reemployment Incentives

The insured person should meet the qualification for unemployment benefits and be hired to a job before the expiration of unemployment benefits claiming period and has been enrolled in the employment Insurance for at least 3 months, may claim early reemployment incentives.

#### ※ Payment Standards:

The insured person could claim 50% of

unpaid unemployment benefits (based on the last unemployment benefits amount) as a lump-sum early reemployment incentive.

### (3) Vocational Training Living Allowances

An insured person who involuntarily leaves work, registers at a public employment service institution to seek employment, and is arranged by the public employment service institution to attend full-time vocational training, may claim vocational training living allowances.

#### ※ Payment Standards:

- ❶ The Applicant who participates in vocational training for at least 1 month, the vocational training living allowance is calculated from the first day of training. During the training period, the applicant is paid 60% of his/her average monthly insurance salary over the 6 months period prior to leaving work and withdrawing from the employment insurance program, for a maximum of 6 months.
- ❷ In addition, during the period of receiving vocational training living allowances, if the applicant has any dependents (non-working spouse, minor children or children with mental or physical impairment), an extra 10% of allowance counted based of the average monthly insurance salary for the 6 months period before the month the applicant withdraws from the insurance would be issued to every dependent, however, the maximum extra allowance is 20% of the base stated above.

### (4) Parental Leave Allowances

An insured person may apply for parental leave allowances if he/she has accumulated at least 1 year of employment insurance enrollment, has children less than 3 years of age, and is on parental leave without pay

according to the regulation of the Gender Equality in Employment Act.

#### ※ Payment Standards:

- ❶ Parental leave allowances shall be 60% of the average monthly insurance salary of the insured person for the six months prior to the month when the parental leave begins. The allowances shall be paid monthly at the beginning of each payment period, starting from the date when the parental leave begins till the expiry date thereof. For each child, the maximum payment period shall be six months. If two children or more under the age of 3 are raised at the same time, the payment will be made based on one child. (With effect from July 1, 2021, the government shall grant, additionally, a parental leave wage subsidy, which shall be 20% of the average monthly insurance salary. The wage subsidy shall be paid along with the parental leave allowance. It is not necessary to file a separate application.)
- ❷ If the parents are both insured and are raising two or more children aged under three (for example, twins or multi-births), they are entitled to claim parental leave allowances at the same time and against different children. If the parents are raising only one child under three, they shall claim the allowance in turn and are not allowed to claim simultaneously.

### (5) National Health Insurance Premium Subsidies for Unemployed Insured Persons and Their Dependents

The subjects of the national health insurance premium subsidies are the unemployed insured person and the dependents of the insured person who have been covered by the national health insurance along with the

insured person up till the time of the insured person's separation from employment and withdrawal from the employment insurance program. The dependents must be those defined in Article 2 of the National Health Insurance Act or the status of insured person of Category 6, but not those who are included in national health insurance coverage retroactively following the insured person's separation from employment and withdrawal from the employment insurance program.

#### ※ Payment Standards:

- ❶ For subjects who are eligible for the subsidy, the insurer shall provide the subsidy for their co-payment portion of the monthly National Health Insurance premium during the period of subsidy. However, the insurer shall not subsidize for the supplementary premium to be collected in accordance with the National

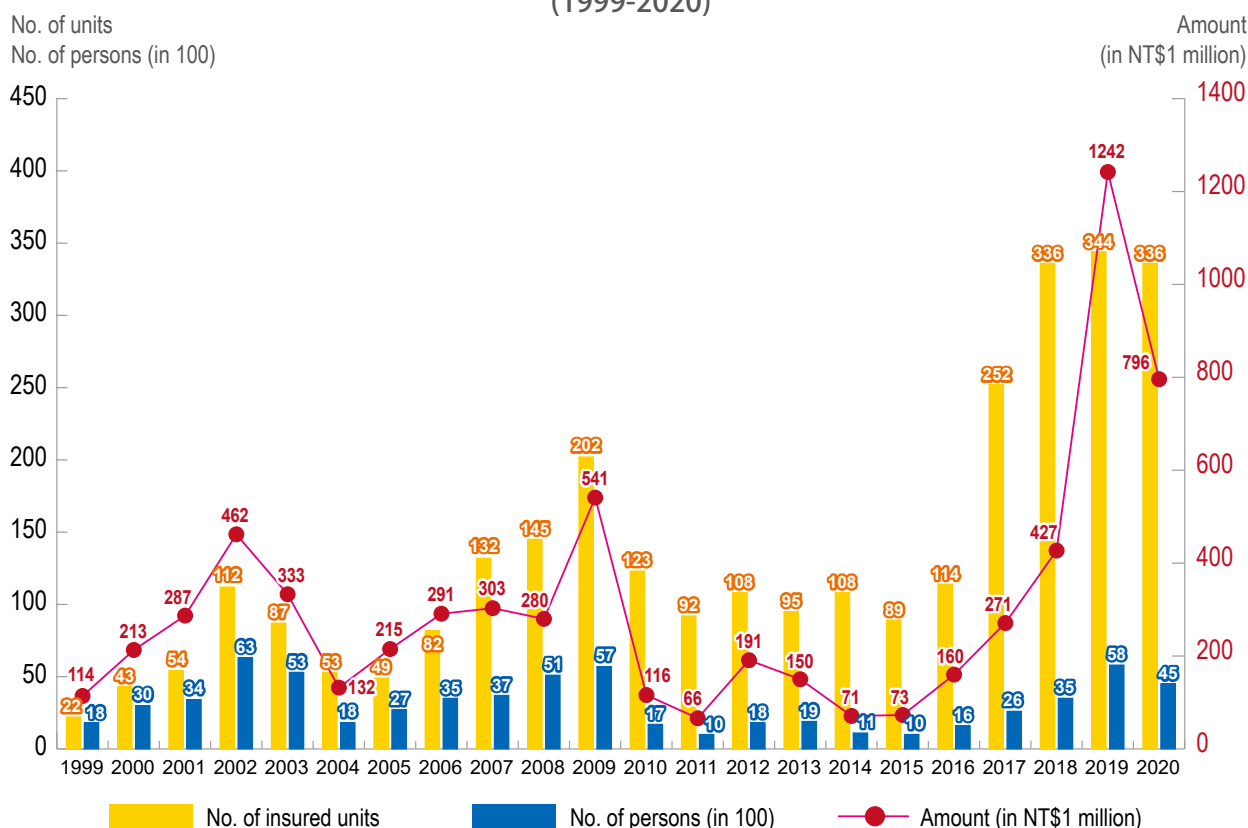
Health Insurance Act.

- ❷ With respect to the period of subsidy, the National Health Insurance premium subsidies shall be paid for each month that contains the last day of the respective period when the insured receives the unemployment benefits or vocational training living allowances.

## The Collection and Disbursement of Wage Arrears Payment Fund Program

The collection and disbursement of wage arrears payment fund program stipulates that employers should pay a certain amount into the fund monthly to be used for subsequent payment of

No. of Units and Persons Availing of Wage Arrears Payment and Amount  
(1999-2020)





wage arrears, retirement pension and severance pay required by the provisions of Labor Standards Act, and the severance pay required by the provisions of Labor Pension Act. In case of non-payments upon the employee's request for arrears of wages, pensions, or severance pay owed by employers, the fund can temporarily cover the payments, but the employer shall repay the amount to the fund within a specified timeframe.

To strengthen the security and stability of the employees' lives and economic welfare, in July 1984 the Labor Standards Act was enacted; Article 28 stipulates expressly that employees who are entitled to claim their arrears of wages under the labor contract within six months prior to suspension, liquidation or bankruptcy declaration of the employer's business from the wage arrears payment fund. To further protect employees' rights and to reduce labor disputes, on February 4, 2015, the amendment to Article 28 expanded the scope of payments the fund covers, with the fund now covering retirement pension and severance pay required by the provisions of Labor Standards Act, and the severance pay required by the provisions of Labor Pension Act (the total amount shall be no more than 6 months of average wage).

The collection of the fund began in November, 1986, and it shall be collected by 0.05% of total labor (employment) insurance wage. From July 1996, after a certain amount was accumulated in the fund, the rate was lowered to 0.025% to reduce the financial burden of employers. This system has made significant contribution to the protection of workers' lives and stability of our society.

## Labor Pension Program

The labor pension program refers to payment

given by employers when workers retire. This is a crucial program for safeguarding employees' retired lives. However, the past stipulations pertaining to labor pension claiming under the Labor Standards Act (the old program) are overly strict, it is hard for most workers to meet the requirements of applying. To safeguard workers' retired lives, eliminate deficiencies of the old program, and avoid the rights of pension claiming being affected by employee's change of jobs or employers' going out of business, the government is obligated to replace the old program with a new one. Also, this would make it easier for employers to estimate their operating costs and reduce labor disputes.

After communication and coordination among workers, employers, and the government for more than a decade, the Labor Pension Act was announced on June 30, 2004 and went into effect on July 1, 2005. The central competent authority shall entrust the BLI to take charge of the revenues, expenditures and safeguard of labor pension, and the imposition of late payment charges. The new labor pension program is supported by two pillars of "individual labor pension accounts" and "annuity insurance"; the above-mentioned connotations are explained separately as follows:

## 1. Individual Labor Pension Accounts

### (1) Applications

#### ① Mandatory Contributors:

The eligible subjects of the Labor Pension Act pertain to workers eligible under the Labor Standards Act (including Taiwanese citizens; foreign spouses; spouses from Mainland China, Hong Kong, or Macau; and permanent resident foreigners). However, mandatory contribution is not applicable to those who have their pension

reserves contributed in accordance with the Private School Law.

### ② Voluntary Contributors

According to the paragraph 2 of Article 7 of the Labor Pension Act, if workers who actually engage in labor work, self-employed operators, commissioned workers, and workers not applicable to the Labor Standards Act, may voluntarily contribute and request to claim pension in accordance with the Act.

## (2) Labor Pension Contribution Rates and Monthly Contribution Wages

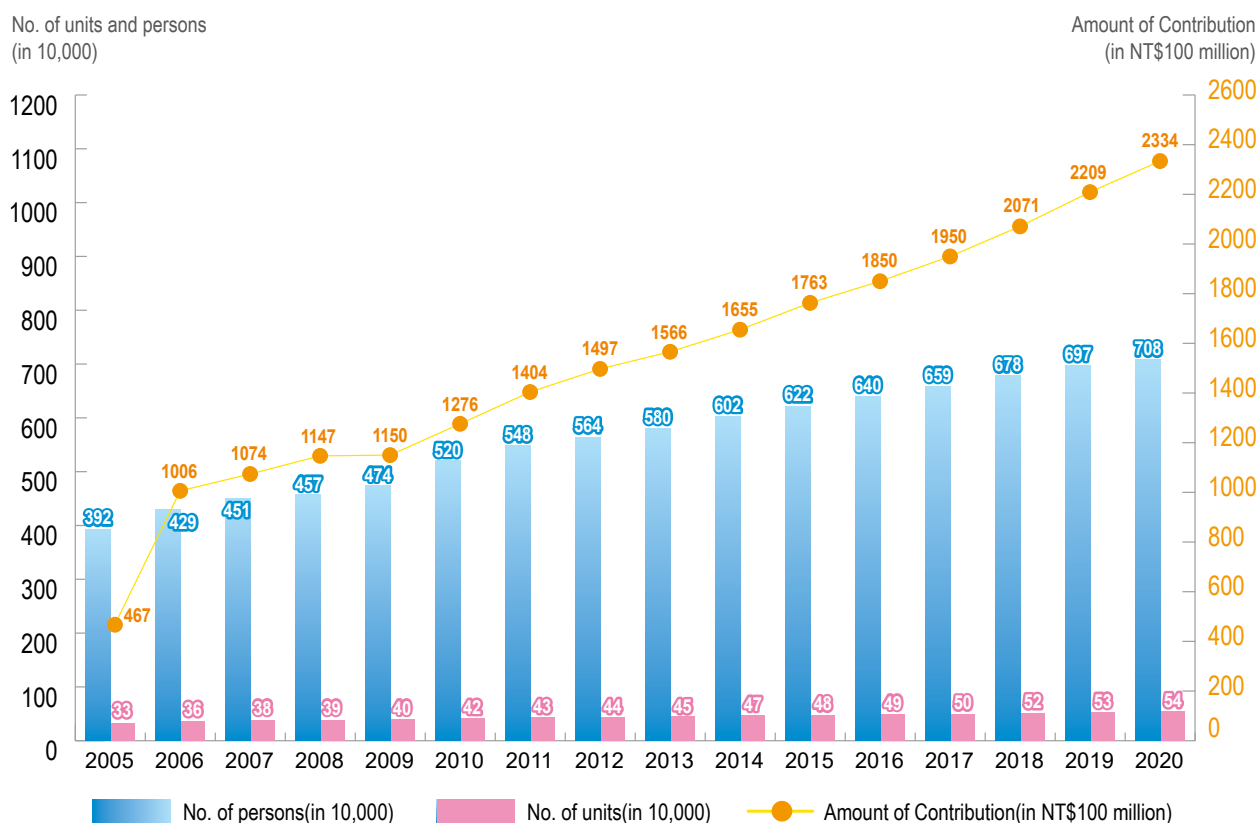
The amount of labor pension borne by employers shall not be less than 6% of workers' monthly wage, and shall be reported by employers based on workers' total monthly wages according to the Table of

Monthly Contribution Classification of Labor Pension. Meanwhile, workers may voluntarily contribute their labor pension within 6% of their monthly wages, and the labor pension voluntarily paid is not included as part of the annual income subject to taxes. As for employers who actually engage in labor work, self-employed operators, workers not applicable under the Labor Standards Act and commissioned workers, they may voluntarily contribute their labor pension within 6% of their monthly wages or operational income, and the labor pension voluntarily paid is not included as part of the annual income or operational income subject to taxes.

## (3) Application for Labor Pension Payments

### ① Lump-Sum Pension Payments

Profile of Labor Pension Collection (2005-2020)



Workers aged 60 and over who have contributed for less than 15 years should apply for the principals and accrued dividends from workers' individual labor pension account in a lump sum at one time. Workers aged 60 and over who have worked over 15 years may request to claim lump-sum pension payments.

### ② **Monthly Pension Payments**

Workers aged 60 and over who have contributed over 15 years may request to claim monthly pension payments. The amount of monthly pension payments is computed on the basis of the principals and accrued dividends from workers' individual labor pension account and shall be calculated based upon the Terms Life Chart of Annuity, average life expectancy, interest rate and other factors, with payment being paid in fixed installments.

### ③ **Claiming Pension after Application for Pension Payments**

Workers who continue to work after having received their pension payments, their subsequent seniority shall be reset. Employers shall continue to contribute the labor pension to workers' original individual labor pension accounts. The number of times workers may receive the pension payments from above-mentioned continuing work and related dividends shall be limited to once a year.

### ④ **Pension Payments Requested by Dependents or Will-Designated Individuals**

For workers who die before requesting pension payments, their dependents or will-designated individuals should claim lump-sum payments. If workers, who have received the monthly pension payment, die before they reach the average life

expectancy or, for those who have claimed for early benefit payment, before attaining the number of years specified by workers for claiming the payment, the monthly pension payment shall be discontinued and the survivor(s) or designated claimants according to the will shall receive the residual amount in their individual pension account in a lump sum.

### ⑤ **Claiming Pension Payments in Advance**

Workers not reaching the age of 60 and losing working abilities, in accordance with Article 24-2 of the Labor Pension Act, may request to claim retirement payments ahead of schedule. Workers reaching 15 years contributive seniority or longer may request to claim monthly Pension payments or lump-sum Pension payments; however, those with contributive seniority not reaching 15 years shall only claim lump-sum Pension payments. Workers claiming for monthly pension payments may on their own decide the number of years for which they are eligible to claim pension payments.

## 2. Annuity Insurance

A business entity with over 200 workers may, with the consent of a labor union or with the approval of labor-management conference when no labor union exists, insure with the Annuity Insurance pursuant to the Insurance Act for workers who choose in writing to insure with the Annuity Insurance. If a business entity is approved to implement annuity insurance but fails to contribute monthly or contribute insufficiently for insured employees, the BLI will impose penalties.

## Parental Leave Wage Subsidy

To fully implement the policy of "Helping the Parents to Parent -the Government's Commitment ", the Ministry of Labor has established and announced the "Regulations Governing the Parental Leave Wage Subsidy" on June 4, 2021. A parental leave wage subsidy shall be granted to assist the insured persons under the Employment Insurance Act, elevating their life quality and strengthening their economic safety during the period of parental leave. The BLI shall be responsible to implement the Regulations Governing the Parental Leave Wage Subsidy, which shall take effect on July 1, 2021.

## 1. Applicable Subjects and Eligibility

The Regulations shall be applicable to the insured persons who have applied for parental leave allowances in accordance with Article 11, Paragraph 1, Subparagraph 4 and Article 19-2 of the Employment Insurance Act.

## 2. Subsidy Standard

The parental leave wage subsidy shall be 20% of the average monthly insurance salary, which is the basis for calculating the parental leave allowance. The wage subsidy shall be paid along with the parental leave allowance. It is not necessary to file a separate application.

## Pregnancy Checkup Leave Wage Subsidy

To fully implement the government policy of "A Worry-Free Pregnancy ", the Ministry of Labor has established and announced the "Regulations Governing the Pregnancy Checkup Leave Wage Subsidy" on June 4, 2021. While safeguarding the rights and interests of the workers in taking pregnancy checkup leaves, the government also

grants pregnancy checkup leave wage subsidy to the employers offering such paid leaves. The purpose is to reduce the financial burden of the employers and build up harmonious labor relation. The BLI shall be responsible to implement the Regulations Governing the Pregnancy Checkup Leave Wage Subsidy, which shall take effect on July 1, 2021.

## 1. Applicable Subjects and Eligibility

The Regulations shall be applicable to the employees who are covered by the Act of Gender Equality in Employment, as well as the employers who grant paid pregnancy checkup leaves to their employees for the sixth and seventh days of the leave (Employers who are required to grant paid pregnancy checkup leaves under other regulations shall not be applicable to the Regulation).

## 2. Subsidy Standard

The subsidy shall be granted based on the total salary actually paid by the employer to the employee for the sixth and seventh days of the pregnancy checkup leave.





*INSURE Your Life*



## Chapter Three

# Profile of Delegated Businesses

## Farmer Health Insurance Program

Farmer health insurance is the BLI's first commissioned business. The program was implemented on a trial basis beginning in 1985 and was formally implemented in 1989.

### 1. Insured Units and Insured Persons

Members of farmer associations as referred to in Article 12 of the Farmer Association Act or farmers over 15 years old who are not members of farmer association, engaged in agricultural work in accordance with the provisions of the Examination Guidelines on the Application of Farmer Health Insurance Recognition Standards and Qualifications and qualified for joining in the program after being examined by farmer associations, farmers can join in the program via the basic-level farmer associations to which they belong to shall be the insured establishments. With effect from June 14, 2003, individuals who are already receiving old-age benefits from other related social insurance programs shall not be entitled to apply for farmer health insurance as a non-member of the farmer association. From February 1, 2013, members or not members of farmer associations who are not recipients of old-age benefits from other related social insurance programs should take part in farmer health insurance.

### 2. Premium Rates and Monthly Insurance Amount

From March 1, 1995, approved by the Executive Yuan, the premium rate for farmer health insurance was set at 2.55% with the monthly insurance amount of NT\$10,200. 30% of the premium is paid by the insured with the remaining 70% paid by the government.

Farmer Health Insurance Payment Premium Ratio



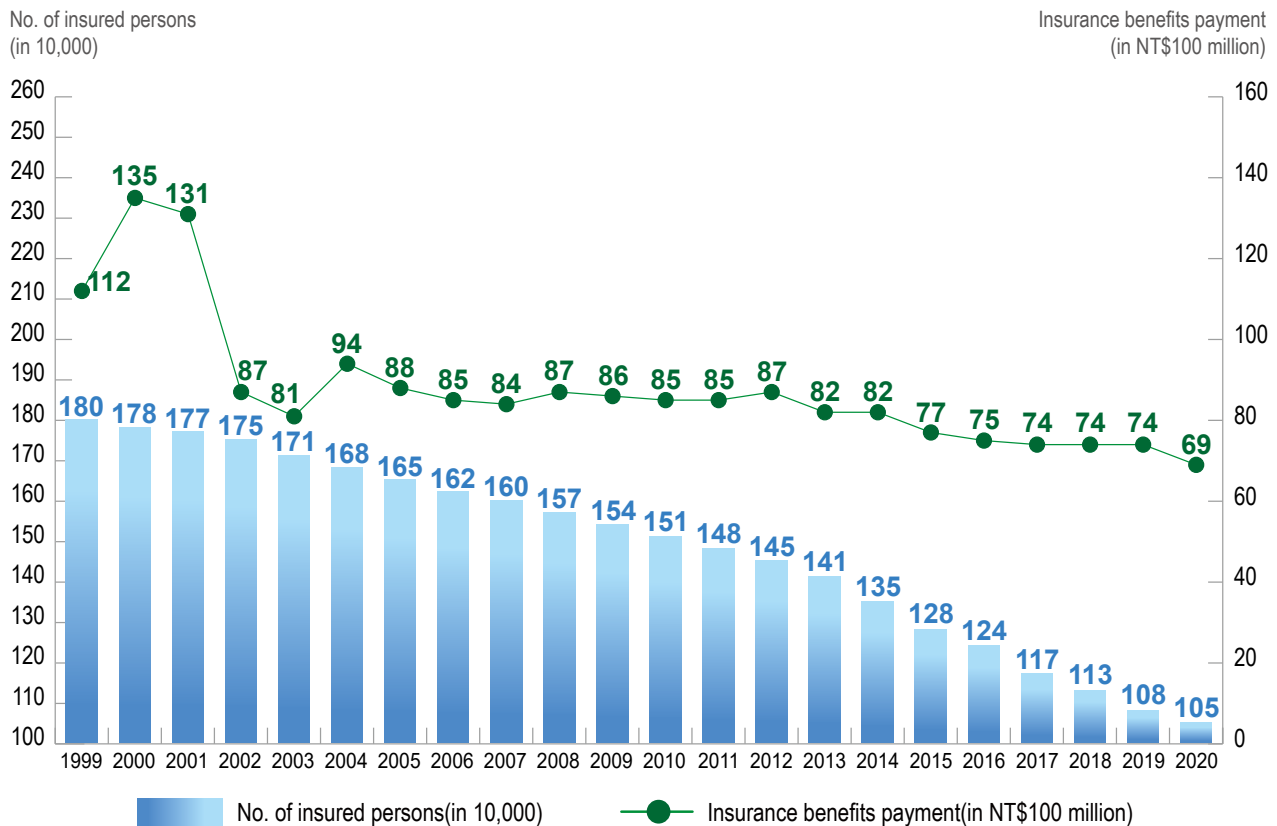
### 3. Insurance Benefits

Insurance benefits of farmer health insurance include maternity benefits, disability benefits and funeral grant.

#### (1) Maternity Benefits

When an insured person or the spouse of an insured person has childbirth occurring more than 280 days or has premature delivery occurring more than 181 days after the insured person participates in the program, he/she is entitled to claim lump-sum maternity benefits equivalent to 2 months of his/her monthly insurance amount (NT\$20,400). When a plural or multiple births are given, maternity benefits which can be claimed are increased in proportion to the number of newborn infants. In case of miscarriage

### Trends in the No. of Insured Persons and Benefits Payment of Farmer Health Insurance (1999-2020)



occurs more than 84 days after an insured person participates in the program, he/she is entitled to claim maternity benefits equivalent to 1 month of his/her monthly insurance amount(NT\$10,200).

#### (2) Disability Benefits

If an insured person suffers from injury or sickness with current symptoms remaining stable after the termination of treatment, no improvement is expected even continuing the treatment, the insured person is diagnosed as being permanently disabled by qualified national health insurance specially contracted hospitals, and meet the regulations in the disability benefits payment standards, he/she could apply for disability benefits. There are fifteen levels defined for disability

classification, the highest level is Level 1, in which the insured person is paid up to 1,200 days (NT\$408,000); the lowest level is Level 15, in which the insured person is paid 30 days (NT\$10,200).

#### (3) Funeral Grant

In the event of the death of an insured person, funeral grant equivalent to 15 months of his/her monthly insurance amount is payable to the person who pays for funeral expenses (NT\$153,000).

### 4. Financing

Since its implementation, the farmer health insurance program has been suffering from a loss year after year. This is mainly because that the insured persons are relatively older,

with an average age of 67.55. As at the end of December, 2020, insured persons aged 65 and above accounted for 59.21% of the total, resulting in a high ratio of claim for disability benefits and funeral grant. The low premium rate over a long period also accounts for the financial deficit. In accordance with Article 44 of the Farmer Health Insurance Act, the central competent authority in charge of the business shall allocate funds to make up for the deficit.

## Farmer Occupational Injury Insurance Program

The farmer occupational injury insurance was implemented on a trial basis beginning on November 1, 2018.

### 1. Insured Units and Insured Persons

The insured persons of the Farmer Health Insurance who are actually engaged in agricultural works and the individuals who, though not eligible for the Farmer Health Insurance, are qualified as Category 3 insured persons under the National Health Insurance (due to the expansion of coverage of the Farmer Occupational Injury Insurance since August 7, 2019) or the nationals who possess the expertise for agricultural production and are involved in regional agricultural production (due to the expansion of coverage since May 1, 2021) may, at his/her own discretion, apply to join the Farmer Occupational Injury Insurance according to the "Regulations Governing the Pilot Operation of the Farmer Occupational Injury Insurance" and through the basic-level farmer association at the place of his/her household registration. The insurance will take effect when the application has been reviewed and approved by the farmer association. For those who have enrolled in the Farmer Occupational Injury Insurance on basis of

his/her status as an insured person of the Farmer Health Insurance, a Category 3 insured person of the National Health Insurance, or as an individual involved in regional agricultural production, they shall not continue participating in the Farmer Occupational Injury Insurance once they have withdrawn from the Farmer Health Insurance, or are no longer qualified as a Category 3 insured person of the National Health Insurance, or are not involved in regional agricultural production.

### 2. Premium Rates and Monthly Insurance Amount

The premium rate for the farmer occupational injury insurance is 0.24% with the monthly insurance amount of NT\$10,200. 60% of the premium is paid by the insured with the remaining 40% paid by the government.

### 3. Insurance Benefits

Insurance benefits of farmer occupational injury insurance include injury benefits, medical care allowances, disability benefits and funeral grant during the trial period.

#### (1) Injury Benefits

When covered by the farmer occupational injury insurance, the insured person gets injured because of his/her actual engagement in agricultural tasks and suffers from the loss or reduction of income due to the inability to work, the insured person, when receiving medical care, shall be entitled to injury benefits from the fourth day after being incapacitated for work under medical care.

- ① There are two types of "Injury Benefits"- "Regulars Injury Benefits" and "Additional Injury Benefits". Benefits are paid based on the following standards:
  - a. "Regular Injury Benefits": The regular injury benefits shall be payable on



a daily basis at the rate of 70% of the monthly insurance amount for the insured person as at the current month when the insured accident occurs. If the injured person has not recovered from the injury after one full year, the injury benefits are reduced to 50% of the monthly insurance amount as at the current month when the insured accident occurs, for another maximum period of one year.

- b. “Additional Injury Benefits”: The additional injury benefits shall be payable on a daily basis at the rate of 70% of the doubled monthly insurance amount of the insured person as at the current month when the insured accident occurs. If the injured person has not recovered from the injury after one full year, the injury benefits are reduced to 50% of the doubled monthly insurance amount as at the current month when the insured accident occurs, for another maximum period of one year.
- ② The applicability of “Regular Injury Benefits” or “Additional Injury Benefits”: The benefit shall be granted depending on whether the insured person has paid extra premium for the “Additional Injury Benefits” at the time “when the insured accident occurs”.

## (2) Medical Care Allowances

The amount of the medical care benefits shall remain the same, no matter whether the insured person is covered by the “Regular Injury Benefits” or the “Additional Injury Benefits” program: NTD50 per day for outpatient medical care and NTD900 per day for hospitalization medical care. On receiving the claim from the insured person for the

“Injury Benefit”, the BLI shall proactively examine the payment of medical care benefits based on the approved number of days for the “Injury Benefits”. It is not necessary to file a separate application.

## (3) Disability Benefits

When covered by the farmer occupational injury insurance, the insured person is injured because of his/her actual engagement in agricultural tasks and no further improvement in his/her condition is expected after medical treatment, the insured person may apply for disability benefits against occupational injuries if he/she has been diagnosed as permanently disabled by a NHI-designated medical institute and has met the disability payment standard set forth in the farmer health insurance program. An additional 50% will be paid based on the monthly insurance amount of the insured person and in accordance with the level of disability and payment standards prescribed by law.

## (4) Funeral Grant

In the event that, during the period of participating in the farmer occupational injury insurance, an insured person is dead because of occupational injuries, the person paying for the funeral expenses shall receive funeral grant equal to 30 times of the monthly insurance amount for the current month (NT\$306,000).

## 4. Financing

The farmer occupational injury insurance program was implemented on a trial basis on November 1, 2018 and has maintained a surplus so far. Pursuant to Article 44-3 of the Farmer Health Insurance Act, the central competent authority in charge of the business shall allocate funds to make up for the deficit of the farmer occupational

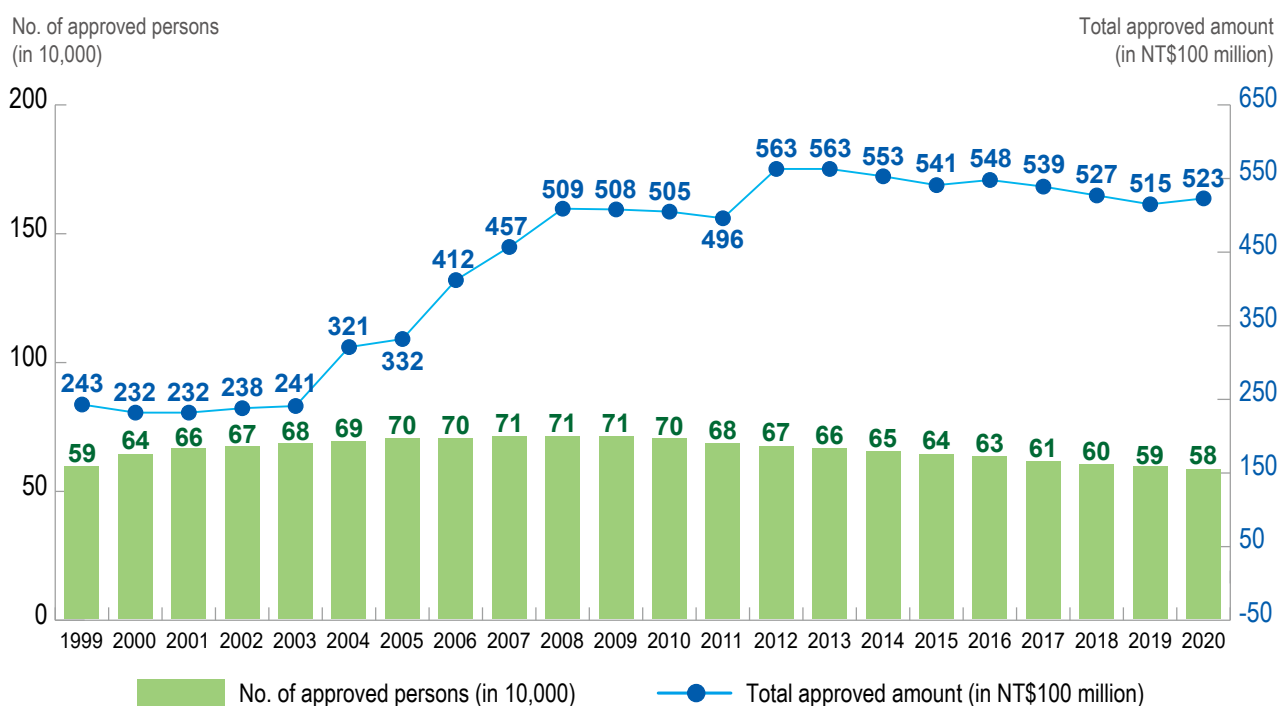
injury insurance program, if any in future.

## Welfare Allowance for Elderly Farmers Program

In order to further ensure the welfare of elderly farmers and improve their living conditions, the Temporary Act for the Welfare Allowance for Elderly Farmers Program was promulgated in 1995. The COA announced the Application and Distribution Measures of the Welfare Allowance for Elderly Farmers in the same year and delegated the business to the BLI. Eligible farmers over the age of 65 can receive monthly allowances of NT\$3,000, the amount of which has been increased to NT\$4,000, NT\$5,000, NT\$6,000, NT\$7,000 and NT\$7,256 and respectively in January 2004, January 2006, July 2007, January 2012, and January 2016. In January 2020, it has been further increased to

NT\$7,550. In November, 1998, the coverage has been expended to include elderly fishermen. From January 1, 2013, means test was implemented. On July 16, 2014, the amendment has passed on the eligible insurance coverage years to receive the welfare allowance for elderly farmers, which has extended from 6 months to 15 years. Moreover, insurance applicants must have registered addresses in Taiwan and must have resided in Taiwan for more than 183 days annually within last 3 consecutive years to be eligible. As for the sources of funding for the welfare allowance for elderly farmers, in municipal areas, 50% of the cost used to be funded by the central competent authority and the other 50% by the municipal government. The increased allowances in January 2006, July 2007 and January 2012, however, are fully absorbed by the central government. As a result, NT\$5,550 of the allowances are now funded by the central

Profile of Welfare Allowance for Elderly Farmers (1999-2020)



competent authority and the remaining NT\$2,000 paid by municipal governments. In provincial areas, however, the total amount of the program is shared by the central government. This approach has contributed greatly to improving farmers' lives.

## Farmer Pension Program

The Farmer Pension Program was implemented on January 1, 2021, with payments from both the government and the farmers. The payments shall be deposited into the farmers' Individual pension accounts set up by the BLI. Participating farmers are entitled to claim monthly pension payment out of the principal and accrued dividend when they attain the age of 65 to ensure their economic security of old life.

### 1. Applicable Subjects and Contributing Units

An insured person of Farmer Health Insurance may choose to start making payments by filing an application to the base-level farmers' association through which they are enrolled, subject to that the individual is aged below 65 and actually engaged in agricultural works, and is not receiving the old-age benefits of related social insurance. The farmers' association will, on approving the application, report to the BLI on the same day to start payments to the farmer pension fund.

### 2. Monthly Contribution Wage and Payment Ratio

The monthly contribution amount by the farmer shall be determined by multiplying the monthly basic wage of workers (as announced by the Ministry of Labor) by the payment ratio. With effect from January 1, 2021, the monthly basic

wage of the workers shall be NTD24,000. The payment ratio shall be decided by the farmer, within the range of 1% to 10%, and shall be an integer.

## 3. Claim of the Farmer Pension Payment

### (1) Claim for Monthly Pension Payment

Farmers who have made payments to the farmer pension fund are entitled to claim pension payments when they attain the age of 65. With respect to the claim and calculation of the monthly pension, payments shall be made in monthly installments and calculated based on the principal and accrued dividends from the farmer's individual pension account, taking into account the pension life table, average life expectancy, interest rate, etc.

### (2) Advanced Pension Payment

A farmer under the age of 65 may claim advanced pension payment if he/she suffers from physical/mental disabilities and meets the requirements set forth in Article 16, Paragraph 1 of the Farmer Pension Act. In this case, the farmer may decide at his/her own the limit to the number of years for pension payment.

### (3) Claim for Pension Payments by Heirs or Designated Claimant

If a farmer died before claiming pension payments, or if he/she had already started collecting payments from his/her pension account but died before reaching the average life expectancy or the limit to the number of years for receiving the pension, the remaining amount in the individual farmer's pension account shall be collected by the heirs of the farmer or the designated claimant.

## National Pension Program

The national pension insurance program was launched on October 1, 2008.

### 1. Insured Persons

According to the National Pension Act, people aged above 25 and under 65, with their household registered in ROC and are qualified for one of the following conditions, when not joining labor insurance, farmer health insurance, civil servant and teacher insurance or military personnel insurance program, should take part in the national pension program and become insured persons:

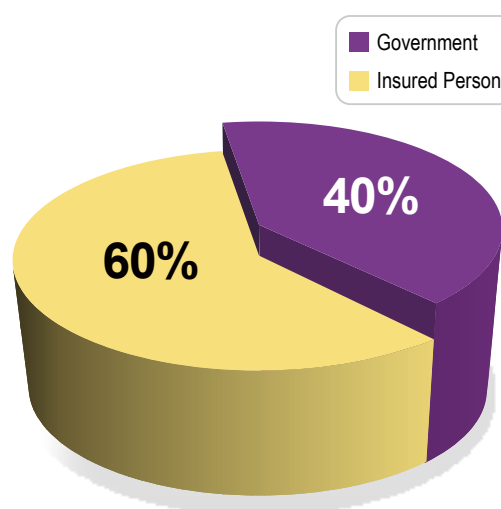
- (1) Not recipients of related old-age benefits of labor insurance, pension payments of civil servant and teacher insurance or retirement payments of military personnel insurance program.
- (2) Not recipients of old-age benefits of labor insurance, or those who have already claimed old-age benefits of labor insurance before December 31, 2008 (regardless of the number of insured years or the amount received), and who have pension payments of civil servant and teacher insurance or retirement payments of military personnel insurance but the number of total insured years is less than 15 years, or the amount of the lump-sum payment is less than NT\$500,000.
- (3) Those who have already claimed one time old-age benefits of labor insurance after January 1, 2009, and who have received old-age benefits of labor insurance, pension payments of civil servant and teacher insurance, or retirement payments of military personnel insurance but the number of total insured years is less than 15 years, or the amount of the lump-sum payment is less than NT\$500,000.

### 2. Premium Rates and Monthly Insurance Amount

In 2021, the premium rate for the insurance program is 9.5%, and the monthly insurance amount is NT\$18,282. Insured persons shall pay 60% of the premium and the central competent authority shall pay for the remaining 40%. For low-income insured persons, middle-to-low-income insured persons or those with incomes below specific standards or those who have disability manuals or disability identification, can get higher subsidization for the amount of the premium from the central competent authority or even fully subsidized.

**Note:** Starting from June, 2020, “Middle-to-low-income insured persons” are eligible to receive subsidies.

National Pension Premium  
Payment Ratio



### 3. Insurance Benefits

The Types of benefits include “old-age pension benefits”, “maternity benefits”, “disability pension payments”, “survivor pension payments”, and “funeral benefits”; the old-age citizens’ welfare allowances and old-age indigenes’ welfare



allowances programs have also been integrated into the national pension program and turned to be the “old-age basic guaranteed pension payments” and “indigenous people payments”.

#### National Pension Program



### (1) Old-Age Pension Benefits

People who are currently insured by the national pension insurance program or who once participated in the program, no matter how many years they have participated in the program, can claim old-age pension benefits when they reach the age of 65. The pension will be granted from the month an insured person qualifies until the month he/she is dead.

### Calculation formula —

**Method A = ( Monthly insurance amount  
× insurance coverage years × 0.65% ) + NT\$3,772**

**Method B = ( Monthly insurance amount  
× insurance coverage years × 1.3% )**

✕The insured person who has failed to pay the premium, received other related social welfare allowances or old-age pension payments from other related social insurance can't choose the Method A.

### (2) Old-Age Basic Guaranteed Pension Payments

People who were aged 65 or above at the time of the implementation of this Act could receive old-age basic guaranteed pension payments. The payment was NT\$3,772 per month from January 1, 2020.

### (3) Indigenous People Payments

Qualified indigenous people aged 55 or above are entitled to claim indigenous people payments until the month before they turn 65 years old. The payment was NT\$3,772 per month from January 1, 2020.

### (4) Maternity Benefits

In case of childbirth or premature labor by an insured person during the validation of the insurance, a lump-sum maternity benefit shall be made equivalent to two month's insurance amount. In case of a plural birth resulting from childbirth, the payment shall be increased proportionately.

### (5) Disability Pension Payments

The insured persons who sustain injuries or sickness during the period participating in the national insurance program, are the holders of severe or extremely severe disability

manuals or disability identification, and have been evaluated by medical organizations for disability appraisal as no capability to work, can claim disability pension payments.

### Calculation formula —

**Monthly insurance amount × insurance coverage years × 1.3%**

✕The insured person, however, shall receive a basic guaranteed amount of NT\$5,065 subject to that he/she is not involved in any overdue premium payment (the period of such overdue payment shall not be included when calculating the year of insurance) and has not received relevant social welfare allowance.

## (6) Disability Basic Guaranteed Pension Payments

The insured persons who have had severe or extremely severe disability manuals or disability identification before they participate in the national pension insurance program, are certified as no capability to work by medical organizations for disability appraisal and the relevant exclusion rules are not applicable to the individual's situation, can claim disability basic guaranteed pension payments during the validation of national pension insurance (aged before 65). The payment is NT\$5,065 per month from January 1, 2020.

## (7) Survivor Pension Payments

When the insured persons have one of the following conditions, and have spouses, children, parents, grandparents, grandchildren, brothers or sisters left behind, the qualified relatives are entitled to claim

survivor pension payments.

- A. Die during the effective period of national pension insurance (aged before 65).
- B. Die during the period of receiving the disability pension payments or old-age pension benefits.
- C. Aged 65 but die before receiving old-age pension benefits.

### Calculation formula —

**1. Die during the effective period of insurance:**  
**Monthly insurance amount × insurance coverage years × 1.3%**

**2. Die during the period of receiving disability pension payments or old-age pension benefits:**  
**50% of disability pension payments or old-age pension benefits**

**3. Aged 65 but die before receiving old-age pension benefits:**  
**Monthly insurance amount × insurance coverage years × 1.3% × 50%**

✕If the pension amount calculated is less than NT\$3,772, NT\$3,772 will be granted.

✕When there are more than one relative listed on the same order, 25% more of the standard survivor pension payments will be granted for every extra relative. The maximum extra payments will be 50% of the standard payments.

## (8) Funeral Benefits

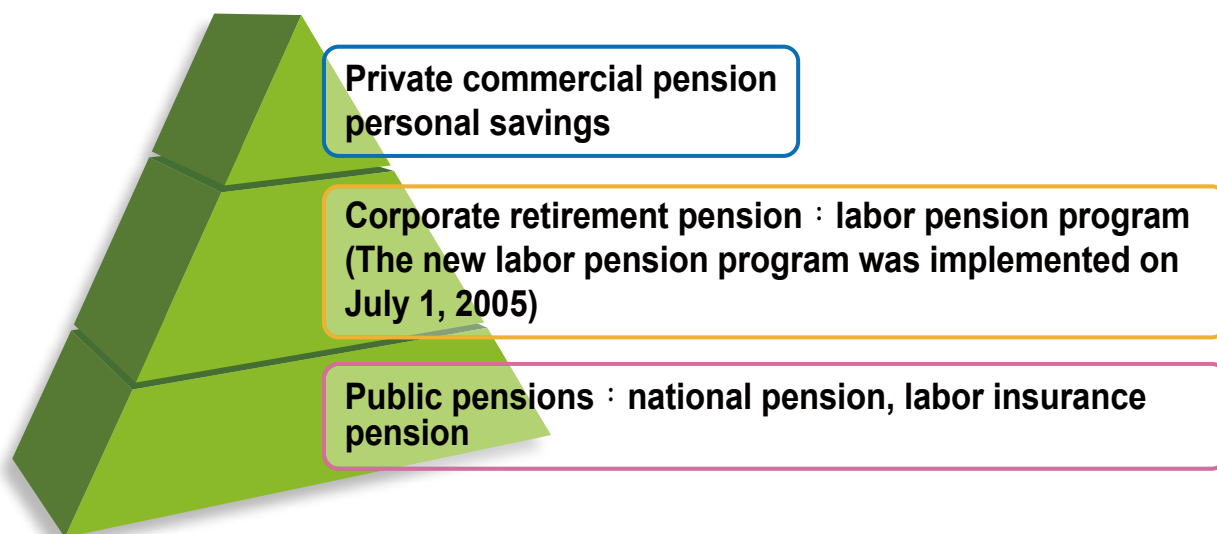
5-month funeral benefits are payable in a lump sum based on the insured person's monthly insurance amount to the insured who die during the effective period of insurance (less than 65 years of age).

*INSURE Your Life*



## Chapter Four

# Safeguards for Laborers' Old-Age Lives



Taiwan is currently faced with the prospects of decreasing childbirth, population aging, and reducing household living resources; therefore, how to enhance elderly economic security for laborers has become an important issue. The elderly economic security model includes three levels. The first level is the basic public pension, like the national pension and labor insurance pension programs, which belong to the social security system mandatorily implemented by the country. The second level is the corporate pension, which is the pension given by employers to their employees, such as the old and new labor pension programs. Both the corporate and public pension programs have the effects of saving and risk sharing. The third level is the commercial pension, which is the annuity insurance paid by individuals from private insurance companies. It primarily enables individuals to save for their retirement to make up for the inadequacies of social insurance and corporate pension. After the new labor pension, national pension, and labor insurance pension programs continued to be implemented, the framework of basic economic security for laborers' elderly lives has

been founded. Currently, the seniority pay rate of labor insurance pension is 1.55%. Take an insured person who has 30 insurance coverage years for example : he/she will be eligible for an income replacement rate as high as 46.5% upon retirement. Plus the income substitution rate provided by the second level of labor pension, the total income replacement rate has already exceeded the standard of 55% recommended by the International Labor Organization (ILO).

## **Establishment of the Labor Pension Program**

The Labor Pension Act (new program), which was implemented on July 1, 2005, is supported by two pillars of "individual labor pension accounts" and "annuity insurance". All employers are required to contribute labor pension (at least 6% of workers' monthly wages) into individual labor pension accounts and workers can voluntarily deposit 6% (or less). Workers own labor pension accounts; the coverage years and pension are cumulative, not affected by their changing jobs or the closure



of companies. The features of the new labor pension program are as follows:

### 1. Labor Pension Can be Accumulated Continuously Throughout the Working Period

For workers who choose and apply to the new labor pension program, the pension contributed by employers during workers' working period is cumulative and portable.

### 2. Clear Overview of Pension Costs for Employers

Employers should contribute 6% (or more) of workers' monthly wages to their labor pension accounts. With clear-cut accounting of pension costs, this would also help avoid labor disputes over pension-related issues such as severance payment and employee termination.

### 3. Workers Who Contribute Voluntarily Enjoy Tax Incentives

Workers may contribute voluntarily additional labor pension within 6% of their monthly wages, and the voluntarily paid pension is not included in the tax on the annual income. As for employers who actually engage in labor work, self-employed operators, workers not applicable under the Labor Standards Act and commissioned workers, they may voluntarily contribute their labor pension within 6% of their monthly wages or operational income, and the labor pension voluntarily paid is not included as part of the annual income or operational income subject to taxes.

### 4. Labor Pensions Have Minimum Guaranteed Dividends

In accordance with the Labor Pension Act, the





dividends accrued from the labor pension fund may not be lower than the dividends paid for two-year-fixed-term-deposit from local banks. When workers eventually receive their pension payments, in addition to the principal accumulated from all monthly contributions, they will also collect dividends equivalent to the dividends paid for two-year-fixed-term-deposit from local banks.

## **Establishment of the National Pension Program**

The implementation of the national pension program on October 1, 2008 fills the gap within the social insurance system; provides basic economic security for citizens who are facing old age, have given birth, have a serious disability or involved in death accident; and ensures the life stability for their dependents. In addition, the establishment of the national pension program also has the following major impacts on our social security system:

- 1.From occupation-based insurance to insurance for all citizens; filling the gap within the social insurance system.
- 2.From policy-based subsidies to institutional benefits.
- 3.Aligned with the labor insurance pension program, the national pension program has taken into account welfare resources of the society, thereby reducing the duplicate allocation of resources and optimizing efficacy.

## **Establishment of the Labor Insurance Pension Program**

Before the labor insurance pension program launched in January 1, 2009, the labor insurance program adopted a lump-sum payment approach; this makes money claimed more vulnerable to inflation or unwise investments. Furthermore, according to the statistics of the Ministry of Interior, in 2007 people live on an average of



about 22 years after they turn 60; it is estimated that the average life expectancy will go up to 89 years of age by 2056. In 2007, the average age of insured persons claiming old-age benefits in a lump sum was 57.76 and only a little more than NT\$1.07 million was paid per case on average, which was not enough for old employees and their dependents to live on. The labor insurance pension program implemented on January 1, 2009 adopts a defined payment system, which will also be adjusted according to the Consumer Price Index, resulting in more comprehensive protection for Taiwan's senior laborers. The features of the labor insurance pension program are as follows:

### 1. Wide Range of Options

With the merging implementation of the pension and lump-sum payment, if laborers have insurance coverage years before the implementation of the pension program, they and their dependents can opt for either pension or lump-sum payment when claiming disability, old-age or survivor benefits.

### 2. Comprehensive Protection

When an insured person turns old, disabled, or

dies, he/she and his/her dependents can claim relevant pension benefits.

### 3. Connection between Labor Insurance Pension and National Pension

Insured persons who have participated in the labor insurance program for less than 15 years, but reached 15 years after the national pension coverage years are added, are also eligible to claim labor insurance pension benefits for their labor insurance coverage years.

### 4. Adopt the "60-month maximum" Calculation Method

Pension payments are calculated by averaging the highest 60 monthly insurance salaries, which is beneficial for senior citizens or women returning to workplaces who are facing reduced incomes.

### 5. Defined Payment System

It has the advantages of reallocating incomes as well as reducing the effects of inflation.

