



Search Laws

Title: [Regulations for the Management, Repayment, Collection and Allocation of the Arrear Wage Debts \(2014.12.10 Modified \)](#) [Ch](#)

Article Content

- [Article 1](#) The Rules are drawn up in accordance with Article 28 of the Labor Standards Act (hereinafter referred to as the Act)
- [Article 2](#) The Arrear Wage Payment Fund (hereinafter referred to as the Fund) shall be administered by the Management Committee of the Arrear Wage Payment Fund (hereinafter referred to as the Management Committee) established by the Central Competent Authority. The collection and repayment of the Fund shall be entrusted to the Labor Insurance Bureau (hereinafter referred to as the Bureau); management affairs shall be entrusted to the Bureau of Labor Funds (hereinafter referred to as BLF). If necessary, management affairs may be entrusted to financial institutions. The Bureau shall draw up regulations concerning the collection, repayment, and management affairs of the Fund, submit the regulations to the Management Committee for approval, and report to the central competent authority for approval. The central competent authority shall be responsible for supervising management affairs of the Fund.
- [Article 3](#) The Fund shall be collected and allocated by an employer to the Labor Insurance Agency at the rate of 0.025 percent of total labor insurance wage per month.
- [Article 4](#) The Bureau shall calculate the amount of collections and allocations to the Fund for each business entity every month, and send the same to the employer before the end of following month, demanding him (or her) to remit the same together with the premium for (his or her) labor insurance for the same month. In case the employer has not yet received the demand for payment mentioned in the preceding paragraph at the end of the following month, he (or she) shall make a temporary payment at the equivalent amount as last month, and balance during the next payment.
- [Article 5](#) In case an employer disagrees with the amount mentioned in the demand for allocation payment, he (or she) shall pay the indicated amount first, and then send a request to the Bureau for alteration by stating the reasons. In case the Bureau agrees with the request, adjustments shall be made when allocation payment is made in the following month.
- [Article 6](#) In making payment to the Fund, an employer may, according to the related statutes, list the payment as expenses for the current year.
- [Article 7](#) The scope of repayment of the Fund shall be limited to the allocated amount of the Fund paid by the employer of the worker applying for repayment. When the Bureau discovers, while the worker are applying for the arrear wage debt referred to in the preceding paragraph, that the employer has not allocated or is in arrear of the Fund, it shall process the application after the completion of the requirements of the allocation.
- [Article 8](#) When a business entity is in the process of transferring its labor pension reserve fund in accordance with Paragraph 2 to Article 15 of the Enterprise Mergers and Acquisitions Act, it shall count the percentage of the number of labor, seniority and wage of the transferred business or property, and then transfer them to and deposit them in the special account of the labor pension preparatory fund of the receiving business entity. Before a business entity is in the process of transferring its labor pension reserve fund in accordance with Paragraph 3 to Article 15 of the Enterprise Mergers and Acquisitions Act, the amount of its labor pension preparatory fund prepared and allocated shall reach the temporary prepared and allocated amount prescribed by Article 5 of the Rules. When a business entity has paid its labor pension pursuant to the payment standards prescribed by Articles 55 and 84 (II) of the Act, and is under no obligation to pay any labor pension, it can report to the competent authority, and after its approval, withdraw the residual amount of money in its labor pension reserve special account; In the case of no workers remained that are applicable to the labor pension program established by the Act, the same shall be applicable. When a business suspends its operation, its labor pension reserve fund that has already prepared and allocated, in addition to paying for labor pension fund, it may be used as workers' severance pays. In the case of any residual money, its ownership shall belong to the said business entity. For the residual money of the labor pension reserve fund referred to in the preceding paragraph, when a labor pension reserve fund supervisory committee has not withdrawn it pursuant to Paragraph 1 to Article 6 of the Rules, the said business entity may apply and withdraw them from the designated financial institutions.

financial institutions.

[Article 9](#) In case a worker demands repayment of arrear wage debt when his (or her) employer goes out of business, liquidates or proclaims bankruptcy, he (or she) shall submit proof of debt right that the employer owed wages; where the employer liquidates or proclaims bankruptcy, the worker shall submit related documentary evidence that he (or she) has applied and reported debt right to the liquidator or supervisory personnel of the bankrupted property.

[Article 10](#) When workers of the same employer request repayment for arrear wage debt, they shall submit application forms and the following documents to the Bureau:

- 1.The amount of arrear wage debts and the name list of workers.
- 2.Documentary evidences prescribed in Article 8 or 9.
- 3.Receipts of repayment of arrear wage debt.

Application of the preceding Paragraph shall jointly make one application. This limitation shall not apply if there are special circumstances.

[Article 11](#) In case a worker intentionally hides facts, or refuses or interferes with investigations, or presents unsubstantiated facts or documentary evidences, his (or her) request for repayment shall be rejected.

[Article 12](#) When a worker applies for repayment of arrear wage debt, the Bureau shall make a decision within thirty days after the receipt of the application. In case of necessity when the Bureau has to investigate the account books, authorization documents and other documents together with other personnel from the local competent authority or the labor inspection authority before the final decision is made, the response may be delayed for another fifteen days.

[Article 13](#) In case a worker disagrees with the decision of the Bureau, he (or she) may present his (or her) disagreement to the Management Committee within thirty days after the receipt of the decision.

[Article 14](#) After the Bureau makes repayment of arrear wage debt according to the stipulation of Article 28 of the Act, it may in its own name exercise the right for top-priority compensation (hereinafter referred to as wage debt rights). It may according to law, request the employer, liquidator, or the supervisory personnel for bankrupted property for repayment within the time limit. If the payment is made after the time limit, an interest rate at the 1-year-time-deposit rate shall be charged.

In case the employer is in arrears in making allocation payments to the Fund, he (or she) shall pay administrative fines according to the stipulation of Article 79 of the Act, and also interests since the day of repayment.

[Article 15](#) Repayments for arrear wage debt from the funds shall be paid directly to the worker. In case of the death of the worker, they shall be paid to the survivors of the worker in accordance with the order referred to in Item 4 of Article 59 of the Act. In case there are no survivors, the payment shall be revoked.

[Article 16](#) The Bureau and the employer shall not charge any fee for processing procedures for workers in claiming their repayments of arrear wage debt.

[Article 17](#) The interest incomes of the Fund shall be exempt from income tax in accordance with the related stipulations of the Income Tax Act.
The Bureau and BLF shall be exempt from taxes in its exercise of matters concerning the related business of the Fund in accordance with the related stipulations of the tax statutes.
The receipts for repayment of arrear wage debts of the workers shall be exempt from stamp tax in accordance with the related stipulation of the Stamp Tax Act.
The Bureau shall deduct income tax from the repayments of arrear wage debts in accordance with the related stipulations of the laws. When the employer, liquidator, or supervisory personnel of the bankrupted property repay the arrear wage debts, they shall not deduct the tax repeatedly.

[Article 18](#) The administrative expenses incurable by the Bureau and BLF each year in the exercise of the task entrusted to it by the Fund shall be listed as a budget. The budget shall be examined and approved by the Management Committee and submitted to the central competent authority for approval, and shall be allocated from the Fund's interest income.

[Article 19](#) The scope of utilization of the Fund is as follows:
1.Deposited in financial institutions.
2.As loans to all levels of governments for the purposes of economic development or investment outlays; reimbursements may come either in the form of profits or through annual budgetary repayments.
3.Purchase stocks issued by listed companies or receipts of profits of securities investment trust funds.
4.Purchase of bonds or debt bonds to adjust the regular incomes and outlays of the Fund.
The amount of the Fund invested for the purpose specified in Item 3 of the preceding paragraph shall not exceed thirty percent of the Fund's net amount.
The Management Committee may request the attendance of BLF to report on the Fund's utilization situation each year.
Except for the payment of administrative expenses referred to in the preceding Article, the incomes and benefits of the Fund shall be incorporated in the Fund for operation purposes.

[Article 20](#) The Bureau shall prepare a general report at the end of every year and submit the following reports every month through the Management Committee to the central competent authority for future reference:

- 1.Statistical figures on contributions from business entities and the number of workers.
- 2.Accounting reports on the collection and repayment of the Fund

2.Accounting reports on the collection and repayment of the Fund.

3.Figures of general situations of the Fund

Article 21

After the Bureau has obtained the wage debt rights, it may write off as bad debts in case any one of the following circumstances occurs, and with examination and agreement of the Management Committee and the approval of the Central Competent Authority have been obtained:

1. When the debtor is in hiding or cannot be located for the repayment of the debt.
2. When documentary evidence or court authorization of debt rights is obtained to show that the debtor is truly unable to repay the debt.
3. When a settlement has been reached with the debtor without the repayment of the debt and the proof of settlement has been obtained.
4. When the repayment is inadequate to cover the expenses of seeking repayment.
5. When the employer may be exempt from the obligation to pay the debt in accordance with the stipulations of related statutes and administrative regulations.

Article 22

The different forms to be used in accordance with the stipulations of the Rules shall be designated by the Bureau and BLF.

Article 23

The opening day for the allocation and payment of the fund shall be decided by an administrative order of the Central Competent Authority.

Article 24

The Rules shall become effective on the day of promulgation.

* The starting day for the collection and relocation of the Fund for business entities shall be November 1, 1986, and the starting day for the repayment of the Fund shall be February 1, 1987 by the Ministry of Interior on May 8, 1986 by the Order of Tai-75-Nei-Lao-Tze-No.397645.