

**MOEL to have three-week intensive guidance period from Sep. 11 to 29 to clear up overdue wages**

Sep. 10, 2017

The Ministry of Employment and Labor has announced that it will operate an intensive guidance period for three weeks from September 11th to 29th to clear up overdue wages so that workers can spend the Chuseok holiday with their families without worrying about salary delays.

In particular, with its commitment to concentrating its capabilities on minimizing overdue wages, this year MOEL will start the intensive guidance period earlier, making it one week longer than in previous years.

In addition, the rate of interest on livelihood loans (up to 10 million won) to workers owed wages will be lowered from the current 2% to 1% which will remain effective until the end of October. And the maximum period for processing a claim for substitute payments will be reduced from the current 14 days to 7 days.

During the guidance period, over 1,000 labor inspectors of MOEL's 47 local offices will work in emergency mode. They will work beyond normal office hours until 9 p.m. on weekdays and from 9 a.m. until 6 p.m. even on weekends.

MOEL will also actively take countermeasures against pay delays during the intensive guidance period to prevent and clear up overdue wages and to stabilize workers' livelihoods.

For a start, more than 22,000 workplaces prone to delaying payment of wages will be selected based on data on workplaces in arrears with their insurance premiums and provided with guidance, including information on the loan program for employers failing to pay wages due, in advance in order to prevent salary delays.

And 1,000 workplaces with a history of failure to pay wages on time will be intensively inspected to prevent salary delays.

Moreover, unpaid wage cases involving 100 million won or more (1 billion won or more in ordinary times) will be handled under the direct supervision and control of the head of each local employment and labor office. Heads of local offices will be directly responsible for providing on-site guidance, etc. in such cases.

In order to respond immediately to unpaid wage cases involving five or more employees and cases occurring at construction sites, each local office will operate a task force that will assist in recovering unpaid wages, and establish a system of cooperation with local governments, police and other relevant institutions.

MOEL will provide active support to prevent subcontractors from delaying payment of wages because of financial difficulties. For example, it will hold a meeting in each region to encourage principal contractors to make early payments to their subcontractors.

Furthermore, in order to promptly address livelihood hardships facing workers who do not get their wages, MOEL will shorten the maximum period for processing a claim for small substitute payments from 14 days to 7 days during the guidance period.

If an employer experiencing temporary business difficulties intends to pay off unpaid wages, he/she will be offered a loan at a low interest rate.

<Support measures to stabilize the livelihoods of workers owed wages>

Prompt payment of substitute payments	<ul style="list-style-type: none"><li>· Claims for substitute payments will be processed first and foremost to ensure their prompt payment.</li><li>· The maximum period for processing a claim for small substitute payments will be reduced from 14 days to 7 days.</li></ul>
Provision of low-interest loans to	<ul style="list-style-type: none"><li>· Employers who intend to pay off unpaid wages will be helped to do so by being offered loans at a low interest rate*.</li></ul>

employers	* The maximum loan amount is 50 million won and does not exceed 6 million won per worker, and the interest rate is 2.2% on secured loans and 3.7% on loans offered under credit guarantee.
Provision of livelihood loans to workers	· Workers owed wages will be offered livelihood loans to help stabilize their livelihoods. (up to 10 million won; currently an interest rate of 2% → 1% until the end of October)

Each local office will put a banner on its homepage to make it more convenient for workers to report their cases of unpaid wages.

On-site labor offices due to be set up in six regional offices and three district offices (Gyeonggi, Ulsan and Gangwon) from September 12th to 28th will receive policy suggestions from the general public with regard to the elimination of pay delays and provide on-site counseling on pay delays.

Workers who fail to get their wages can receive help from MOEL if they report their cases either openly or anonymously to one of its local offices via its website (pop-up zone), by phone (☎ 1350) or in person.

Chung Hyung-woo, the Director-General of the Labor Standards Policy Bureau, said, "Wages are a fundamental means of livelihood of workers and their families. We will do our utmost to prevent and clear up overdue wages during the intensive guidance period so that workers can have a happy Chuseok."

He stressed, "In particular, employers who deliberately delay paying off unpaid wages or habitually fail to pay wages due, for example by hiding property, will be detained for investigation and dealt with judicially. By taking such strict action, we will entrench the practice of paying wages on time without failure."