

Article Content

Chapter I General Provisions

Article 1 The Act is enacted to protect workers' livelihood after retirement, strengthen the relations between workers and employers, and promote social and economic developments.

The Act takes precedent than other statutes with respect to labor pensions. Matters that they are not provided herein shall be governed by other statutes.

Article 2 The term "competent authority" referred to in the Act shall be Ministry of Labor at the central level, the municipal government at the municipal level, and county(city) government at the county(city) level.

Article 3 The terms "worker", "employer", "business entity", "labor contract", "wage" and "average wage" referred to in the Act shall be defined in accordance with Article 2 of the Labor Standards Act.

Article 4 The Central Competent Authority shall establish the Labor Pension Fund Supervisory Committee (here-in-after referred to as the Supervisory Committee) to review, supervise and audit the Labor Pension Fund (here-in-after referred to as the Fund), and to implement the annuity insurance scheme referred to in the Act.

The Supervisory Committee shall exercise its authority independently, and its organization, meeting and other related matters shall be prescribed by other statutes. After the establishment of the Supervisory Committee, the administration of the Labor Retirement Fund established in accordance with Paragraph 2 to Article 56 of the Labor Standards Act shall be generally coordinated and handled by the Supervisory Committee.

Article 5 The Central Competent Authority shall entrust the Bureau of Labor Insurance (here-in-after referred to as the Bureau) to take charge of the revenues, expenditures and safeguard of labor pension, and the imposition of late payment charges.

Article 6 Employers shall on a monthly basis contribute labor pension to individual accounts of labor pension at the Bureau for employees applicable to the Act.

Unless otherwise provided for in the Act, an employer shall not create his/her own labor pension mechanism to replace the labor pension system prescribed in the preceding paragraph.

Chapter II Application and Linkage of the Pension System

Article 7 This Act applies to the persons below who are applicable under the Labor Standards Act, but does not including those whose pension are appropriated in accordance with

the Private School Act:

1. Workers holding ROC citizenship;
2. Foreigners, people of China, Hong Kong or Macao residents who married ROC nationals having a registered household in the Republic of China, and who have residency status and are permitted to work in Taiwan area;
3. Foreigners, people of China, Hong Kong or Macao residents in the preceding subparagraph who have divorced their spouses or whose spouses have passed away, and are permitted in accordance with relevant laws and regulations to continue to reside and work in Taiwan area.

ROC nationals and persons referred to in subparagraphs 2 and 3 of the preceding paragraph who satisfy any one of the following statuses may voluntarily make payments and claim for pension in accordance with the Act:

1. Employers who actually engage in labor work;
2. Self-employed operators;
3. Commissioned workers;
4. Workers not applicable under the Labor Standards Act.

Article 8 Employees, who were covered by the Labor Standards Act prior to the enforcement of the Act and still work for the same business entity after the enforcement of the Act, may choose to be continuously applicable to the retirement mechanism in the Labor Standards Act ; provided, however, that if they resign from their current jobs and are re-employed, they shall be subject to the pension system of the Act.

A civil servant also with employee status, who continues working at a business entity that was formerly a public-owned but has been privatized after the enforcement of the Act, may choose the retirement mechanism prescribed in the Labor Standards Act or the pension system of the Act.

Article 8-1 Persons referred to in subparagraphs 2 and 3 of Paragraph 1, Article 7 and workers who have obtained ROC citizenship after July 1, 2010, shall be applicable to the pension system of this Act from the date when the amended articles came into effect on December 31, 2013. However, this shall not apply to those who are hired prior to the enactment of the amended articles and remain working for the same business entity thereafter, and who also notify the employers in writing, within six months from the date of enactment of the amended articles, to continue to be applicable to the pension regulations of the Labor Standards Act.

Persons in the preceding paragraph who obtained their respective statuses after the enactment of the amended articles shall be applicable to the pension system in this Act from the date said statuses are obtained. However, the proviso in the preceding paragraph shall apply, mutatis mutandis, to those who were hired prior to the enactment of amended articles and remaining for the same business entity thereafter.

Those who have notified their employers in accordance with the preceding two paragraphs to continue to be applicable to the pension regulation of the Labor Standards Act may not choose to be applicable to the pension system of this Act.

Workers who are applicable in accordance with Paragraphs 1 and 2 to the pension system of this Act, their seniority prior to the applicability of this Act shall be governed in accordance with Article 11.

Employers shall file for deposit and payment procedures with the Bureau of Labor Insurance for their workers who are applicable in accordance with Paragraphs 1 and 2 to the pension system of this Act. Filing of such request shall not be later than 15 days from the specified deadline in Paragraphs 1 and 2.

Article 9 Within the period from the promulgation of the Act to one day prior to the enforcement of the Act, employers shall inquire in writing their employees about their options between the pension system of the Act or retirement mechanism in the Labor Standards Act; employees who have not made a firm option after the expiration of prescribed period shall continuously be applicable to the retirement mechanism in the Labor Standards Act on the date of enforcement of the Act.

Employees, who continuously choose to be applicable to the retirement mechanism in the Labor Standards Act on the date of enforcement of the Act, may within five years choose to be applicable to the pension system in the Act.

Employers shall in accordance with the following provisions file the application for contribution to the Bureau for employees applicable to the pension system in the Act:

1. For those who choose to be applicable in accordance with Paragraph 1, the application shall be filed within 15 days after the enforcement of the Act.

2. For those who choose to be applicable in accordance with Paragraph 1, the application shall be filed within 15 days on the date of their choice.

3. For business entities that are newly established after the enforcement of the Act, the application shall be filed within 15 days on the date of their establishment.

Article 10 When employees are applicable to the pension system in the Act, they shall no longer choose to be applicable to the retirement mechanism in the Labor Standards Act.

Article 11 Employees, who were covered by the Labor Standards Act prior to the enforcement of the Act, still work for the same business entity after the enforcement of the Act and choose to be applicable to the pension system in the Act, their seniority prior to their application to the Act shall be reserved.

When the labor contract is terminated in accordance with Article 11, the proviso of Article 13, Article 14, Article 20, Article 53 and Article 54 of the Labor Standards Act or Article 23 and Article 24 of the Protection for workers Incurring Occupational Accidents Act, an employer shall in accordance with the foresaid statutes use the average wage at the

time of terminating labor contract to calculate the severance or retirement payment for the reserved seniority referred to in the preceding paragraph, and the severance or retirement payment shall be paid within 30 days after the termination of labor contract. During the continuing period of a labor contract, when an employer and an employee mutually agree to pay off the employee's reserved seniority referred to in Paragraph 1 with a criterion no less than the payment criteria prescribed by Article 55 or Article 84-2 of the Labor Standards Act, and such an agreement shall be complied.

A civil servant also with employee status shall on the date of privatization claim retirement payments for their seniority prior to the privatization in accordance with relevant statutes and regulations applicable to retirement prior to the privatization. However, the remaining civil servants shall suspend their monthly pension payments and related rights until they leave the privatized enterprise.

Article 12 Workers who are applicable to the pension system of this Act, and whose seniority that is applicable after this Act is terminated by labor contract in accordance with Article 11, the proviso of Article 13, Article 14 and Article 20 of the Labor Standards Act or Article 23 and Article 24 of Protection of Workers Suffering from Occupational Injuries and Diseases Act, shall have their severance pay paid by the employer based on their seniority: an equivalence of half a month of average wage for every full year of employment, and in proportion for employment less than one full year; the foresaid severance shall not exceed more than six months of average wage, and is not applicable to Article 17 of the Labor Standards Act.

Severance pay calculated pursuant to the preceding paragraph shall be paid within 30 days after the termination of labor contract.

Workers choosing to continue to be applicable to the pension regulations of the Labor Standards Act shall have their severance paid in accordance with Article 17, Article 55 and Article 84 of the Labor Standards Act.

Article 13 For protecting employees' retirement payment, employers shall precisely calculate the appropriation rate of labor retirement reserve fund in accordance with such factors as the number, wages, seniority and turnover rate of those employees who are applicable to the retirement mechanism in the Labor Standards Act and reserve their seniority prior to the application of the Act, and shall continuously appropriate labor retirement reserve fund sufficiently each month in accordance with Paragraph 1 to Article 56 of the Labor Standards Act for five years to pay for employees' retirement payment.

When an employer and an employee agree to pay off the retirement payment in accordance with Paragraph 3 to Article 11, it may be paid from the labor retirement reserve fund account established in accordance with Paragraph 1 to Article 56 of the Labor Standards Act.

The retirement payments that shall be given to employees in accordance with Paragraph

4 to Article 11 shall be handled pursuant to Article 9 of the Act of Privatization of Government-Owned Enterprises.

Chapter III Contribution and Claim for Individual Account of Labor Pension

Article 14 The amount of labor pension borne by the employer pursuant to Article 7, Paragraph 1 shall not be less than six percent of the worker's monthly wage.

The amount of labor pension borne by the employer for staff governed under Article 7, Paragraph 2, subparagraph 3 or 4 may be within six percent of the worker's monthly wage.

Workers may also voluntarily contribute within six percent of their monthly wage to the labor pension. The amount of labor pension voluntarily contributed may be deducted from the gross consolidated income of the year.

The preceding paragraph shall apply, mutatis mutandis, to those who voluntarily contribute to their labor pension in accordance with Article 7, Paragraph 2.

The monthly wages specified in the preceding four paragraphs shall be prescribed in the Table of Monthly Contribution Wage Classification by the central competent authority and submitted to the Executive Yuan for approval.

Article 15 Those hired by the same employer or voluntarily contribute to the labor pension in accordance with Article 7, Paragraph 2 or Paragraph 3 of the preceding Article may adjust their contribution rate within one year, however such adjustment is limited to two times. Upon the adjustment, the employer shall fill out a contribution rate adjustment form and submit to the Bureau before the end of the month the adjustment is made, and the adjustment shall become effective on the first day of the month following the submission; the contribution rate shall be counted to the first decimal point of a percentage.

For workers whose wage is adjusted between February to July of the current year, the employer shall notify the Bureau of the monthly contribution wage after adjustment by the end of August of the current year; when the adjustment is made between August of the current year to January of the following year, notification to the Bureau shall be made by the end of February of the following year; All adjustments shall become effective from the first day of the following month after the notification.

When an employer files a falsified monthly contribution wage for workers governed by Article 7, Paragraph 1 or fails to adjust the monthly contribution wage in accordance with the preceding Paragraph, the Bureau may take the liberty to correct or adjust after verification and notify the employer concerned. The correction or adjustment shall become effective retroactively from the date of contribution payment or the first day of the following month from the time of supposed adjustment.

Article 16 An employer shall contribute labor pension for an employee from the first date of

employment to the date that the employee resigns; however, if an employee chooses to be applicable to the pension system in the Act since the date of its enforcement, his/her contribution shall be made from the date of choosing to be applicable to the pension system in the Act to the date of resignation.

Article 17 For those who voluntarily contribute to the labor pension in accordance with Article 7, Paragraph 2, their employers or self-employed operators shall file with the Bureau to commence or terminate the contribution, and shall deduct, collect and make the contribution on a monthly basis.

Those who voluntarily contribute to the labor pension referred to in the preceding Paragraph shall contribute from the filing date of voluntary contribution to the filing date of termination.

Article 18 An employer shall make and file a list with the Bureau within seven days from the date when an employee commences his/her job, resigns, is reinstated, or dies to process the commencement or termination of contribution.

Article 19 The Bureau shall prepare and mail a payment statement of the amount of labor pension that employer shall contribute and collect to the business entity prior to the 25th of the following month; the employer shall make the contribution prior to the end of the month following the foresaid following month.

For employees who voluntarily contribute to the labor pension, the employer shall collect their voluntarily contributions along with the portion contributed by the employer to the Bureau. Their contributions shall be made from the filing date of voluntary contribution to the date of resignation or the filing date of termination.

If an employer fails to contribute within a given period or sufficiently, the Bureau shall notify the employer to contribute within a specified period.

Labor pension contributed by self-employed operator shall be made through automatic transfer service of banking institutions designated by the Bureau; the Bureau will not mail a separate payment statement.

Article 20 An employer shall apply and report in writing to the Bureau for terminating the contribution to the pension within seven days from the date when an employee is on leave without pay, serving in military, suspended from duties because of lawsuit or detained prior to a final judgment of the court. The employer shall apply and report in writing to the Bureau for commencing the contribution when the employee is reinstated. When an employer is required to make up the wages for a reinstated employee for the period of suspension from duties because of lawsuit or detention, the employer shall make up the contribution to the pension for such period by the end of the month that is two months after the month that the employee was reinstated.

Article 21 The amount of contribution made by the employer shall be notified monthly in writing to

the workers.

The employer shall have on file a worker roster that includes information on the dates when employment commenced, dates of resignation, attendance record, wages, monthly contribution record and other related information; such information shall be preserved for five years from the date the worker resigned.

Workers choosing to be applicable to the pension system in accordance with this Act, the preservation of their related documents shall be handled according to the provisions in the preceding paragraph.

Article 22 Deleted

Article 23 The labor pension shall be paid and calculated as follows:

1. For monthly pension payment, the principal and accrued dividends from an employee's individual account of labor pension are paid in fixed installments. The amount of each installment shall be calculated based upon the life chart of annuity, average life expectancy, interest rate and other factors.

2. For lump-sum payment of retirement, the principal and accrued dividends from an employee's individual account of labor pension are claimed in lump sum at one time. The return rate generated from the utilization of employees' pension contributed in accordance with the Act shall not be less than the interest rate of a two-year fixed term deposit by local banks; in the event of any deficiency, the Treasury shall make up the shortfall.

The terms life chart of annuity, average life expectancy, interest rate and calculation of amount referred to in Subparagraph 1 of Paragraph 1 shall be prescribed by the Bureau and submitted to the Central Competent Authority for approval.

Article 24 An employee who is sixty years or older and whose seniority exceeds fifteen years, shall claim for monthly pension payment. However, an employee whose seniority is less than fifteen years shall claim for lump-sum payment of retirement.

Seniority referred to in the preceding paragraph shall be calculated based upon the period of which the contributions to the pension have been made. If the seniority of an employee is interrupted, both his/her seniority before and after the interruption shall be combined in calculation.

A worker who is not applicable to the Labor Standards Act shall claim for pension only when he/she meets the requirement prescribed in Paragraph 1.

Article 24- 1 Workers who continue to work after having received the pension, their subsequent seniority shall be reset. Employers shall continue to contribute to the labor pension in accordance with this Act. The number of times in which workers receive the reset pension or related dividends shall be limited to once a year.

Article 24- 2 Workers who are under sixty years of age and whose seniority exceed fifteen years may

claim for monthly pension or lump-sum pension if any of the following situations applies. However, workers whose seniority is less than fifteen years shall claim for lump-sum pension:

1.Receiving disability pension or lump-sum disability payment for Level 3 and above disabilities prescribed in the Labor Insurance Act.

2.Receiving mental/physical disability pension or mental/physical disability basic guaranteed pension prescribed in the National Pension Act.

3.The insured not prescribed in the preceding two subparagraphs but conformed to the type, condition and level of disability eligible for claiming disability pension or lump-sum disability payment prescribed in Subparagraph 1, or the type, condition and level of mental/physical disability eligible for claiming mental/physical disability pension or mental/physical disability basic guaranteed pension prescribed in the preceding subparagraph.

Workers claiming for monthly pension in accordance with the preceding Paragraph may on their own decide the number of years of claim.

Article 25 When a worker starts to claim for the monthly pension payment, he/she shall pay a one-time premium for annuity insurance to cover his/her annuity benefits if he/she lives beyond the average life expectancy prescribed in Paragraph 3 to Article 23. The amount of premium, contribution procedures and qualifications of the insurer(s) of annuity insurance referred to in the preceding paragraph shall be prescribed by the Central Competent Authority.

Article 26 If a worker dies before claiming for the pension, his/her survivors or designated person(s) shall claim for the lump-sum payment of retirement. If a worker, who has received the monthly pension payment, dies before he/she reaches the average life expectancy prescribed in Paragraph 3 to Article 23, the monthly pension payment shall be terminated. The residual amount in his/her individual account of labor pension shall be calculated and paid to his/her survivors or designated person(s).

Article 27 The orders of survivors who may claim for the pension in accordance with the preceding Article are as follows:

- 1.Spouse and children.
- 2.Parents.
- 3.Grandparents.
- 4.Grandchildren.
- 5.Siblings.

If there is more than one person in any of the above orders, they shall jointly claim for the pension; otherwise, the one who claims for the pension shall distribute such pension between or among the survivors in the same order. In the event of death, waiver of

inheritance, or disqualification of heirs due to legal reasons, the pension shall be claimed by other survivors. However, if a living will is made to designate a claimant for the pension, such a will shall be complied with.

If a deceased worker has no heir or designated claimant referred to in Paragraph 1, the principal and the return accrued in his/her individual account of labor pension shall belong to the Fund.

Article 28 A worker, his/her survivor(s), or his/her designated person(s) shall file and submit an application and relevant documents to the Bureau to claim for the pension; the application procedures and documents required shall be prescribed by the Bureau. When the application procedures have been completed and if the monthly pension payment is approved, the payment shall be made on a quarterly basis from the month following the receipt of the application; if the lump-sum payment of retirement is approved, the payment shall be made after thirty days from the day of receiving the application.

The basis of calculating the final amount of pension to be claimed by a worker, his/her survivor(s) or his/her designated person(s) shall be prescribed by the Central Competent Authority.

The right to claim for the pension referred to in Paragraph 1 shall be extinguished if such right is not exercised within five years from the date that the pension can be claimed.

Article 29 A worker's pension and his right to claim the pension shall not be assigned, offset, mortgaged, or guaranteed.

Applicants claiming monthly pension pursuant to this Act shall open a specific account with the documents provided by the Bureau at a financial institution for the deposit of monthly pension.

The deposits in the specific account of the preceding Paragraph shall not be the objects of offset, mortgage, security or compulsory execution.

Article 30 An employer shall not deduct the contribution made by him/her from an employee's wage as a compensation or ask an employee to refund the contribution made when the employee resigns. If there is an agreement that an employee shall compensate or refund the contribution made upon resignation, the agreement shall be null and void.

Article 31 When an employer fails to contribute to the pension on monthly basis or in full for an employee in accordance with the Act and causes damages to the employee, the employee shall claim damages from the employer.

The right for an employee to file the claim referred to in the preceding paragraph shall be extinguished if such right is not exercised within five years from the date of resignation.

Article 32 Sources of the Fund are as follows:

1. Pension in employees' individual accounts.

2.Profits from the utilization of the Fund.

3.Late payment charges.

4.Other revenues.

Article 33 The Labor Pension Fund, besides being used for paying workers' pensions and investment, shall not be attached, mortgaged and guaranteed, or used for other purposes. Regulations concerning the management, utilization and profit/loss allocation thereof shall be prescribed by the central competent authority and submitted to the Executive Yuan for approval.

The Supervisory Committee may commission financial institutions to manage and utilize the Labor Pension Fund. Regulations concerning the management, scope and expenses of the commissioning shall be prescribed by the Supervisory Committee and submitted to the central competent authority for approval.

Article 34 The Bureau shall establish independent accounts for handling the revenues and expenditures of the labor pension and the Fund, and shall handle them separately from its other businesses; the Bureau shall prepare relevant accounting report and final financial settlement in accordance with related statutes and regulations and submit to the Supervisory Committee for review and approval.

The report concerning revenues, expenditures, utilization and the accumulated amount of the Fund shall be on monthly basis submitted to the Supervisory Committee for review and further submitted by the Supervisory Committee to the Central Competent Authority for record and reference, and the Central Competent Authority shall publicly announce it on yearly basis.

Chapter IV Annuity Insurance

Article 35 A business entity with over 200 workers may, with the consent of labor union or with the approval of labor-management conference when no labor union exists, insure with the Annuities Insurance pursuant to the Insurance Act for workers who choose in writing to insure with the Annuities Insurance.

For workers choosing to insure with the Annuities Insurance of the preceding Paragraph, the employer may contribute labor pension not in accordance with Article 6, Paragraph 1.

Regulations concerning revenues, expenditures, approval and other related matters of compliance of the Annuities Insurance referred to in Paragraph 1 shall be prescribed by the central competent authority. Business entities adopting the Annuities Insurance referred to in the preceding Paragraph shall file with the central competent authority for approval.

The average return rate of Annuities Insurance referred to in Paragraph 1 shall not be less than the rate prescribed in Article 23.

Article 35- 1 The insurer shall, in accordance with insurance laws and regulations, set up designated account to record the value of their investment assets.

Upon death of a worker who has no designated beneficiary(ies) or survivor(s), the principal and accumulated returns of their pension payment of Annuities Insurance shall be subsumed in the assets of designated account for Annuities Insurance.

Article 35- 2 Workers who are applicable to this Act working in business entities that implement the Annuities Insurance scheme may, at the limit of one time per year, change their original applicable pension mechanism to individual pension fund account or Annuities Insurance. The pension or premium of annuity insurance already contributed or paid shall be continuously reserved. The employer concerned shall file with the application form to the Bureau and the insurer within fifteen days from the date the worker changed in writing their choice.

Article 36 The premium per month by an employer to the Annuities Insurance may not be less than six percent of worker's monthly wage.

The insurer shall prepare and mail a payment statement listing the amount of premium the employer shall pay and the amount worker who voluntarily pays in the preceding Paragraph to the business entity prior to the 25th day of the following month, and the employer shall pay prior to the end of the month following the foresaid following month.

The insurer shall inform the Bureau of the situation of premium collection that an employer shall pay prior to the seventh day of the following month.

Workers who voluntarily pay the premium to the Annuities Insurance, shall have the premium collected by their employers along with the portion paid by their employers to the insurer. Payment shall be made from the filing date of voluntary payment to the date of resignation or the filing date of termination.

If an employer fails to pay within a given period or sufficiently, the insurer shall immediately collect the overdue receivables and within a given period notify the employer to pay prior to the end of the following month The result of overdue receivables shall be notified to the Bureau prior to the seventh day of the month following the foresaid following month.

Article 37 An employer shall be the proposer of annuity insurance contract, and an employee shall be the insured and the beneficiary. A business entity can only purchase annuity insurance from a single insurer. Qualifications of the insurer shall be jointly prescribed by the Central Competent Authority and the insurance competent authority.

Article 38 When a worker resigned and re-employed, the new employer shall be their proposer of the Annuities Insurance contract and continue to pay the premium. When the contribution rate to the Annuities Insurance premium born by the new employer and the previous employer is not the same, the worker shall be responsible for the difference.

However, the foresaid provision shall not apply if the new employer is willing to pay the difference.

If the new employer of the worker referred to in the preceding Paragraph does not purchase the Annuities Insurance, they shall contribute to the labor pension according to Article 6, Paragraph 1. Unless a separate agreement between the employer and the worker is made, the worker shall be responsible for the full amount of the premium of the Annuities Insurance. When the worker cannot pay the premium, the continuity of the Annuities Insurance contract shall be dealt with in accordance with the Insurance Act and the foresaid insurance contract.

When a worker referred to in Paragraph 1 resigned and re-employed, they may choose to have the new employer contributes to the labor pension in accordance with Article 6, Paragraph 1.

When a worker is applicable to different pension mechanisms after resigning and re-employment, and choose to transfer the reserved policy value of the Annuities Insurance to their individual pension fund account or transfer the principal and accumulated returns in their individual pension fund account to Annuities Insurance, the full amount shall be transferred. The period of depositing pension fund that they have contributed shall not be less than four years.

Article 39 Articles 7 to 13, Paragraphs 2 to 5 to Article 14, Article 15, Article 16, Article 20, Article 21, Article 24, Article 24-1, Article 24-2, Paragraph 1 and Paragraph 2 to Article 27, and Articles 29 to 31 shall apply, mutatis mutandis, to the Annuities Insurance prescribed in this Chapter.

Chapter V Supervision and Expenses

Article 40 The competent authorities, labor inspection agencies or the Bureau for protecting worker interests may, if necessary, check and verify the name list of employees and other relevant information and materials of business entities.

A worker may, upon discovering any violation of the Act by the employer, file a complaint with the employer, the Bureau, labor inspection agencies or the competent authorities; an employer shall not take any unfavorable measure against the worker who filed the complaint.

Article 41 The financial institution that is commissioned to utilize the Fund shall report to the Supervision Committee any undue interference, manipulation, instruction to utilize, or other situations detrimental to worker benefits. The Supervision Committee deems it as necessary and shall notify the Central Competent Authority to take necessary measures.

Article 42 Any person working at the competent authorities, the Supervision Committee, the Bureau, commissioned financial institutions and other relevant agencies or organizations shall refrain from disclosing confidential information obtained from

performing his/her duties or seeking illegal profits, and shall perform fiduciary duties with prudent care for acquiring the maximal economic interests for workers and employers.

Article 43 The Central Competent Authority shall prepare the budget for paying the expenses required for the Supervision Committee and the Bureau to prepare and implement the administration prescribed in the Act.

Article 44 All account records, receipts, revenues and expenditures for the Bureau to handle businesses prescribed in the Act shall be exempted from taxation.

Chapter VI Penal Provisions

Article 45 If the commissioned financial institution, which is in violation of Paragraph 2 to Article 33 to utilize the Fund in items other than those of specified investment and utilization, shall be fined no less than N.T.\$2,000,000 but not exceeding N.T.\$10,000,000, and the Central Competent Authority shall also order it to refund with interest accrued within a given period.

Article 46 When an insurer is in violation of Paragraph 2 to Article 36 and fails to notify the Bureau within a given period, it shall be fined no less than N.T.\$60,000 but not exceeding N.T.\$300,000 and fined consecutively on a monthly basis until the date of correction.

Article 47 When an employer is in violation of the payment criterion and time limit prescribed in Paragraph 2 to Article 11, Paragraphs 1 and 2 to Article 12, or Article 39, he/she shall be fined no more than N.T.\$250,000.

Article 48 When a business entity is in violation of Article 40 by refusing to provide information and materials or taking any unfavorable measure against the employee who files a complaint, it shall be fined no less than N.T.\$30,000 but not exceeding N.T.\$150,000.

Article 49 When an employer violates Article 8-1, Article 9, Article 18, Paragraph 1 to Article 20, Paragraph 2 to Article 21, Article 35 or Article 39, and fails to file the application for contribution, file the application for termination of contribution, prepare the worker roster or preserve documents, they shall be notified to improve within a given period; failure to improve by the end of given period shall be fined no less than NT\$20,000 but not exceeding NT\$100,000. The fine shall be consecutively imposed on a monthly basis until the date of correction.

Article 50 When an employer violates Article 13, Paragraph 1 and fails to continuously appropriate to the labor pension reserve fund each month, they shall be fined no less than NT\$20,000 but not exceeding NT\$300,000. The fine shall be imposed consecutively on a monthly basis. The fine prescribed in Article 79, Paragraph 1 subparagraph 1 of the Labor Standards Act shall not apply.

If the competent authority fails to impose the fine in accordance with the preceding Paragraph, their personnel concerned shall be subject to the relevant penal provisions

prescribed by the statutes and regulations for the evaluation of civil servants.
The fines collected in accordance with Paragraph 1 shall be put into the Labor Retirement Fund referred to in Article 56, Paragraph 2 of the Labor Standards Act.

Article 51 When an employer is in violation of Article 30 or Article 39, and deducts wages of employees, he/she shall be fined no less than N.T.\$10,000 but not exceeding N.T.\$50,000.

Article 52 When an employer is in violation of Paragraph 2 to Article 15, Paragraph 1 to Article 21, or Article 39, and fails to file the application or notify, he/she shall be fined no less than N.T.\$ 5,000 but not exceeding N.T.\$ 25,000.

Article 53 When an employer violates Paragraph 1 to Article 14, Paragraph 1 to Article 19, or Paragraph 2 to Article 20, and fails to contribute within the time limit or contribute the full amount of labor pension, they are required to pay late payment charge at three percent of the amount of contribution compounded on a daily basis for the period from the date following the date of expiration of the time limit until the date preceding the settlement date; however, the amount of such charge shall not exceed the amount of contribution. When an employer fails to contribute the labor pension referred to in the preceding Paragraph, if they have been notified to contribute within a given period but fails to contribute by the end of the given period, they shall be referred to for compulsory execution in accordance with related statutes. If the employer refuses to comply, they may apply for administrative remedy in accordance with related statutes. When an employer violates Article 36 and Article 39, and fails to contribute within the time limit or contribute the full amount of premium, they shall be fined the same amount equal to the amount of premium and fined consecutively on a monthly basis until the date of correction. Paragraphs 1 and 2 shall become effective retroactively on July 1, 2005.

Article 54 The late payment charge and fine imposed in accordance with the Act shall be paid within thirty days after the date that the violator receives the notification; if they are not paid within a given period, he/she shall be referred to for compulsory execution in accordance with related statutes.

The businesses of imposing fine and enforcing compulsory execution concerning the annuity insurance prescribed in Article 39 shall be entrusted to the Bureau for handling.

Article 55 If the representative or any other staff member of a legal entity, the agent of a legal entity or a natural person, an employee or any other staff member violates the Act in the rendering of his respective services, the violator shall be punished pursuant to this Chapter; in addition, the legal entity itself or the natural person shall also be subject to punishment by such fine or administrative fine as prescribed in the respective articles of the Act; unless the representative of the legal entity or the natural person has done

his/her best to avoid the occurrence of the violation.

The representative of a legal entity or the natural person shall be deemed as an offender, if he/she instigate or ignores the violation.

Chapter VII Supplementary Provisions

Article 56 When a business entity is extinguished due to division, merger/acquisition, or transfer, the succeeding business entity shall be strictly liable for any labor pension not contributed.

Article 57 The enforcement rules of the Act shall be prescribed by the Central Competent Authority.

Article 58 This Act shall become effective after one year from the date of promulgation. The amended articles in this Act, with the exception to those promulgated on different dates, shall become effective from the date of promulgation.