

Unemployment Benefits: Eligibility Criteria and Application Procedures

Bongsoo Jung, Korean labor attorney at KangNam Labor Law Firm

I. Employees Eligible for Unemployment Benefits

1. Who is eligible for employment benefits?

Employment benefits are paid to unemployed persons who are satisfying the following two criteria: the employee had to leave a job involuntary for reasons such as dismissal for managerial reasons, expiration of contract period, etc. after having worked more than 180 days during the last 18-month period, and the unemployed person is actively making efforts to become reemployed. However, unemployment benefits shall not be given in cases where the employee has left his/her job to transfer to another job or become self-employed or in cases where the employee is separated from employment following the advice of the employer or dismissed due to reasons attributable to him/herself.

※ Cases dismissed due to critical reasons attributable to employee

1. In cases where he/she is sentenced to imprisonment (without being assigned prison labor or more severe punishment) for violating the Criminal Act or laws relating to employment;
2. In case he/she has, on purpose, caused a considerable hindrance to the business or inflicted any damage to property due to embezzlement, disclosure of corporate secret, damage to property, etc. and
3. In case he/she has been absent from work for a long time without due notice and justifiable reasons.

* Though the employee who falls under one of the above items resigned voluntarily by the employer's advice, he/she shall not be eligible for recipient of unemployment benefit.

2. Can the employee receive unemployment benefit if he/she was hired while receiving unemployment benefit?

Unemployment benefit is paid to an unemployed person when he/she reports unemployment and was recognized as an eligible recipient, and when he/she made efforts for reemployment. Therefore, this beneficiary process requires the recognition of unemployment and evidence to prove efforts for reemployment for a unit period of three to four weeks. Therefore, in principle, the reemployed employee cannot be eligible for unemployment benefit. Provided that in case an eligible recipient is employed in a job that is deemed certain to keep him/her employed for more than six

months, or in cases where an eligible recipient is deemed certain to run his/her own business for six months or more, then the reemployed person can get a certain portion (1/3 ~ 2/3 of the benefit still left) as an early reemployment incentive.

3. If the employee signed a letter of resignation, can he/she receive unemployment benefits?

In cases where the employee resigned from the company voluntarily due to reasons such as submitting a resignation letter because of a change of occupation, becoming self-employed or going back to school, unemployment benefit shall not be given in principle. However, the employee can receive unemployment benefits under the following special circumstances:

1. If any of the following happens within a period of two months or more within one year prior to the date of unemployment:

(1) The actual working conditions are lower than the working conditions presented at the time of hiring or the working conditions generally applied after hiring;

(2) The payment of wages is delayed;

(3) If the wage paid for prescribed work falls below the minimum wage under the Minimum Wage Act;

(4) If the restrictions on extended work in Article 53 of the Labor Standards Act are violated;

(5) Due to workplace closures, less than 70 percent of average wage is paid.

2. If the employee received unreasonable discrimination on the grounds of religion, sex, physical disability, union activities, etc. at the workplace;

3. If the employee was unwillingly subjected to sexual harassment, sexual assault, or other sexual bullying in the workplace;

3-2. In case of workplace harassment pursuant to Article 76-2 of the 「Labor Standards Act」

4. The business is certain to go bankrupt or close, or large-scale layoffs are planned;

5. If the employee is advised to terminate employment by the employer due to any of the following conditions, or if he or she leaves the job due to the recruitment of early retirement applicants pursuant to an employment adjustment plan caused by the inevitability of staff reductions:

(1) Transfer, acquisition, merger of business;

(2) Partial business abolition or business conversion;

(3) Abolition and reduction of organization by reorganization;

(4) Changes in work patterns due to the introduction of new technologies and technological innovations;

(5) Deterioration of management, congestion of human resources or other similar reasons.

6. If the employee experiences difficulties in commuting due to any of the following reasons (at least three hours are required to get to the workplace and back by ordinary means of transportation):

- (1) Relocation of business;
- (2) Transfer to another business location;
- (3) Transfer of residence for the purpose of cohabiting with a spouse or relatives in need of support;
- (4) Other unavoidable reasons for the difficulty.

7. Due to the circumstances of the company, the employee could not take vacation or temporary leave and terminated employment during the period of more than 30 days of supporting his or her parents or cohabitating relatives for sickness or injury;

8. The employee works at a workplace where, despite a “serious accident” occurring in accordance with Article 2, Item 2 of the Occupational Safety and Health Act, and a correction order received from the Minister of Employment and Labor, the company has taken no corrective actions within the given period and employees are exposed to the same danger;

9. Termination of the employee’s employment is objectively recognized based on the opinion of a doctor or the employer, etc., due to an insured worker being unable to perform given task(s) due to a lack of physical strength, physical or mental disability, illness, injury, loss of sight, hearing or tactile sense (job transfers and temporary leaves are also allowed if they are due to company circumstances);

10. The insured worker is unable to continue work due to pregnancy, childbirth, childcare of a child under the age of 8 or up to second grade in elementary school (including an adopted child), or the employer cannot allow vacation or temporary leave for the employee to fulfill his obligatory service under the Military Service Act;

11. If the details of the business of the employer become illegal due to enactment or amendment of laws and ordinances or produces or sells goods or services not illegal at the time of employment, but now prohibited by laws or regulations;

12. The employee reaches retirement age or the employee’s contract expires;

13. In addition, it is objectively recognized that other workers in the workplace under the circumstances of the insured person may have resigned.

II. Amount of Unemployment Benefit

1. How much can an unemployed person receive from unemployment benefits?

The unemployment benefit is 50% of the average wage prior to separation within the range of 120 to 270 days in accordance with the age and insured period as of

separation time.

→ Maximum amount: 60,000won per day (After 2019)

→ Minimum amount: daily contractual working hours (8 hours) x 80% of daily minimum wage; However, if the lowest amount calculated (based upon 80% of the minimum wage) is less than 60,120 won, the amount is 60,120 won.

※ Beneficiary days of unemployment benefit

Insured period Age	Less than 1 year	Over 1 year ~ less than 3	More than 3 ~ less than 5	More than 5 ~ less than 10	More than 10
Less than 50	120days	150days	180days	210days	240days
Over 50 or the disabled	120days	180days	210days	240days	270days

2. Until when can the unemployed person apply for unemployment benefits?

Even though an unemployed person is eligible for unemployment benefits, he/she cannot receive unemployment benefits if 12 months has passed from the day of separation. These 12 months are called 'period of benefit payment'. As unemployment benefits cannot be paid if the period of benefit payment expires, the unemployed person shall apply for the eligibility of benefit payment to the Employment Support Center without delay right after separation.

※ Reasons for extension of payment period (maximum extension is 4 years)

- 1) Injuries or diseases of the recipient (excluding injuries or diseases for which injury and disease benefits are being paid);
- 2) Injuries or diseases of the recipient's spouse or lineal ascendants or descendants;
- 3) Mandatory military service under the Military Service Act;
- 4) Detention or execution of sentence on criminal charges; and
- 5) Pregnancy, childbirth, and childcare (limited to within 3 years after birth of a child).

III. Payment Procedure of Unemployment Benefit

1. What do you do to receive unemployment benefits?

To receive unemployment benefits, the unemployed person shall visit the Employment Support Center in his/her location with identification documents, such as a Residence Certificate or Driver's License, immediately separation and report unemployment. The report of unemployment shall include an application for work and an application for the recognition of eligibility for benefit, and then the head of an

Employment Security Office shall notify the applicant of the results of the decision within 14 days.

2. What is the recognition of unemployment?

The recognition of unemployment means that the head of an Employment Security Office recognizes that the unemployed person has actively engaged to become reemployed during a certain recognition period of unemployment, after unemployed person received the recognition of beneficiary eligible for unemployment benefits. An eligible recipient shall present him/herself on a date of recognition of unemployment designated by the head of an Employment Security Office over the course of an one to four week period counted from the date of reporting unemployment and report the efforts made to be reemployed, and the head of the Employment Security Office shall recognize his/her unemployment based upon reported contents. An eligible recipient cannot receive unemployed benefit if he/she could not get the recognition of unemployment because of failure to attend the Employment Security Office.

3. What are active efforts to become reemployed?

An eligible recipient shall make active efforts to become reemployed (i.e., get a job) in accordance with the reemployment action plan completed on the first recognition day of unemployment so that he/she can get the recognition of unemployment. Here, reemployment action means the unemployed person's reemployment activities such as submission of job applications or participations in job interviews, and/or efforts to become self-employed. Job-seeking activities also include submission of job applications by mail, fax or email, participation in job interviews with recruiters in the job fair, or attending occupation guidance programs conducted by the Employment Security Office.

IV. Illegal Receiving of Unemployment Benefit

1. What is the illegal receiving of unemployment benefits?

Unemployment benefits are payable when the unemployed person is recognized as an eligible recipient by the head of an Employment Security Office and makes efforts to be reemployed during the recognition period of unemployment. It is illegal to receive unemployment benefits through false or other fraudulent methods.

- ※ The most common cases of illegally receiving benefits involve a person not reporting reemployment during the recognition period of unemployment or reporting it using fraudulent information, or that he/she made a false report

regarding the reason for separation or his/her wages while employed.

2. What are the penalties for illegally receiving unemployment benefits?

If it is found that a person received unemployment benefits through illegal methods, he/she shall refund the benefit received and additionally pay the same amount equivalent to the illegally received benefit as a penalty. Further, his/her unemployment benefits will stop, and the person concerned could face criminal prosecution. If a company manager was involved in perpetuating the illegality, the employer shall also share joint responsibility with the person.

- A. A small illegal benefit can be forgiven only once.
- B. Criminal punishment can be pursued where a person violates the law twice, where two people or more collaborate and receive benefits illegally, and in cases where a person rejects the requests to repay the illegally received benefits despite repeated demands from the Employment Security Office.
- C. In cases where illegal benefits were paid due to a falsified description on the company's confirmation of severance, an additional fine (2 ~ 3 million Won) will be charged to the company.