

Person holding employer status

Understanding Taiwan Labor Regulations

Directors and supervisors in a company are automatically deemed to hold “employer” status. Any person whose name appears on the company statutory record as the responsible person is also deemed to hold “employer” status.

Who holds “employer” status?

Article 2 of the Labor Standards Act states that Employer means a business entity which hires workers, the responsible person of business operations, or the person who represents the business owner in handling workers’ matters.

In practice, directors and supervisors in a company are automatically deemed to hold “employer” status. Any person whose name appears on the company statutory record as the responsible person is also deemed to hold “employer” status.

What are the implications?

- Persons holding employer status may need to pay a higher premium rate for the statutory benefits program (please see the table in the appendix that follows). In addition, the insured salary grade for the employer cannot be lower than the salary grade of the top-earning employee in the company.
- Persons holding employer status cannot participate in unemployment insurance.
- Persons holding employer status are not protected by the Labor Standards Act.

- The ability of employers to join the pension program is restricted. Please see the table in the appendix below for details.

Contact



Jay Lo

Managing Partner

T +886 2 2789-0887 ext. 1314

E jay.lo@tw.gt.com

www.grantthornton.tw

Appendix

	National Health Insurance	Labor Insurance	New Pension (Company Contribution)	New Pension (Employee Contribution)	Old Pension
Responsible person for a company	Employer rate	Employer rate	No	Yes	No
Registered as Branch Manager and Litigation Representative (Taiwan National)	Employer rate	Employer rate	No	Yes	No
Registered as Branch Manager and Litigation Representative (Foreigner)	Employee rate	Employer rate	No	No	No
Registered as Branch Manager only	Employee rate	Employer rate	Yes	Yes	No
Registered as Litigation Representative for a Branch only	Employer rate	Employer rate	No	Yes	No