

NATIONAL PENSION ACT

Republic of Korea

National Pension Service

CONTENTS

CHAPTER I GENERAL PROVISIONS (Article 1 ~ 5)	5
CHAPTER II NATIONAL PENSION INSURED PERSONS (Article 6 ~ 23)	8
CHAPTER III NATIONAL PENSION SERVICE (Article 24 ~ 48)	17
CHAPTER IV BENEFITS (Article 46 ~ 86)	25
Section 1 General Rules	25
Section 2 Old-age Pension	31
Section 3 Disability Pension	35
Section 4 Survivor Pension	37
Section 5 Lump-sum Refund, Etc.	40
Section 6 Restrictions on Benefit Payment	42
CHAPTER V FINANCIAL RESOURCES AND COLLECTION OF CONTRIBUTIONS, ETC. (Article 87 ~ 100)	44
CHAPTER VI NATIONAL PENSION FUND (Article 101 ~ 107)	50
CHAPTER VII REQUEST FOR INVESTIGATION AND REVIEW (Article 108 ~ 112)	56
CHAPTER VIII SUPPLEMENTARY RULES (Article 113 ~ 127)	57
CHAPTER IX PENAL PROVISIONS (Article 128 ~ 132)	62
ADDENDA	64

This English text is not official, in case of any diversions of interpretation, only the Korean text is official and shall prevail.

NATIONAL PENSION ACT

Wholly Amended by Act No. 8541, Jul. 23, 2007
Amended by Act No. 8635, Aug. 3, 2007
by Act No. 8728, Dec. 21, 2007
by Act No. 8852, Feb. 29, 2008

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to contribute to the stabilization of livelihoods and the promotion of national welfare by providing pension benefits in case of old-age, disability or death.

Article 2 (Charge)

The Minister for Health, Welfare and Family Affairs shall be in charge of the National Pension program under this Act. <Amended by Act No. 8852, Feb. 29, 2008>

Article 3 (Definitions)

(1) The definitions of the terms used in this Act shall be as follows:

1. The term "employee" means a person (including directors and officers of a corporate body) who offers service, regardless of the type of occupation, in a workplace and whose livelihood depends upon the wages received in return for the service: Provided, that those who are determined by the Presidential Decree shall be excluded;
2. The term "employer" means a business owner or a person responsible for management of the business;
3. The term "income" means earnings, not including tax-free income as determined by the Presidential Decree, gained by offering service for a specified period, or earnings, which necessary expenses are deducted from, gained by running a business and/or operating assets. In this case, the scope of the incomes depending on the category of the insured person under the National Pension Scheme

(hereinafter referred to as the "insured person") shall be determined by the Presidential Decree;

4. The term "Average Monthly Income" means the annual average value of the Standard Monthly Income of all Workplace-based Insured Persons and Individually Insured Persons; the calculation formula for this is determined by the Presidential Decree.
5. The term "Standard Monthly Income" means the amount determined by the Presidential Decree on the basis of the insured person's monthly income for the purpose of calculating the amount of contributions and benefits. The calculation formula and effective period for it shall be determined by the Presidential Decree;
6. The term "Workplace-based Insured Person" means any employee employed in a workplace and the employer of such workplace, who are insured under the National Pension Scheme under Article 8;
7. The term "Individually Insured Person" means a person who is not a Workplace-based Insured Person, but who is insured under the National Pension Scheme under Article 9;
8. The term "Voluntarily Insured Person" means a person insured under the National Pension Scheme under Article 10, who is neither a Workplace-based nor Individually Insured Person;
9. The term "Voluntarily & Continuously Insured Person" means a person whose insured period is less than twenty years but who is insured under Article 13(1);
10. The term "contribution" means the financial resources for the National Pension program. In the case of a Workplace-based Insured Person, it means the combination of the employer's liability and the employee's contribution. In the case of an Individually Insured Person, Voluntarily Insured Person and Voluntarily & Continuously Insured Person, it means the amount contributed by the insured person.
11. The term "employer's liability" means the amount contributed by the employer of a Workplace-based Insured Person;
12. The term "employee's contribution" means the amount contributed by a Workplace-based Insured Person; and
13. The term "workplace" means a place of business or office in which employees are employed.

(2) In application of this Act, "Spouse, husband or wife" shall include any person who has a de facto marital relationship.

- (3) A fetus of a person who is or was an insured person when he/she acquires eligibility for benefits under this Act shall, upon his/her birth, be deemed as a child whose livelihood depended on the person who is or was an insured person.

Article 4 (Valuation of Financial Equilibrium of National Pension and Adjustment of Benefits)

- (1) The standard of benefits and contributions under this Act shall be adjusted in order that the long-term financial balance of the National Pension may be maintained.
- (2) The Minister for Health, Welfare and Family Affairs shall calculate the balance of the pension finances every five years as determined by the Presidential Decree, make an overall plan concerning the National Pension operation, including a projection of finances, an adjustment of contributions, and the operation of the National Pension Fund, etc., obtain the President's approval after having it reviewed by the Council of National Affairs, submit it to the National Assembly, and make it public as determined by the Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008>
- (3) In the event of a significant change in the living standards, wages, prices and other economic conditions of the people, the amount of benefits to be paid under this Act shall be adjusted in accordance therewith.

Article 5 (National Pension Deliberative Council)

- (1) The National Pension Deliberative Council shall be established at the Ministry for Health, Welfare and Family Affairs in order to deliberate on the following subparagraphs concerning the National Pension program: <Amended by Act No. 8852, Feb. 29, 2008>
1. Matters pertaining to the National Pension Scheme and its valuation of financial equilibrium;
 2. Matters pertaining to National Pension benefits;
 3. Matters pertaining to National Pension contributions;
 4. Matters pertaining to the National Pension Fund; and
 5. Other matters presented by the Minister for Health, Welfare and Family Affairs concerning the operation of the National Pension Scheme.

- (2) The National Pension Deliberative Council shall consist of the chairman, vice-chairman, and members. The Vice Minister for Health, Welfare and Family Affairs shall be the chairman of the Council, the vice-chairman shall be elected from among the members representing public interests, and members shall be appointed or commissioned by the Minister for Health, Welfare and Family Affairs in accordance with the following criteria: <Amended by Act No. 8852, Feb. 29, 2008>
1. Four members representing employers, recommended by employers' associations;
 2. Four members representing employees, recommended by the federation of labor unions;
 3. The following members representing Individually Insured Persons:
 - (a) Two persons recommended by farmers and fishermen associations;
 - (b) Two persons recommended by associations related to self-employed persons other than farmers and fishermen associations; and
 - (c) Two persons recommended by consumer's associations and civic groups; and
 4. Five members representing the public interest who are experts in the National Pension Scheme.
- (3) Matters necessary with regard to the organization, operation, and others of the National Pension Deliberative Council shall be determined by the Presidential Decree.

CHAPTER II NATIONAL PENSION INSURED PERSONS

Article 6 (Coverage)

All citizens aged from eighteen to less than sixty who reside in the Republic of Korea shall be covered under the National Pension: Provided, that the government employees, military personnel and private school teachers who are covered under the Public Officials Pension Act, Veterans' Pension Act and Pension for Private School Teachers and Staff Act respectively, and other persons as prescribed by the Presidential Decree shall be excluded from the coverage.

Article 7 (Categories of Insured Persons)

Insured persons shall be classified into Workplace-based Insured Persons, Individually Insured Persons, Voluntarily Insured Persons and Voluntarily & Continuously Insured Persons.

Article 8 (Workplace-based Insured Persons)

(1) Employees and employers aged from eighteen to less than sixty in a workplace as determined by the Presidential Decree on the basis of the type of business, the number of employees, etc. (hereinafter referred to as the "mandatorily covered workplace") shall mandatorily become Workplace-based Insured Persons: Provided, that any person who falls under one of the following subparagraphs shall be excluded:

1. Persons entitled to receive the retirement pension, disability pension or lump-sum of that retirement pension under the Public Officials Pension Act, Pension for Private School Teachers and Staff Act or Special Post Offices Act, or those entitled to receive the retirement pension, wounded veterans' pension, or lump sum of that retirement pension under the Veterans' Pension Act (hereinafter referred to as the "beneficiary of the retirement pension, etc."); or
2. Pensioners under the National Basic Living Security Act.

(2) Notwithstanding paragraph (1) of this Article and Article 6, employees aged less than eighteen at a workplace covered under the National Pension Scheme may become a Workplace-based Insured Person with the consent of the employer, if they want to do so.

Article 9 (Individually Insured Persons)

Persons aged from eighteen to less than sixty other than Workplace-based Insured Persons under Article 8, shall compulsorily become Individually Insured Persons: Provided, that persons who fall under one of the following subparagraphs shall be excluded:

1. Non-income spouses of persons falling under one of the following items:
 - (a) Persons excluded from the coverage of the National Pension Scheme under the proviso of Article 6;
 - (b) Workplace-based or Individually Insured Persons, or Voluntarily & Continuously Insured Persons;
 - (c) Employees of a Special Post Office;
 - (d) Beneficiaries of the Old-age Pension or beneficiaries of the retirement pension, etc.; and
2. Beneficiaries of the retirement pension, etc.;
3. Persons aged from eighteen to less than twenty-seven who are in school or military service, etc. and have no income (excluding those who have ever paid contributions);

4. Pensioners under the National Basic Living Security Act; and
5. Persons who have been missing for over one year. In this case, the recognition criteria and the confirmation method regarding the missing person shall be determined by the Presidential Decree.

Article 10 (Voluntarily Insured Persons)

- (1) Persons aged from eighteen to less than sixty may become Voluntarily Insured Persons by submitting an application to the National Pension Service as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs if they do not fall under one of the following subparagraphs: <Amended by Act No. 8852, Feb. 29, 2008>
 1. Workplace-based Insured Persons; and
 2. Individually Insured Persons.
- (2) Voluntarily Insured Persons may withdraw from the coverage of the National Pension Scheme by submitting an application to the National Pension Service as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

Article 11 (Date of Acquisition of Insured Status)

- (1) A Workplace-based Insured Person shall acquire his/her insured status on the day falling under one of the following subparagraphs:
 1. When he/she is employed at or becomes the employer of a workplace referred to in the main text of Article 8(1); and
 2. When his/her workplace becomes a mandatorily covered workplace.
- (2) An Individually Insured Person shall acquire insured status on the day following the day when he/she falls under one of the following subparagraphs:
 1. When he/she loses his/her insured status as a Workplace-based Insured Person;
 2. When he/she does not fall under the categories of those who shall be excluded from the coverage of the National Pension Scheme under the proviso of Article 6;
 3. When a spouse referred to in subparagraph 1 of Article 9 earns his/her own income; and
 4. When a person aged from eighteen to less than twenty-seven earns an income.
- (3) A Voluntarily Insured Person shall acquire his/her insured status on the day the application is accepted.

Article 12 (Date of Loss of Insured Status)

- (1) A Workplace-based Insured Person shall lose his/her insured status on the day following the day falling under one of the following subparagraphs: Provided, that in such cases referred to in subparagraph 5 of this Article, he/she shall lose his/her insured status on that day when he/she falls under the same subparagraph:
1. When he/she dies;
 2. When he/she loses his/her Korean nationality or emigrates to a foreign country;
 3. When his/her employment terminates;
 4. When he/she becomes sixty years of age; and
 5. When he/she falls under the categories of those who shall be excluded from the coverage of the National Pension Scheme under the proviso of Article 6.
- (2) An Individually Insured Person shall lose his/her insured status on the day following the day falling under one of the following conditions: Provided, that in such cases referred to in subparagraphs 3 and 4, he/she shall lose his/her insured status on the day when he/she falls under the same subparagraphs:
1. When he/she dies;
 2. When he/she loses his/her Korean nationality or emigrates to a foreign country;
 3. When he/she falls under the categories of those who shall be excluded from the coverage of the National Pension Scheme under the proviso of Article 6;
 4. When he/she acquires his/her insured status as a Workplace-based Insured Person;
 5. When he/she no longer earns an income as a spouse under subparagraph 1 of Article 9; and
 6. When he/she becomes sixty years of age.
- (3) A Voluntarily Insured Person shall lose his/her insured status on the day following the day falling under one of the following subparagraphs: Provided, that in such cases referred to in subparagraphs 6 and 7, he/she shall lose his/her insured status on the day when he/she falls under the same subparagraphs:
1. When he/she dies;
 2. When he/she loses his/her Korean nationality or emigrates to a foreign country;
 3. When the application for his/her withdrawal from the National Pension as referred to in Article 10(2) is accepted;
 4. When he/she becomes sixty years of age;
 5. When he/she fails to pay contributions consecutively for a period longer than that determined by the Presidential Decree;
 6. When he/she acquires his/her insured status as a Workplace-based Insured Person

- or Individually Insured Person; and
7. When he/she falls under the categories of those who shall be excluded from the coverage of the National Pension Scheme under the proviso of Article 6.

Article 13 (Voluntarily & Continuously Insured Persons)

- (1) Notwithstanding Article 6, a person falling under one of the following subparagraphs may become a Voluntarily & Continuously Insured Person by submitting an application to the National Pension Service as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs until he/she becomes sixty-five years of age. In this case, he/she shall acquire his/her insured status on the day the application is accepted: <Amended by Act No. 8852, Feb. 29, 2008>
1. A person reaching the age of sixty, whose insured period is less than twenty years; and
 2. A person who is or was engaged in any of the specified occupations as prescribed by the Presidential Decree (hereinafter referred to as a "special occupation employee") and who acquires eligibility to receive the Special Old-age Pension under Article 61(2) and (3), and Article 5 of the Addenda of Act No. 3902, the National Welfare Pension Amendment Act.
- (2) A Voluntarily & Continuously Insured Person may withdraw from the coverage of the National Pension Scheme by submitting an application to the National Pension Service as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>
- (3) A Voluntarily & Continuously Insured Person shall lose his/her insured status on the day following the day falling under one of the following subparagraphs:
1. When he/she dies;
 2. When he/she loses his/her Korean nationality or emigrates to a foreign country;
 3. When the application for his/her withdrawal referred to in paragraph (2) is accepted; and
 4. When he/she fails to pay contributions consecutively for a period longer than that determined by the Presidential Decree.

Article 14 (Confirmation of Insured Status)

- (1) The National Pension Service shall confirm the acquisition or loss of insured status for all insured persons.

- (2) The acquisition or loss of insured status shall be put into effect on the date of the acquisition or loss of insured status referred to in Articles 11 through 13 with the confirmation of the National Pension Service referred to in paragraph (1).
- (3) Confirmation by the National Pension Service referred to in paragraph (1) shall be made upon the claim of an insured person, by a report referred to in Article 21, or by virtue of its official authority.
- (4) A person who is or was an insured person may apply for the confirmation of the acquisition and loss of insured status and change in the category of insured person at any time as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

Article 15 (Presumption of Death)

An insured person reported as missing while travelling by airplane or ship, or for any other reason, shall be presumed to be deceased as determined by the Presidential Decree.

Article 16 (Certificate of Insured Person)

- (1) The National Pension Service shall issue a Certificate of National Pension Insured Person to all insured persons.
- (2) Matters necessary for issuance of the certificate referred to in paragraph (1) shall be determined by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

Article 17 (Calculation of National Pension Insured Period)

- (1) The National Pension Scheme's insured period (hereinafter referred to as the "insured period") shall be calculated on a monthly basis. The period shall begin from the month following the month which includes the day he/she acquires his/her insured status to the month which includes the day preceding the day he/she loses his/her insured status: Provided, that if an insured person falls under one of the following paragraphs, a month which includes the day he/she acquires his/her insured status shall be calculated in his/her insured period; however, if he/she regains his/her insured status in a month which includes the day preceding the day of losing insured status, the month shall not be calculated in duplication:
1. When a person starts being covered on the first day of the month;

2. When a person acquires the status of a Voluntarily & Continuously Insured Person; and
3. When a person wishes to do so.

(2) In calculating the insured period, non-contribution periods shall not be included: Provided, that if the employer has deducted employee's contribution from the income of the employee and has not paid the contributions, the period corresponding to one-half of the unpaid period shall be counted in the employee's insured period. In this case, a period of less than one month shall be counted as one month.

(3) When the National Pension Service notifies a Workplace-based Insured Person that his/her workplace is delinquent in its payment as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs, from the month following the first delinquent month stated in the notification, delinquent periods shall not be included in the insured period notwithstanding the proviso of paragraph (2). In this case, the Workplace-based Insured Person concerned may pay his/her portion of contributions as determined by the Presidential Decree, notwithstanding Article 90(1). <Amended by Act No. 8852, Feb. 29, 2008>

(4) In the case where a Lump-sum Refund which has been paid under Article 77 falls under the unjust enrichment classification as referred to in Article 57(1), if the Lump-sum Refund is not returned to the National Pension Service, the period corresponding to the amount shall not be counted in the insured period of the concerned person.

Article 18 (Additional Coverage Granted In Return For Military Service)

(1) When a person falling under one of the following subparagraphs acquires eligibility to receive the Old-age Pension (including cases where a person becomes eligible for the Old-age Pension by acquiring additional coverage under this Article), an additional insured period of six months shall be counted in his insured period: Provided, that if the period in which he has served his military service under the Military Service Act is less than six months, this provision shall not apply.

1. Military personnel in active service referred to in Article 5(1)1 of the Military Service Act; and
2. Public interest service personnel referred to in Article 2(1)9 of the Military Service Act.

- (2) Notwithstanding paragraph (1), in cases falling under one of the following subparagraphs, paragraph (1) shall not apply:
1. Where the total or partial period in which a person has served his military service under the Military Service Act is counted in his tenure of office under the Public Officials Pension Act, Pension for Private School Teachers and Staff Act, and Special Post Offices Act or in the military service period under the Veterans' Pension Act; and
 2. Where the period in which a person has served his military service under the Military Service Act is approved as an insured period as a result of his paying contributions during that period: Provided, that where the insured period is less than six months, this provision shall not apply.
- (3) Financial resources necessary for counting additional coverage as referred to in paragraph (1) shall be financed by the government.

Article 19 (Additional Coverage Granted For Childbirth)

- (1) When a person who is or was an insured person acquires eligibility to receive the Old-age Pension (including a case where a person becomes eligible for the Old-age Pension by acquiring additional coverage under this Article), the following coverage shall be additionally counted in his/her insured period: Provided, that the additional period of coverage shall not exceed fifty months and matters necessary with regard to the method of confirming the number of children, etc. shall be determined by the Presidential Decree:
1. In the case of having two children, an additional period of coverage of twelve months shall be added; and
 2. In the case of having more than three children, an additional period of coverage of eighteen months for each additional child shall be added to the twelve months for the second child.
- (2) In the case where both parents concerned are or were insured persons, the additional coverage referred to in paragraph (1) shall be counted in either parent's insured period according to the agreement between the father and mother; however, if a mutual agreement may not be reached, equally divided periods shall be counted in each parent's insured period. In this case, matters necessary with regard to the procedure for agreement, etc. shall be determined by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

- (3) Financial resources necessary with regard to additional coverage under paragraph (1) shall be partially or fully financed by the government.

Article 20 (Totaling of the Insured Period)

- (1) If a person re-acquires insured status after losing his/her insured status, the former and latter insured periods shall be totaled.
- (2) If changes in the category of an insured person are made, his/her insured periods shall be obtained by totaling the periods of each category.

Article 21 (Reports)

- (1) An employer of Workplace-based Insured Persons shall report facts concerning his/her mandatorily covered workplace, changes in the status of his/her workplace and suspension and closure of business, the acquisition & loss of insured status, and matters regarding the monthly income of insured persons, etc. to the National Pension Service as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>
- (2) An Individually Insured Person, Voluntarily Insured Person, and Voluntarily & Continuously Insured Person shall report matters regarding the acquisition & loss of insured status, changes in name or address, and income, etc. to the National Pension Service as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>
- (3) If an Individually Insured Person, Voluntarily Insured Person or Voluntarily & Continuously Insured Person is unable to report any changes referred to in paragraph (2) for a particular reason, the spouse or other family members may report on behalf of the insured person.

Article 22 (Notice to Those Providing Reports, etc.)

- (1) Upon receiving the report referred to in Article 21, the National Pension Service shall review the contents therein, and, if the reported contents are proven inaccurate, the National Pension Service shall notify those inaccuracies to the reporter.
- (2) The provisions of Article 23(3) shall apply mutatis mutandis to the notice referred to in paragraph (1).

Article 23 (Notice to Insured Persons, etc.)

- (1) When the acquisition or loss of insured status of Workplace-based Insured Person has been confirmed under Article 14, or the Standard Monthly Income has been determined or adjusted, the National Pension Service shall notify the changes to the employer of the workplace concerned. When the acquisition or loss of insured status of Individually Insured Persons, Voluntarily Insured Persons, or Voluntarily & Continuously Insured Persons, or the Standard Monthly Income of them has been determined or adjusted, the National Pension Service shall notify those things to the Individually, Voluntarily, or Voluntarily & Continuously Insured Persons.

- (2) An employer who receives a notice referred to in paragraph (1) shall then in turn notify the Workplace-based Insured Person concerned or the person who lost his/her eligibility. However, if the employer is unable to notify the person concerned because his/her whereabouts is unknown, he/she shall notify the National Pension Service of those conditions.

- (3) In the case falling under one of the following, the National Pension Service may use a public announcement as a substitute for its notice as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs: <Amended by Act No. 8852, Feb. 29, 2008>
 1. When the workplace no longer exists;
 2. When the whereabouts of the Individually Insured Person, Voluntarily Insured Person, or Voluntarily & Continuously Insured Person who is to receive a notice by the National Pension Service under paragraph (1) is unknown;
 3. When the National Pension Service is notified by the employer under the latter part of paragraph (2); and
 4. When there is some unavoidable reason that prevents the National Pension Service from giving notice as determined by the Presidential Decree.

CHAPTER III NATIONAL PENSION SERVICE

Article 24 (Establishment of National Pension Service)

The National Pension Service (hereinafter referred to as the "NPS") shall be established in order to efficiently carry out services that accomplish the purpose as prescribed in Article 1 under the entrustment of the Minister for Health, Welfare and

Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

Article 25 (Affairs of NPS)

The NPS shall carry out the following affairs: <Amended by Act No. 8852, Feb. 29, 2008>

1. Management and maintenance of the records for insured persons;
2. Collection of contributions;
3. Determination and payment of benefits;
4. Welfare promotion programs, including any loans of funds and establishment and operation of welfare facilities for persons who are and were insured persons, and beneficiaries referred to in Article 50;
5. Loan services to insured persons who are and were insured persons for the purpose of increasing its funds;
6. Matters entrusted to the NPS under this Act or other laws; and
7. Other matters entrusted to the NPS by the Minister for Health, Welfare and Family Affairs concerning the National Pension program.

Article 26 (Legal Personality)

The NPS shall be regarded as a juridical person.

Article 27 (Office)

(1) The location of the NPS' main office shall be determined by the Articles of Incorporation.

(2) The NPS may, if necessary, establish branch offices as determined by the Articles of Incorporation.

Article 28 (Articles of Incorporation)

(1) The NPS' Articles of Incorporation shall contain the following subparagraphs:

1. The objective;
2. Name;
3. Provisions pertaining to the main and branch offices;
4. Provisions pertaining to officers and personnel;
5. Provisions pertaining to the Board of Directors;
6. Provisions pertaining to the programs;
7. Provisions pertaining to budgets and closing accounts;
8. Provisions pertaining to assets and accounts;

9. Provisions pertaining to amendments of the Articles of Incorporation;
10. Provisions pertaining to the enactment, revision and abolition of rules or regulations; and
11. Provisions pertaining to public announcement.

(2) The NPS shall obtain the approval of the Minister for Health, Welfare and Family Affairs to make any amendment to the Articles of Incorporation. <Amended by Act No. 8852, Feb. 29, 2008>

Article 29 (Registration of Establishment)

The NPS becomes an entity by registering its establishment at the place where its main office is located.

Article 30 (Officers)

(1) For its officers, the NPS shall have a president, three or less executive directors, seven directors and an executive auditor. The directors shall include one or more representatives from the each following group: employers; employees; and Individually Insured Persons, and an *ex officio* director who is a government official of Grade 3 in charge of National Pension affairs in the Ministry for Health, Welfare and Family Affairs or a general government employee belonging to the Senior Executive Service. <Amended by Act No. 8852, Feb. 29, 2008>

(2) The NPS' president shall be appointed or dismissed by the President under the recommendation of the Minister for Health, Welfare and Family Affairs, and the executive directors, directors (excluding the *ex officio* director) and the executive auditor shall be appointed or dismissed by the Minister for Health, Welfare and Family Affairs under the recommendation of the NPS' president. <Amended by Act No. 8852, Feb. 29, 2008>

(3) Directors shall not be paid for their work, except in the case where they incur expenses.

Article 31 (Executive Fund Director)

(1) Among the executive directors, the director in charge of the management and operation of the National Pension Fund (hereinafter referred to as the "Executive Fund Director") as referred to in Article 101 (hereinafter referred to as the "National Pension Fund") shall be nominated from among those who are highly

knowledgeable and experienced in the fields of management, economy, and fund operation.

- (2) The Recommendation Committee for Executive Fund Director (hereinafter referred to as the "Recommendation Committee") that is composed of the president acting as chairman, and the directors acting as members, shall be established in the NPS for the purpose of recommending a candidate.
- (3) The Recommendation Committee shall announce a call for candidates for Executive Fund Director in major daily newspapers, and may actively search for qualified candidates or entrust the active recruitment to a professional organization.
- (4) The Recommendation Committee shall, according to the candidate criteria for the Executive Fund Director, review the candidates who applied pursuant to paragraph (3) and consult with potential candidate(s) about the terms of the contract. <Amended by Act No. 8852, Feb. 29, 2008>
- (5) The president shall, according to the results of review and consultation referred to in paragraph (4), recommend a candidate for the Executive Fund Director and concurrently submit a contract draft to the Minister for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>
- (6) When the Minister for Health, Welfare and Family Affairs approves the recommendation proposal and contract draft pursuant to paragraph (5), the president shall enter into a contract with the candidate for the Executive Fund Director. <Amended by Act No. 8852, Feb. 29, 2008>
- (7) Submission of the recommendation proposal and contract draft referred to in paragraph (5) and approval on them referred to in paragraph (6) shall be regarded as the recommendation and appointment of the executive directors, respectively, as referred to in Article 30(2).
- (8) Matters necessary with regard to the qualification of Executive Fund Director, consultation regarding the contract draft, recommendation and contract, etc. shall be determined by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

Article 32 (Officers' Term of Service)

Officers' term of service shall be three years. However, for the *ex officio* director, the term of service shall be that of his/her incumbent period, and for the Executive Fund Director, the term of service shall be determined by contract.

Article 33 (Duties of Officers)

- (1) The president shall represent the NPS and control the overall services of the NPS.
- (2) The executive directors shall divide and allot duties of the NPS under the Articles of Incorporation. If the president is unable to take charge of his/her duties, one of the executive directors, according to the order of priority as determined by the Articles of Incorporation, shall act for the president.
- (3) The auditor shall audit the accounts, the manner in which the affairs of the NPS are administered, and the status of its finances.

Article 34 (Appointment of Agent)

The president may appoint, from among the personnel, an agent with the authority to perform all juridical and non-juridical acts related to the affairs of the NPS as determined by the Articles of Incorporation.

Article 35 (Disqualifications of Officers)

A person falling under one of the following subparagraphs is ineligible to become an officer of the NPS:

1. A person who is incompetent or quasi-incompetent;
2. A person who has been declared bankrupt and has not been reinstated;
3. A person who has been sentenced to imprisonment or to a heavier penalty and for whom three years has not passed since the execution of the penalty was terminated or since the suspension of its execution was determined; and
4. A person who has been disqualified or suspended from qualification under any law or decision of the court.

Article 36 (Ipso Facto Retirement or Dismissal of Officers)

- (1) When an officer falls under one of the subparagraphs as referred to in Article 35, he/she shall be required to retire from his/her office.
- (2) A person with the authority to appoint and dismiss officers may dismiss an officer

under one of the following conditions:

1. When it is deemed that he/she cannot perform his/her duties due to physical or mental impairment;
2. When he/she violates his/her official duties;
3. When he/she has caused losses to the NPS intentionally or through gross negligence; or
4. When the Executive Fund Director falls under a dismissal clause in the contract concluded with the president under Article 31(6).

Article 37 (Restriction of Concurrent Services of Officers and Personnel)

The president, executive directors, auditor and personnel of the NPS shall not be engaged in profit-making businesses. The president, executive directors and auditor shall not concurrently hold another office without the permission of the Minister for Health, Welfare and Family Affairs, and other personnel shall not without the permission of the president. <Amended by Act No. 8852, Feb. 29, 2008>

Article 38 (Board of Directors)

- (1) In order to deliberate on and decide important matters of the NPS, a Board of Directors shall be established in the NPS.
- (2) The Board of Directors shall be composed of the president, executive directors and directors.
- (3) The president shall call meetings of the Board of Directors and be the chairperson.
- (4) All decisions of the Board of Directors shall be made by a majority of members present at any meeting which is attended by a majority of members.
- (5) The auditor may attend and state his/her opinion at the meeting of the Board of Directors.
- (6) Matters necessary with regard to the operation of the Board of Directors shall be determined by the Presidential Decree.

Article 39 (Appointment and Dismissal of NPS Personnel)

The president shall appoint and dismiss NPS personnel under the Articles of Incorporation.

Article 40 (Status of Officers and Personnel)

The officers and personnel of the NPS shall be regarded as government employees in the application of Articles 129 through 132 of the Criminal Act.

Article 41 (Supervision of NPS)

- (1) The NPS shall obtain the approval from the Minister for Health, Welfare and Family Affairs for its business operation plan and budget proposal for each fiscal year as determined by the Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008>
- (2) The NPS shall submit reports on its business performance and account settlement to the Minister for Health, Welfare and Family Affairs within two months after the end of each fiscal year. <Amended by Act No. 8852, Feb. 29, 2008>
- (3) The Minister for Health, Welfare and Family Affairs may take necessary measures for the supervision of the NPS, which includes ordering the NPS to report on business operations, inspecting its business or financial status, and, if necessary, ordering it to alter its Articles of Incorporation. <Amended by Act No. 8852, Feb. 29, 2008>

Article 42 (Accounts of NPS)

- (1) The NPS' fiscal year shall coincide with the government's fiscal year.
- (2) The NPS shall determine its accounting regulations with an approval from the Minister for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

Article 43 (Revenues and Expenses of NPS)

The NPS' revenues shall be composed of money transferred from the National Pension Fund, subsidies from the government, loans and other income. Its expenses shall be composed of benefits, reserves, refunds, repayments and interest of loans under this Act and other expenses incurred from the regular operation of the NPS.

Article 44 (Temporary Loans and Appropriation by Transfers)

- (1) If the fund for expenses during any fiscal year is insufficient, the NPS may acquire a temporary loan from the National Pension Fund.

- (2) Temporary loans made during a fiscal year shall be redeemed within the current fiscal year.
- (3) If expenses relating to benefits exceed revenues in a fiscal year, the NPS may make up that difference through transfers from the National Pension Fund after appropriate deliberation by the National Pension Fund Management Committee referred to in Article 103.

Article 45 (Disposal of Surplus)

If there is a surplus balance in the account settlement at the end of a fiscal year, the NPS shall make good any losses and reserve the remainder for the National Pension Fund.

Article 46 (Welfare Programs and Loan Services)

- (1) The NPS may conduct loan services, establish welfare facilities, and carry out other welfare programs to promote the welfare of persons who are and were insured persons, and beneficiaries as determined by the Presidential Decree.
- (2) The NPS may conduct loan services for persons who are and were insured persons to increase the fund as determined by the Presidential Decree.
- (3) When the NPS incurs a loss due to the intentional or gross negligence of an officer or personnel who is in charge of loan services referred to in paragraphs (1) or (2) in the execution of his/her duties, he/she shall compensate for the loss.

Article 47 (Entrustment of Services)

- (1) As determined by the Articles of Incorporation, the NPS may entrust the services of collecting contributions and repayments of loans, paying benefits and loans and other parts of its services to a corporate body handling social insurance services under other Acts, post offices, financial institutions, or other bodies.
- (2) The range of services and bodies the NPS may entrust its services to, under paragraph (1), shall be determined by the Presidential Decree.

Article 48 (Application of the Civil Act)

Unless otherwise determined by this Act, the Civil Act provisions concerning the foundation shall apply mutatis mutandis to the NPS.

CHAPTER IV BENEFITS

SECTION 1 General Rules

Article 49 (Types of Benefits)

The types of benefits as prescribed by this Act shall be as follows:

1. Old-age Pension;
2. Disability Pension;
3. Survivor Pension; and
4. Lump-sum Refund.

Article 50 (Payment of Benefits)

- (1) Benefits shall be paid by the NPS upon the claim of a person who is eligible to receive the benefits (hereinafter referred to as the "beneficiary").
- (2) The pension amount shall be calculated according to the reason for the pension payments on the basis of the basic pension amount and Dependants' Pension amount.

Article 51 (Basic Pension Amount)

- (1) The basic pension amount of beneficiaries shall be the total amount of the following subparagraphs multiplied by 1200/1000: Provided, that if the insured period is over twenty years, for every year in excess of twenty years (each month not constituting a full year shall be calculated as 1/12 year), the basic pension amount shall be multiplied by 50/1000 and added to the total calculated as mentioned above: <Amended by Act No. 8852, Feb. 29, 2008>
 1. The amount calculated by dividing the sum of each amount as calculated under one of the following items by 3:
 - (a) The amount determined by adjusting the Average Monthly Income of "the year three years prior to the commencement of pension payments" to the national consumer price fluctuation rate (meaning the national consumer price fluctuation rate announced yearly by the Commissioner of the National Statistical Office under Article 3 of the Statistics Act; hereinafter in this Article it has the same meaning) of "the year prior to the commencement of pension payments" compared to that of "the year three years prior to the commencement of pension payments";

- (b) The amount shall be determined by adjusting the Average Monthly Income of "the year two years prior to the commencement of pension payments" to the national consumer price fluctuation rate of "the year prior to the commencement of pension payments" compared to that of "the year two years prior to the commencement of pension payments"; and
 - (c) The Average Monthly Income of "the year prior to the commencement of pension payments"; and
2. The Standard Monthly Income of each insured year during the insured period of the insured person adjusted to its current value of "the previous year of the commencement of pension payments" according to the annual revaluation rate as announced by the Minister for Health, Welfare and Family Affairs as determined by the Presidential Decree, and the amount by totaling those amounts and dividing by the total insured period, except for cases where the amount shall be calculated according to the following items:
- (a) The Standard Monthly Income of the insured period which is additionally counted under Article 18 shall be the amount corresponding to 1/2 of the amount calculated under subparagraph 1; and
 - (b) The Standard Monthly Income of the insured period which is additionally counted under Article 19 shall be the amount corresponding to the amount calculated under subparagraph 1.
- (2) In applying the amount of each subparagraph under paragraph (1) to a beneficiary, the amount corresponding to the rate of change shall be increased or reduced by the end of March of each year, based on the national consumer price fluctuation rate of "the year prior to the commencement of pension payments" compared to that of "the year two years prior to the commencement of pension payments". In this case, it shall be reviewed in advance by the National Pension Deliberative Council referred to in Article 5.
- (3) In applying the amount adjusted under paragraph (2) to a beneficiary, the applicable period shall be from April of the adjustment year concerned to March of the following year.

Article 52 (Dependents' Pension Amount)

- (1) The Dependents' Pension amount of a person falling under one of the following categories, whose livelihood either is maintained by a beneficiary (in the case of Survivor Pension, a person who is or was an insured person) at the time when

he/she acquires his/her eligibility or has been maintained by a beneficiary of Old-age or Disability Pension after he/she acquires his/her pension eligibility, shall be the amount as prescribed in any of the corresponding subparagraphs. In this case, the recognition criteria for each category of persons who have been supported shall be determined by the Presidential Decree:

1. Spouse: 150,000 won annually;
2. Children under eighteen years of age or having a 1st or 2nd degree of disability (including any child adopted or born by a beneficiary's spouse prior to the current marriage; hereinafter in this Article the same shall apply): 100,000 won annually; and
3. Parents aged sixty or over, or having a 1st or 2nd degree of disability (including parents of a spouse; hereinafter in this Article the same shall apply): 100,000 won annually.

(2) In applying the Dependents' Pension amount referred to in paragraph (1) to a beneficiary, paragraphs (2) and (3) of Article 51 shall apply *mutatis mutandis*.

(3) If a person falling under one of the categories referred to in paragraph (1) is a pension beneficiary, he/she shall be excluded from the calculation of the Dependents' Pension amount referred to in paragraph (1).

(4) A person falling under one of the categories referred to in paragraph (1) shall not be considered in the calculation of the Dependents' Pension amount of two or more pension beneficiaries.

(5) When a person falling under one of the categories referred to in paragraph (1) falls under one of the following subparagraphs, he/she shall be excluded from the calculation of the Dependents' Pension amount:

1. When he/she dies;
2. When the condition under which he/she has maintained his/her livelihood by the beneficiary, comes to an end;
3. When the spouse becomes divorced;
4. When the child is adopted by another person or the adopted relationship is terminated;
5. When the child becomes eighteen years of age: Provided, that a child who has been in a condition of a 1st or 2nd degree of disability since the beneficiary acquired his/her eligibility shall be excluded;

6. When the child or parent who has had a 1st or 2nd degree of disability no longer falls under either disability condition; and
7. When the beneficiary's relationship with his/her step-child is terminated due to a divorce with the step-child's mother/father.

Article 53 (Maximum Pension Amount)

The monthly pension amount shall not exceed the larger of the following two amounts:

1. The average amount of the Standard Monthly Income for the last five years of the insured period (which is adjusted on the basis of the year prior to the commencement of pension payments under Article 51(1)2) adjusted under Article 51(2); and
2. The average amount of the Standard Monthly Income during the insured period (which is adjusted on the basis of the year prior to the commencement of pension payments under Article 51(1)2) adjusted under Article 51(2).

Article 54 (Period and Time of Pension Payment)

- (1) The pension payment shall be paid from the month following the month which includes the day when the reason for pension payment thereof occurs (in the case of either return of the Lump-sum Refund with accumulated interest as referred to in Article 78(1) or paying postponed contributions as referred to in Article 92(1), the reason for pension payment is considered to occur on the day the corresponding repayment/payment is made) to the month which includes the day when the eligibility to receive the pension expires.
- (2) The pension shall be paid on the last day of every month, and in the case where the payment day falls on a Saturday or holiday, it shall be paid on the day before. However, it may be paid before the payment day if the eligibility expires or the payment is suspended.
- (3) If there is any reason to suspend the payment of pension, the pension shall not be paid starting from the month following the month which includes the day of occurrence of the cause, to the month which includes the day of expiration of the cause.

Article 55 (Unpaid Benefits)

- (1) If there is a remaining balance of benefits upon death of the beneficiary, unpaid

benefits shall be paid to persons, including spouse, children, parents, grandchildren, grandparents or siblings upon their claim: Provided, that in the case of siblings, their livelihood shall have been maintained by the beneficiary up to the time of his/her death, and the recognition criteria for them shall be determined by the Presidential Decree.

- (2) The claimant of the benefits referred to in paragraph (1) shall be in the following order; spouse, children, parents, grandchildren, and grandparents. In the case where two or more persons are of equal priority, they shall be paid equally, and the payment method shall be determined by the Presidential Decree.

Article 56 (Adjustment between Concurrent Benefits)

- (1) If a beneficiary becomes eligible for two or more benefits under this Act, only one benefit shall be paid in accordance with his/her choice, and the payment of other benefits shall be suspended.
- (2) Notwithstanding paragraph (1), if any of the unchosen pensions under paragraph (1) fall under one of the following subparagraphs, the amount prescribed in the subparagraph concerned shall be paid in addition to the chosen pension amount.
 1. If the unchosen pension is the Survivor Pension (excluding a case where a beneficiary chooses a Lump-sum Refund): the amount corresponding to 20/100 of the Survivor Pension will be paid; and
 2. If the unchosen pension is a Lump-sum Refund (excluding a case where the beneficiary chooses to accept a Disability Pension instead of receiving a Lump-sum Refund which is based on his/her contribution payment): The amount corresponding to that indicated in Article 80(2).

Article 57 (Collection of Unjust Enrichment, etc.)

- (1) If a person has received a benefit under false or fraudulent means or with a suspended or expired eligibility, or if any payment was over-paid or made by mistake, the NPS shall recover the amount as determined by the Presidential Decree. In this case, if a person has received a benefit under false or fraudulent means, the NPS shall include interest as determined by the Presidential Decree.
- (2) If a person who was presumed deceased under Article 15 is confirmed to be alive, the NPS shall recover the paid amount from the recipient who has received benefits due to wrongful presumption of death.

(3) If a person who is to return the amount equivalent to the benefits under paragraph (1) or (2) also has eligibility to receive other benefits or a refund including excessive or erroneous contributions, etc. the NPS may appropriate these payments for the amount to be recovered pursuant to paragraph (1) or (2).

(4) If the amount to be collected under paragraphs (1) to (3) is less than the amount determined by the Presidential Decree, the NPS may not collect it.

Article 58 (Protection of Eligibility to Benefits)

(1) The eligibility to receive benefits shall not be transferred, seized or secured.

(2) If the benefits paid to the beneficiary are less than the amount determined by the Presidential Decree, they shall not be seized.

Article 59 (Deducted Payment of Unpaid Amount)

(1) In the case where a person who is or was an insured person acquires benefits eligibility or dies, if he/she is liable to repay the loans under Article 46, the loans may be deducted from the benefits (including a Lump-sum Death Payment but excluding suspended benefits) under this Act: Provided, that the deduction shall not exceed 1/2 of each monthly pension amount for the beneficiaries of the pension benefits under this Act (excluding a Disability Pension paid as a lump-sum compensation under Article 68(2)).

(2) In order to reduce the liability for the loans under paragraph (1), repayment of the liability shall be demanded in writing with a time limit of at least twenty days, and it shall be notified, in advance, to the beneficiary that the loans will be deducted from the benefits if he/she does not make full repayment of the liability within the given time limit.

(3) The deducted amount under paragraph (1) shall be regarded as benefits paid to the beneficiary.

Article 60 (Exemption from Taxes and Other Public Charges)

With respect to the amount paid as benefits under this Act, taxes and other public charges of the state or local governments shall be reduced or exempted as determined by the Restriction of Special Taxation Act and other laws or municipal ordinances of local governments.

SECTION 2 Old-age Pension

Article 61 (Old-age Pension Beneficiary)

- (1) When a person, who has been or had been an insured person for twenty or more years, reaches the age of sixty (fifty-five for special occupation employees), thenceforth he/she shall receive the Old-age Pension during his/her lifetime.

- (2) When a person who has been or had been an insured person for more than ten years, but less than twenty years reaches the age of sixty (fifty-five for special occupation employees), he/she shall receive thenceforth throughout his/her lifetime the pension, reduced by a specified amount from the Old-age Pension as referred to in paragraph (1) (hereinafter referred to as the "Reduced Old-age Pension").

- (3) When a person who has been or had been an insured person for more ten or more years is engaged in income-earning activities, he shall receive a specified amount of benefits, (hereinafter referred to as the "Active Old-age Pension") from sixty to sixty-five years of age (from fifty-five to sixty for special occupation employees).

- (4) Notwithstanding paragraph (1), if a person who has been or had been an insured person for ten or more years and is fifty-five or more years of age is not engaged in income-earning activities, he/she may receive a specified amount of benefits (hereinafter referred to as the "Early Old-age Pension") during his/her lifetime as he/she wishes even before he/she reaches the age of sixty.

- (5) The scope of income-earning activities referred to in paragraphs (3) and (4) shall be determined by the Presidential Decree.

Article 62 (Additional Benefits by Deferment of Payment)

- (1) If a beneficiary of the Active Old-age Pension wishes to defer the pension payment, he/she may defer it only once.

- (2) In the case where a beneficiary who applied for the deferment of payment under paragraph (1) wishes to receive pension payments, his/her pension amount shall be the amount given by adding the Old-age Pension amount referred to in Article 61(1), (2), (4) and Article 66(2) (Dependents' Pension amount not included) which

has been adjusted under Article 51(2) at the time of application, to the amount equivalent to 5/1000 of the above amount for each deferred month.

Article 63 (Amount of Old-age Pension)

- (1) The amount of the Old-age Pension referred to in Article 61(1) shall be obtained by adding the Dependents' Pension amount to the basic pension amount.
- (2) The amount of the Reduced Old-age Pension shall be obtained by adding the Dependents' Pension amount to the amount equivalent to 500/1000 of the basic pension amount: Provided, that if the insured period is over ten years, the amount equivalent to 50/1000 of the basic pension amount shall be added for every year (each month not constituting a full year shall be calculated as 1/12 year) exceeding ten years.
- (3) The amount of the Active Old-age Pension shall be obtained by multiplying the basic pension amount depending on the insured period, etc. (Dependents' Pension amount not included) referred to in paragraphs (1), (2) and (4) of this Article, Article 62(2) and Article 66(2), by the ratio in each of the following subparagraphs according to the age of the beneficiary:
 1. 500/1000 for a person aged sixty (fifty-five for special occupation employees);
 2. 600/1000 for a person aged sixty-one (fifty-six for special occupation employees);
 3. 700/1000 for a person aged sixty-two (fifty-seven for special occupation employees);
 4. 800/1000 for a person aged sixty-three (fifty-eight for special occupation employees); and
 5. 900/1000 for a person aged sixty-four (fifty-nine for special occupation employees).
- (4) The amount of the Early Old-age Pension shall be calculated by adding the Dependents' Pension amount to that obtained by multiplying the Old-age Pension amount depending on the insured period (Dependents' Pension amount not included) referred to in paragraphs (1) and (2), by the ratio in each of the following subparagraphs according to the age of the beneficiary (in the case where the application date falls in the month following the month which includes the date the beneficiary reaches the age, 5/1000 shall be added for every month:
 1. 700/1000 for a person who receives a pension from fifty-five years of age;
 2. 760/1000 for a person who receives a pension from fifty-six years of age;

3. 820/1000 for a person who receives a pension from fifty-seven years of age;
4. 880/1000 for a person who receives a pension from fifty-eight years of age; and
5. 940/1000 for a person who receives a pension from fifty-nine years of age.

Article 64 (Beneficiary of Divided Pension, etc.)

- (1) When a person who has been married to an insured person for five years or longer (referring only to the insured period; hereinafter the same shall apply) falls under one of the following subparagraphs, he/she shall be paid, for as long as he/she lives, the Old-age Pension divided by the fixed rate. (hereinafter referred to as the "Divided Pension"):
 1. When he/she reaches the age of sixty, after having divorced a beneficiary of the Old-age Pension;
 2. When he/she divorces a beneficiary of the Old-age Pension after reaching the age of sixty;
 3. When his/her ex-spouse acquires the Old-age Pension eligibility after he/she reaches the age of sixty; and
 4. When he/she reaches the age of sixty after the ex-spouse has acquired the Old-age Pension eligibility.
- (2) The amount of the Divided Pension referred to in paragraph (1) shall be obtained by dividing the ex-spouse's Old-age Pension amount corresponding to the entire duration of the marriage into equal proportion (Dependents' Pension amount not included).
- (3) The right to claim for the Divided Pension shall expire after three years from the day falling under one of the subparagraphs under paragraph (1) of this Article.

Article 65 (Correlation between Old-age Pension and Divided Pension, etc.)

- (1) Once the eligibility of the Divided Pension referred to in Article 64(1) has been acquired, that eligibility shall not be affected for any reason by the expiration or suspension of the ex-spouse's Old-age Pension eligibility.
- (2) When a beneficiary is eligible for two or more Divided Pensions, totaled amount of the two or more pension benefits shall be paid to him/her notwithstanding Article 56: Provided, that if a beneficiary is eligible for two or more Divided Pensions and other benefits (Old-age Pension not included; hereinafter in this

paragraph the same shall apply), that eligibility to more than two Divided Pensions shall be considered as one eligibility to the Divided Pension. In this case, he/she shall choose one benefit; either the Divided Pensions or any of the other benefits. Whichever benefit(s) the beneficiary does not choose shall be suspended.

- (3) The beneficiary of the Divided Pension shall not be regarded as an Old-age beneficiary when the Survivor Pension referred to in Article 72(1) is paid to him/her.
- (4) When a beneficiary of the Divided Pension acquires eligibility for the Old-age Pension, notwithstanding Article 56, the sum of the Divided Pension and the Old-age Pension shall be paid.

Article 66 (Suspension of Early Old-age Pension Payment, etc.)

- (1) When a beneficiary aged less than sixty who is receiving the Early Old-age Pension under Article 61(4) and 63(4) begins to work in income-earning activities referred to in Article 61(5), his/her Early Old-age Pension shall be suspended during that period.
- (2) When a beneficiary whose Early Old-age Pension has been suspended pursuant to paragraph (1) receives an Early Old-age Pension again before reaching the age of sixty because he is no longer engaged in income-earning activities, or when the former beneficiary reaches the age of sixty, he/she shall receive any of the following amounts of the Early Old-age Pension:
 1. Amount which is obtained by adding the Dependents' Pension amount to the amount given by multiplying the Old-age Pension amount (Dependents' Pension amount not included) calculated based on the insured periods, given by adding up insured periods before and after the payment suspension referred to in Article 63(1) and (2), by the ratio which 5/1000 is subtracted from the ratio according to the beneficiary's age at the time of his/her resumption of payment under each subparagraph of Article 63(4) for every one month for which the pension benefits has been paid; and
 2. The Early Old-age Pension amount before being suspended; in the case where the Early Old-age Pension amount (Dependents' Pension not included; hereinafter in this subparagraph the same shall apply) referred to in subparagraph 1 is less than the Early Old-age Pension amount before being suspended under paragraph (1).

SECTION 3 Disability Pension

Article 67 (Disability Pension Beneficiary)

- (1) If a person has a physical or mental disability (including a case where an insured person hasn't recognized the onset of the disease and the first medical examination of that disease is taken while insured; hereinafter in this Section and Section 4 the same shall apply) traceable to a sickness or injury that occurs during his/her insured period, even after his/her medical treatment has been completely terminated, he/she shall be paid the Disability Pension according to the degree of disability for the period in which it persists.

- (2) If the medical treatment of a person who has suffered from a sickness or injury referred to in paragraph (1) has not been completely terminated within one and a half years after his/her first medical examination, the degree of disability shall be determined on the basis of the day one and a half years have passed: Provided, that in the case where a person who is not eligible for the Disability Pension on the day when one and a half years have passed, if the sickness or injury has worsened and is eligible for the Disability Pension before his/her reaching the age of sixty, then his/her degree of disability shall be determined upon his/her claim on the basis of the day he/she claims the Disability Pension.

- (3) If a person who has lost the Disability Pension eligibility under Article 70(1) becomes eligible for the Disability Pension again before reaching sixty years of age due to the worsening of the sickness or injury which was the ground for the previous Disability Pension, his/her degree of disability shall be determined upon his/her claim on the basis of the day he/she claims the Disability Pension.

- (4) When a person who is eligible for the Disability Pension has already been paid the Lump-sum Refund under Article 77, he/she shall not be paid the Disability Pension.

- (5) The degree of disability shall be classified into 1st, 2nd, 3rd, and 4th degrees, and matters regarding the criteria for classification and examination of the degree of disability shall be determined by the Presidential Decree.

Article 68 (Amount of Disability Pension)

- (1) The amount of the Disability Pension shall be one of the following subparagraphs,

depending on the degree of disability:

1. For a person falling under 1st degree of disability: The amount obtained by adding the Dependents' Pension to the basic pension amount;
2. For a person falling under 2nd degree of disability: The amount obtained by adding the Dependents' Pension to the amount equivalent to 800/1000 of the basic pension amount; and
3. For a person falling under 3rd degree of disability: The amount obtained by adding the Dependents' Pension to the amount equivalent to 600/1000 of the basic pension amount.

(2) Any person who falls under 4th degree of disability shall receive the amount equivalent to 2250/1000 of the basic pension amount as a lump-sum compensation.

Article 69 (Adjustment between Concurrent Disabilities)

When a Disability Pension beneficiary becomes eligible for another Disability Pension, the beneficiary shall be paid the Disability Pension amount according to the degree of the previous and the new disability combined: Provided, that if the Disability Pension amount according to the degree of the previous and the new disability combined is less than previous amount according to the degree of the previous disability, the previous pension amount shall be paid.

Article 70 (Changes in Disability Pension Amount, etc.)

(1) The NPS shall review the degree of disability and adjust the Disability Pension amount according to any change in the degree of disability. In addition, after the review, if a person is found not to fall under one of the degrees of disability, his/her eligibility to the Disability Pension shall be terminated by the NPS.

(2) In the case where a beneficiary's disability is aggravated, he/she may submit an application to the NPS for a change in the amount of Disability Pension.

(3) Paragraphs (1) and (2) shall not apply to a beneficiary of the Disability Pension aged more than sixty.

Article 71 (Assessment of Lump-Sum Compensation)

In applying the adjustment of concurrent benefits referred to in Article 56, the adjustment between concurrent Disability Pensions referred to in Article 69, the modification of the Disability Pension amount referred to in Article 70, and the

extinctive prescription referred to in Article 115(1) to a person who is eligible for a lump-sum compensation referred to in Article 68(2), it shall be deemed that the lump-sum amount equivalent to 400/1000 of the basic pension amount divided by 12 has been paid for sixty-seven months from the month following the month which includes the date on which the reason for the lump-sum payment occurs.

SECTION 4 Survivor Pension

Article 72 (Survivor Pension Beneficiary)

(1) In the event that any of the following persons dies, the Survivor Pension shall be paid to his/her survivors: Provided, that in the case where a person with an insured period of less than one year dies of the disease or from a wound, the pension benefits shall be paid to his/her survivors only if he/she died of the disease or from a wound which occurs during the insured period:

1. A Person entitled to the Old-age Pension;
2. A Person who had been an insured person for ten or more years;
3. A Person who is an insured person; and
4. A Person entitled to the Disability Pension with a 2nd degree of disability or higher.

(2) In the event that a person who was an insured person for less than ten years dies; within two years of his/her first medical examination given during his/her insured period; or within two years from the first medical examination conducted within one year after losing his/her insured status due to a sickness, injury or sickness from an injury which he/she got during his/her insured period, the survivors shall be entitled to the Survivor Pension unless the person or his/her survivors have already received the Lump-sum Refund under Article 77.

Article 73 (Scope of Survivors, etc.)

(1) Survivors eligible for the Survivor Pension shall be any of the following persons whose livelihood has been maintained by a person who is or was an insured person at the time of his/her death. In this case, the recognition criteria for person(s) who have been supported by the person who is or was an insured person shall be determined by the Presidential Decree:

1. Spouse;
2. Children: Provided, that they are under eighteen years of age or have a 2nd

degree of disability or higher;

3. Parents (including the spouse's parents; hereinafter in this Section the same shall apply): Provided, that they are over sixty years of age or have a 2nd degree of disability or higher;
4. Grandchildren: Provided, that they are under eighteen years of age or have a 2nd degree of disability or higher; and
5. Grandparents (including the spouse's grandparents; hereinafter in this Section the same shall apply): Provided, that they are over sixty years of age or have a 2nd degree of disability or higher.

(2) The Survivor Pension shall be paid only to the person having the first priority in the order according to each subparagraph of paragraph (1): Provided, that if his/her pension eligibility referred to in paragraph (1)1 expires or is suspended, the survivor as referred to in paragraph (1)2 shall receive the Survivor Pension.

(3) If there are two or more survivors having the same priority referred to in paragraph (2), they shall be paid equally, and the method of payment shall be determined by the Presidential Decree.

Article 74 (Amount of Survivor Pension)

The amount of the Survivor Pension shall be obtained by adding the Dependents' Pension to the amount as prescribed in any of the following subparagraphs according to the insured period: Provided, that if the Old-age Pension beneficiary dies, the amount of the Survivor Pension shall not exceed that of the Old-age Pension which was paid to the deceased:

1. The amount equivalent to 400/1000 of the basic pension amount for an insured period of less than ten years;
2. The amount equivalent to 500/1000 of the basic pension amount for an insured period ranging from ten to less than twenty years; and
3. The amount equivalent to 600/1000 of the basic pension amount for an insured period of twenty years or longer.

Article 75 (Expiration of Eligibility to Survivor Pension)

(1) When a person entitled to the Survivor Pension falls under one of the following subparagraphs, his/her pension eligibility shall expire:

1. When a person entitled to the pension dies;
2. When a spouse entitled to the pension remarries;

3. When a child or grandchild entitled to the pension is adopted by another person, or the adoptive relationship is terminated;
4. When a child or grandchild who does not have a 2nd degree of disability or higher, and is entitled to the pension reaches the age of eighteen; and
5. When a person receiving the pension on account of disability no longer has a 2nd degree of disability or higher.

(2) The eligibility to receive the Survivor Pension of parents, grandchildren or grandparents, shall expire when an unborn child at the time of the death of the person who is or was an insured person is born and acquires eligibility.

Article 76 (Suspension of Survivor Pension Payments to Spouse)

(1) Payment of the Survivor Pension to the spouse shall be made for three years from the time he/she acquires eligibility and suspended when he/she reaches fifty-five years of age: Provided, that if he/she falls under one of the following subparagraphs, the payment of the Survivor Pension shall not be suspended:

1. Where he/she has a 2nd degree of disability or higher;
2. Where he/she supports the livelihood of any child of a person who is or was an insured person, where the child is under eighteen years of age or has a 2nd degree of disability or higher; and
3. Where he/she is not engaged in income-earning activities as determined by the Presidential Decree.

(2) In the case where the whereabouts of the spouse entitled to the Survivor Pension is unknown for more than one year, this Survivor Pension shall be suspended at the request of the surviving children for the period of time in which the spouse's whereabouts is unknown.

(3) In the case where there are two or more persons entitled to the Survivor Pension other than the spouse, if there is any of such persons whose whereabouts is unknown for one or more years, the payment of Survivor Pension to him/her whose whereabouts is unknown shall be suspended at the request of the other beneficiaries for the period of time in which his/her whereabouts is unknown.

(4) When the whereabouts of the beneficiary of the Survivor Pension whose payment has been suspended under paragraphs (2) and (3) is confirmed, the suspension of payment shall be removed upon his/her request.

SECTION 5 Lump-sum Refund, Etc.

Article 77 (Lump-sum Refund)

- (1) If a person who is or was an insured person falls under one of the following subparagraphs, he/she may receive a Lump-sum Refund upon his/her or the survivors' claim:
 1. Where a person who had been an insured person for less than ten years reaches the age of sixty;
 2. Where a person who is or was an insured person dies: Provided, that it is limited to where a person who is insured or has been insured for more than ten years dies and the payment of the Survivor Pension benefits is not made under the proviso of 72(1) except for each subparagraph, or Article 85; and
 3. Where a person loses his/her nationality or emigrates to a foreign country.
- (2) The Lump-sum Refund payable under paragraph (1) shall be calculated by adding the contributions which a person who is or was an insured person has paid (in the case of a person who is or was a Workplace-based Insured Person, the employer's liability shall be included) to a level of interest determined by the Presidential Decree.
- (3) When a person claims the payment of a Lump-sum Refund under paragraph (1), the provisions of Article 73 shall apply mutatis mutandis to the scope of eligible survivors, and the order of precedence in the claim and the like.

Article 78 (Return of the Lump-sum Refund and Insured Period)

- (1) When a person who received the Lump-sum Refund under Article 77 regains his/her insured status, he/she may return the Lump-sum Refund which he/she received, plus interest, determined by the Presidential Decree (hereinafter referred to as the "return of the Refund") to the NPS.
- (2) The NPS may allow the return of the Refund as referred to in paragraph (1) to be paid in installments as determined by the Presidential Decree. In this case, the interest determined by the Presidential Decree shall be added to the installments.
- (3) When a person returns the Lump-sum Refund under the provisions of paragraphs (1) and (2), the period corresponding to the amount of the Lump-sum Refund shall be accumulated in his/her insured period.

- (4) Matters regarding the return of the Refund, such as the application, method and time limit of the return referred to in paragraphs (1) and (2) shall be determined by the Presidential Decree.

Article 79 (Expiration of Eligibility to Lump-Sum Refund)

The eligibility to receive a Lump-sum Refund shall expire when it falls under one of the following subparagraphs:

1. When a person entitled to the Refund is re-qualified as an insured person;
2. When a person entitled to the Refund acquires eligibility to the Old-age Pension;
3. When a person entitled to the Refund acquires eligibility to the Disability Pension; or
4. When survivors of a person entitled to the Refund acquire eligibility to the Survivor Pension.

Article 80 (Lump-sum Death Payment)

(1) If a person who is or was an insured person dies and has no surviving family members as referred to in Article 73, his/her spouse, children, parents, grandchildren, grandparents or siblings shall receive a Lump-sum Death Payment: Provided, that the Lump-sum Death Payment shall not be given to a person whose whereabouts is unknown by the reason that he/she is missing, etc. at the time of the death of the person who is or was an insured person and if an insured person has no spouse, children, parents, grandchildren, grandparents or siblings, the Lump-sum Death Payment shall be given to first cousins who are supported by the person who is or was an insured person. In such a case, the recognition criteria and the confirmation method regarding a person whose whereabouts is unknown and the recognition criteria for persons whose livelihood has been maintained by the currently or formerly insured person shall be determined by the Presidential Decree.

(2) The Lump-sum Death Payment referred to in paragraph (1) shall be the amount equivalent to the Lump-sum Refund for a person who is or was an insured person, and shall not exceed four times the larger amount of either; the final Standard Monthly Income of a deceased person who is or was an insured person which has been converted to value one year prior to the insured person receiving the Lump-sum Death Payment, determined by the annual revaluation rate under Article 51(1)2; or the average of the Standard Monthly Income during the insured period calculated under the same subparagraphs.

(3) The priority given to eligible persons for a Lump-sum Death Payment as referred to in paragraph (1), shall be in the order of spouse, children, parents, grandchildren, grandparents, siblings and first cousins. If two or more persons have equal priority, they shall share equal amounts of the payment, and the method of payment shall be determined by the Presidential Decree.

Article 81 (Correlation between Survivor Pension and Lump-sum Death Payment)

With respect to the beneficiary of the Survivor Pension referred to in Article 73(1)2 and 73(1)4, if the amount of the Survivor Pension which he/she has received until the eligibility expires pursuant to Article 75(1)4 is less than the amount of the Lump-sum Death Payment referred to in Article 80(2), the difference shall be paid to him/her in a lump-sum.

SECTION 6 Restrictions on Benefits Payment

Article 82 (Restrictions on Benefits Payment)

- (1) If a person who is or was an insured person suffers a disability by intentionally provoking a disease, wound or accident, the Disability Pension which is to be paid on grounds of such disability may not be paid.
- (2) If a person who is or was an insured person falls under one of the following subparagraphs by not complying with the instructions for proper medical care on purpose, by gross negligence, or without justifiable reason, the benefits which are to be paid for such a reason may not be paid wholly or partially under the conditions as determined by the Presidential Decree:
1. Where the person becomes disabled or dies;
 2. Where the person causes an accident causing his or her disability or death; or
 3. Where the person worsens the degree of his/her disability or hinders his/her recovery.

Article 83 (Restriction on Change in Disability Pension Amount)

If the Disability Pension beneficiary fails to comply with the instructions for proper medical care on purpose, by gross negligence or without any justifiable reason, and thereby makes the disability worse or prevents the recovery thereof, the amount of the Disability Pension may not be changed under Article 70.

Article 84 (Restrictions on Payment of Survivor Pension)

- (1) The Survivor Pension shall not be paid to a survivor who has intentionally caused the death of a person who is or was an insured person under this Act.
- (2) The Survivor Pension shall not be paid to a survivor who has intentionally caused the death of a would-be beneficiary of the Survivor Pension.
- (3) The Survivor Pension shall not be paid to a beneficiary of the Survivor Pension who has intentionally caused the death of another beneficiary for the same pension.

Article 85 (Restrictions on Benefits Payment Due to Default in Payment)

If a person falls under one of the following paragraphs at the time of his/her first medical examination of the relevant disease or injury in the case of the Disability Pension or at the time of his/her death in the case of the Survivor Pension, the pension benefits shall not be paid:

1. Where the person has never made his/her contribution payments; or
2. Where the period in which his/her pension contributions have been paid (including the period in which employee's contributions for him/her have been paid under Article 17(3); hereinafter in this Article the same shall apply) is less than $\frac{2}{3}$ of the period derived by adding up the period in which the pension contributions have been paid by him/her and the insured period in which the pension contributions have not been paid by him/her (in this case, the insured period in which does not elapse one month from the due date of contribution payment under Article 89(1), and the period in which the pension contributions are allowed not to be paid under Article 91(1) shall be excluded; hereinafter in this Article the same shall apply): Provided, that where a period in which the contributions were not paid is less than six months, this provision shall not apply.

Article 86 (Suspension of Benefits Payment)

- (1) If a beneficiary falls under one of the following subparagraphs, the payment of the benefits may be partially or entirely suspended:
 1. Where a beneficiary, without any justifiable reasons, fails to comply with the NPS' demand to present documents and other materials referred to in Article 122(1);
 2. Where a beneficiary of the Disability Pension or Survivor Pension, without any justifiable reasons, fails to comply with the NPS' demand regarding a medical examination or confirmation of the result of the medical examination referred to in Article 120;

3. Where a beneficiary of the Disability Pension impedes his/her recovery by not properly complying with medical instructions on purpose, by gross negligence, or without any justifiable reasons; or
4. Where a beneficiary without any justifiable reasons, fails to make the report referred to in Article 121(1).

(2) In the case where the NPS wishes to suspend payment of benefits under paragraph (1), it may temporarily suspend the payment as determined by the Presidential Decree before the suspension of payment.

CHAPTER V

FINANCIAL RESOURCES AND COLLECTION OF CONTRIBUTIONS, ETC.

Article 87 (Liability of National Treasury)

The State shall provide all or part of the costs necessary with regard to the administration and operation of the National Pension program on an annual basis.

Article 88 (Collection of Contributions)

- (1) The NPS shall collect contributions from insured persons and employers each month during their insured period to meet the expenses of the National Pension program.
- (2) The pension contributions for Workplace-based Insured Persons shall be born by the insured person as a contribution and by the employer as a liability, and each of the amounts shall be equivalent to 45/1000 of the Standard Monthly Income.
- (3) The pension contributions for Individually, Voluntarily or Voluntarily & Continuously Insured Persons shall be born by themselves, at the amount equivalent to 90/1000 of the Standard Monthly Income amount.

Article 89 (Time Limit of Contribution Payment, etc.)

- (1) The pension contributions shall be paid by the person responsible for payments by the 10th day of the following month in which the contributions are assessed: Provided, that in the case where a person is engaged in agriculture, forestry, stock farming or fishing determined by the Presidential Decree (hereinafter referred to as

"farmers and fishermen"), he/she may pay quarterly contributions upon his/her own request by the 10th day of the following month of the concerned quarter.

- (2) The pension contributions that were paid one month in advance of the due date shall be regarded as being paid on the day following the last day of the contribution payment period of the previous month.
- (3) If a person responsible for payments pays contributions in advance, the period, the amount to be reduced, etc. shall be determined by the Presidential Decree.
- (4) If the person responsible for payments pays contributions by the method of automatic account transfer, the NPS may reduce contributions or offer other financial advantages as determined by the Presidential Decree.
- (5) Notwithstanding paragraph (1), the NPS may extend the time limit of the payment period by up to one month past the due date defined in paragraph (1) for any reason defined by the Ordinance of the Ministry for Health, Welfare and Family Affairs, such as the delay of a written notice being served, etc. <Amended by Act No. 8852, Feb. 29, 2008>
- (6) Any person who intends to extend the time limit of the payment under paragraph (5) shall make an application for such an extension to the NPS according to the procedure prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

Article 90 (Withholding Payment of Pension Contribution)

- (1) The employer shall deduct employee's contribution to be born by the Workplace-based Insured Person from his/her monthly income to be paid to him/her, and make a payment to the NPS.
- (2) When the employer deducts the employee's contribution from the income under paragraph (1), he/she shall prepare the statement of deduction and deliver it to the Workplace-based Insured Persons.

Article 91 (Exceptions to Payment of Pension Contribution)

- (1) If a Workplace-based or Individually Insured Person is unable to pay contributions for such reasons as given in the following subparagraphs, the person responsible for payments may be exempt from making payments for the duration of the period as

determined by the Presidential Decree: <Amended by Act No. 8728, Dec. 21, 2007>

1. Suspension of business, unemployment or temporary absence from employment;
2. Performance of military service under Article 3 of the Military Service Act;
3. Enrollment as a student in a school under Article 2 of the Elementary and Secondary Education Act or Article 2 of the Higher Education Act;
4. Confinement in a correctional institution under Article 11 of the Act on Execution of the Sentences and Treatment of Prisoners;
5. Held in a confinement facility under the Social Protection Act or treatment center under the Medical Treatment and Custody Act;
6. Having been missing for less than one year. In this case, the recognition criteria and the confirmation method regarding the missing person shall be determined by the Presidential Decree; or
7. Reduction of income due to a disaster or an accident, or disengagement from income-earning activities, determined by the Presidential Decree.

- (2) The period in which the contributions have not been paid under paragraph (1), shall not be counted in the insured period.

[Enforcement Date: December 22, 2008: Article 91(1)4]

Article 92 (Postponement of Contribution Payment)

- (1) Insured persons falling under one of the following subparagraphs may request a postponed payment of contribution (hereinafter referred to as "postponed contribution") for the amount corresponding to a portion or whole of the period prescribed in the concerned subparagraphs:
1. An insured person who did not make contribution payments under Article 91(1): The period during which the concerned contribution payments were not made; and
 2. A person who regains eligibility as an insured person after performing military service under Article 3 of the Military Service Act: The duration of military service (not including the period counted as the term in office under the Public Officials Pension Act, Pension for Private School Teachers and Staff Act, Special Post Offices Act and Veterans' Pension Act, and any period of military service conducted before January 1, 1988).
- (2) The postponed contribution shall be the amount which is obtained by multiplying the number of months of the postponed period, by the contribution amount of the month which includes the day in which the request for postponed payment of contribution was made.

(3) The postponed contribution may be paid in installments as determined by the Presidential Decree. In this case, the interest determined by the Presidential Decree shall be added to the contributions.

(4) In the case where an insured person has paid the postponed contribution payments according to paragraphs (1) through (3), the period corresponding to the payments shall be counted in the calculation of his/her total insured period.

(5) Matters necessary with regard to the postponed contribution payments, such as the application, method and time limit of payment, etc., shall be determined by the Presidential Decree.

Article 93 (Special Cases of Paying Delinquent Pension Contributions for Voluntarily & Continuously Insured Persons who Have Lost Their Insured Status)

A Voluntarily & Continuously Insured Person who has already lost his/her insured status pursuant to Articles 13(3)2 through 13(3)4 may pay partial or full delinquent pension contributions which are overdue under Article 89 to the NPS according to the procedure prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs: Provided, that if contributions have not been made for three years or more from the time limit of payment, they may not be paid. <Amended by Act No. 8852, Feb. 29, 2008>

Article 94 (Collection of Contributions from Workplace-based and Individually Insured Persons Before the Due Date of Payment)

If a person responsible for contribution payments of the Workplace-based or Individually Insured Person falls under one of the following subparagraphs, the pension contributions may be collected in advance of the due date of payment (including the extended time limit under Article 89(5)):

1. Where they are subject to a disposition for arrears of national or local taxes or other public charges;
2. Where they are subject to a compulsory execution;
3. Where they have declared bankruptcy;
4. Where a public auction is commenced; and
5. Where his/her corporation is dissolved.

Article 95 (Demand for Payment of Contributions and Disposition for Arrears)

- (1) When a Workplace-based or Individually Insured Person fails to make his/her pension contributions or other due payments under this Act within the prescribed time limit (including an extended time limit under Article 89(5)), the NPS shall set a due date and demand its payment as determined by the Presidential Decree.
- (2) When the NPS makes a demand of payment under paragraph (1), it shall issue a demand note designating a time limit of ten days or more.
- (3) When a person whose payment has been demanded under paragraph (1) fails to pay contributions by the designated date, the NPS may take action for the collection of contributions or other dues in accordance with the examples of disposition on the national taxes in arrears, after obtaining the approval of the Minister for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>
- (4) When it is deemed that it is not appropriate that the NPS disposes an asset seized in accordance with the example of disposition of the national tax in arrears as referred to in paragraph (3) because expert knowledge is necessary with regard to the disposal of that asset or because of other special circumstances, the NPS may request for the disposal to the Korea Asset Management Corporation, established under the Act on the Efficient Disposal of Non-Performing Assets, etc. of Financial Institutions and the Establishment of Korea Asset Management Corporation (hereinafter referred to as "KAMCO"), as determined by the Presidential Decree. In this case, KAMCO's disposal shall be assumed to have been conducted by the NPS.
- (5) When KAMCO conducts a disposition on behalf of the NPS under paragraph (4), the NPS may pay a commission as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

Article 96 (Delivery of Documents)

The provisions of Articles 8 through 12 of the Framework Act on National Taxes shall apply mutatis mutandis to the delivery of documents referred to in Article 95 of this Act.

Article 97 (Arrears Fee, etc.)

- (1) If a person responsible for contributions fails to pay by the due date (including an extended time limit under Article 89(5)), the NPS shall collect the arrears fee corresponding to 30/1000 of the delinquent pension amount from the next day of the due date.

- (2) If a person responsible for contributions fails to pay delinquent contributions, the NPS shall collect additional charges corresponding to 10/1000 of the delinquent pension amount added to the arrears fee referred to in paragraph (1) for every full month after the final day of the time limit. In this case, the total sum of the arrears fee and additional charges shall not exceed 90/1000 of delinquent pension contributions.

- (3) Notwithstanding paragraphs (1) and (2), if there is a particular reason for being unable to pay contributions, such as a natural disaster or others determined by the Presidential Decree, the NPS may not collect the arrears fee or additional charges referred to in paragraphs (1) and (2).

Article 98 (Priority in Collection of Pension Contributions)

The order of collecting contributions and other dues under this Act shall be the same priority as the contributions under the National Health Insurance Act.

Article 99 (Expiration of Right to Collect Pension Contributions, etc.)

The NPS' rights to collect pension contributions and the arrears fee from Individually Insured Persons, Voluntarily Insured Persons, and Voluntarily & Continuously Insured Persons shall expire when one of the following occurs:

1. When a person who is or was an insured person dies;
2. When an insured person receives the Old-age Pension or Lump-sum Refund under Article 77(1); and
3. When the extinctive prescription is completed, as referred to in Article 115(1).

Article 100 (Appropriation and Refund of Excessive or Erroneous Contributions)

If there are excessive or erroneous contributions resulting from the collection of contributions, arrears fee, or expenses incurred in the process of the collection of delinquencies, the NPS shall appropriate them to the contribution or other dues under this Act or return them as determined by the Presidential Decree. In this case, the interest, as determined by the Presidential Decree, shall be added to the excessive or erroneous contributions.

CHAPTER VI NATIONAL PENSION FUND

Article 101 (Establishment and Source of Fund)

- (1) The Minister for Health, Welfare and Family Affairs shall establish the National Pension Fund (hereinafter referred to as the "Fund") that serves as a liability reserve to secure the finances necessary with regard to the National Pension program and to finance the pension benefits under this Act. <Amended by Act No. 8852, Feb. 29, 2008>
- (2) The Fund shall consist of the following subparagraphs.
 1. Contributions;
 2. Profits accrued from the Fund operation;
 3. Reserve funds; and
 4. The NPS' surplus on the settlement of revenue and expenditures.

Article 102 (Fund Management and Operation)

- (1) The Minister for Health, Welfare and Family Affairs shall manage and operate the Fund. <Amended by Act No. 8852, Feb. 29, 2008>
- (2) The Minister for Health, Welfare and Family Affairs shall manage and operate the Fund in the following ways according to the decisions of the National Pension Fund Management Committee referred to in Article 103 to maximize profits for the purpose of securing the long-term financial stability of the Fund, and shall invest for the welfare of persons who are and were insured persons and beneficiaries as long as it does not endanger the security of National Pension finances: Provided, that in the case of subparagraph 2, government bonds shall be purchased after consultation with the Minister of Strategy and Finance: <Amended by Act No. 8635, Aug. 3, 2007; Act No. 8852, Feb. 29, 2008>
 1. Deposit or trust in financial institutions as determined by the Presidential Decree;
 2. Investment in public sector projects;
 3. Purchase, sale and lending of securities under Article 4 of the Financial Investment Services and Capital Market Act;
 4. Trade in the derivatives markets based on financial instruments indices from among those specified in each subparagraph of Article 5(1) of the Financial Investment Services and Capital Market Act;
 5. Welfare projects and loan services under Article 46 of this Act;

6. Acquisition and disposal of property to accomplish the Fund's original objectives; and
7. Other projects to increase the Fund, which are determined by the Presidential Decree.

(3) The management and operation of the Fund shall, excluding the case of such projects as prescribed paragraphs (2)5 and (2)6, be *bona fide* performed so that the profits accruing therefrom exceed the market rate of return on each asset class: Provided, that if the Fund is entrusted to the Public Capital Management Fund under the Public Capital Management Fund Act (hereinafter referred to as the "Management Fund") in accordance with paragraph (2)2 of this Article, the earning rate thereof shall be determined by the Public Capital Management Fund Executive Committee through consultation with the National Pension Fund Management Committee referred to in Article 103 in accordance with Article 7(2) of the above Act at a level higher than the earning rate of government bonds with a maturity of five years as determined by the Presidential Decree.

(4) The Minister for Health, Welfare and Family Affairs shall conduct an actuarial review to evaluate the outcome of the Fund operation and examine the status of the Fund as determined by the Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008>

(5) The Minister for Health, Welfare and Family Affairs may entrust the NPS with part of the affairs relating to the management and operation of the Fund as determined by the Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008>

[Enforcement Date: February 4, 2009: Article 102(2)3 and 102(2)4]

Article 103 (National Pension Fund Management Committee)

(1) The National Pension Fund Management Committee (hereinafter referred to as the "Management Committee") shall be established under the Ministry for Health, Welfare and Family Affairs to deliberate and resolve on the following matters relating to the operation of the Fund: <Amended by Act No. 8852, Feb. 29, 2008>

1. Matters pertaining to the Fund Management Guidelines;
2. Matters pertaining to consultation on the interest rate of deposits when the Fund is deposited in the Management Fund;
3. Matters pertaining to the Fund operation plan;

4. Matters pertaining to the contents of the operation and usage of the Fund as referred to in Article 107(3); and
 5. Other important matters pertaining to the operation of the Fund, as requested by the chairman of the Management Committee.
- (2) The Management Committee shall be composed of the chairman, the Minister for Health, Welfare and Family Affairs; the *ex officio* members, the Vice Ministers of the following Ministry; Ministry of Strategy and Finance, Ministry for Food, Agriculture, Forestry and Fisheries, Ministry of Knowledge Economy and Ministry of Labor; and the President of the NPS, and the members referred to in the following subparagraphs appointed by the chairman: <Amended by Act No. 8852, Feb. 29, 2008>
1. Three members representing employers recommended by employers' associations;
 2. Three members representing employees recommended by a federation of workers' organizations who represent labor unions;
 3. The following persons who represent Individually Insured Persons:
 - (a) Two persons recommended by farmers and fishermen associations;
 - (b) Two persons recommended by associations of self-employed persons other than farmers and fishermen associations; and
 - (c) Two persons recommended by consumer organizations and civic groups; and
 4. Two persons who are experts in a related field with extensive experience and knowledge of the National Pension Scheme.
- (3) The term of office for members shall be two years with the possibility of reappointment once. However, the term of office for the chairman and any *ex officio* member shall be that of their incumbent period.
- (4) The chairman shall convene and preside over the meeting of the Management Committee and prepare, keep and make public the meeting proceedings including the time and date, place, discussed contents and resolved matters.
- (5) A Management Committee meeting shall be held four or more times a year, the opening of the meeting shall require the attendance of a majority of all the incumbent members, and the resolution shall require the consent of a majority of all the attendant members. In this case, any member who fails to attend the meeting shall be deemed as if he/she did not exercise his/her right to vote for the resolution.

- (6) The Minister for Health, Welfare and Family Affairs shall submit the materials necessary with regard to the meeting in advance at the request of the Management Committee. <Amended by Act No. 8852, Feb. 29, 2008>
- (7) Matters necessary with regard to the Management Committee's organization and management, etc. shall be determined by the Presidential Decree.

Article 104 (Evaluation Committee for National Pension Fund Operation)

- (1) The Evaluation Committee for National Pension Fund Operation (hereinafter referred to as the "Evaluation Committee") shall be established under the Management Committee for the deliberation and assessment of the following matters regarding the operation of the Fund:
1. Matters pertaining to the composition of the Fund management assets and accounting methods of the Fund;
 2. Matters pertaining to estimating the performance of the operation of the Fund;
 3. Matters pertaining to the improvement of the management and operation of the Fund;
 4. Matters that are recognized as necessary by the chairman of the Evaluation Committee among those items to be included in the Management Committee's agenda; and
 5. Other matters to be deliberated at the request of the Management Committee.
- (2) The Evaluation Committee shall be composed of a chairman, the Vice Minister for Health, Welfare and Family Affairs, a vice-chairman elected among the members and the members referred to in the following subparagraphs appointed by the chairman: <Amended by Act No. 8852, Feb. 29, 2008>
1. Government officials of grade 3 appointed by the chairman and *ex officio* members of the Management Committee referred to in the provisions of Article 103(2) (except for the President of the NPS) who belong to the relevant ministries and offices or general government employees belonging to Senior Executive Service members who are also appointed by the above mentioned chairman and *ex officio* members of the Management Committee respectively;
 2. Three members representing employers, recommended by employers' associations;
 3. Three members representing employees, recommended by the federation of labor unions;
 4. The following members representing Individually Insured Persons:
 - (a) Two persons recommended by farmers and fishermen associations;

- (b) Two persons recommended by associations of self-employed persons other than farmers and fishermen associations; and
 - (c) Two persons recommended by consumer organizations and civic groups; and
5. Two persons having rich experience and knowledge of the National Pension Scheme and National Pension Fund operation.

(3) When each association recommends appointment of members under the provisions of paragraph (2)2 through 4, the members shall fall under one of the following subparagraphs:

- 1. A person who is qualified as an attorney or certified public accountant;
- 2. A person who has majored in social welfare, economics, or business management, etc. and has three or more years of teaching experience at a position of full-time professorship or higher at a university that is recognized by the Higher Education Act; and
- 3. A person who has a doctor's degree in social welfare, economics, or business management, etc. and has worked three or more years in research or public institutions.

(4) The term of office for Evaluation Committee members shall be two years, and members may be reappointed. However, the term of office for the chairman and government employee members shall be that of their incumbent period.

(5) The related departments in charge of the Fund shall submit in advance materials necessary with regard to the meeting at the request of the Evaluation Committee.

(6) The Evaluation Committee shall submit the evaluation results of Fund operations to the Management Committee by the end of June of the following year.

(7) Matters necessary with regard to the Evaluation Committee's organization, operation, etc. shall be determined by the Presidential Decree.

Article 105 (Guidelines for National Pension Fund Management)

(1) The Management Committee shall annually provide guidelines for the National Pension Fund (hereinafter referred to as the "Fund Management Guidelines") regarding the following subparagraphs to maximize the rights and interests of insured persons:

- 1. The ratio of Fund's assets to be used for public service projects;

2. The priority in Fund allocation to public service projects;
3. Project expenses for promoting the welfare of persons who are and were insured persons and beneficiaries; and
4. Provision of funds in the form of a loan service to persons who are and were insured persons in order to increase the Fund.

(2) Matters necessary with regard to Fund Management Guidelines shall be determined by the Presidential Decree.

Article 106 (Receipts and Disbursements of Fund)

Matters concerning the procedure of disbursements and receipts in the management and operation of the Fund shall be determined by the Presidential Decree.

Article 107 (Fund Management Plan)

(1) The Minister for Health, Welfare and Family Affairs shall formulate the Fund Management Plan on an annual basis and obtain the approval of the President through the deliberation of the Management Committee and the State Council.
<Amended by Act No. 8852, Feb. 29, 2008>

(2) The administration shall report the Fund Management Plan referred to in paragraph (1) to the National Assembly by the end of October of the previous year.

(3) The Minister for Health, Welfare and Family Affairs shall make a report of the operational content of the Fund, and the Minister of Strategy and Finance shall report the contents pertaining to the use of the Fund that has been deposited in the Management Fund to the Management Committee by the end of June of the following year. <Amended by Act No. 8852, Feb. 29, 2008>

(4) The chairman of the Management Committee shall submit a report on the operation and use of the Fund under paragraph (3), to the National Assembly through deliberation of the Management Committee, and make a public notice of it as determined by the Presidential Decree.

CHAPTER VII

REQUEST FOR INVESTIGATION AND REVIEW

Article 108 (Request for Investigation)

- (1) Any person who is dissatisfied with the NPS' decision on; the eligibility of an insured person, Standard Monthly Income amount, contributions and other charges to be collected under this Act; or benefits, may request an Investigation regarding the decision to the NPS.

- (2) The Request for Investigation as referred to in paragraph (1) shall be made in writing within ninety days from the date the NPS' decision is noticed: Provided, that if it is proven that there are justifiable reasons preventing making the Request for Investigation within ninety days, the Request may be made thereafter.

Article 109 (National Pension Investigation Committee)

- (1) The National Pension Investigation Committee (hereinafter referred to as the "Investigation Committee") shall be established under the NPS to investigate matters requested for Investigation referred to in Article 108.

- (2) Matters necessary with regard to the organization, operation, deliberation, etc. of the Investigation Committee shall be determined by the Presidential Decree.

Article 110 (Request for Review)

Any person who is dissatisfied with the decision in response to the Request for Investigation made under Article 108 may make a Request for Review to the National Pension Review Committee within ninety days after he/she is received notice of the decision.

Article 111 (National Pension Review Committee)

- (1) The National Pension Review Committee (hereinafter referred to as the "Review Committee") shall be established under the Ministry for Health, Welfare and Family Affairs to review requested matters referred to in Article 110. <Amended by Act No. 8852, Feb. 29, 2008>

- (2) Matters necessary with regard to the organization, operation, review, etc. of the Review Committee shall be determined by the Presidential Decree.

Article 112 (Relation to Administrative Appeals)

- (1) The Administrative Appeals Act shall apply mutatis mutandis to the procedure for Review and decisions conducted by the Review Committee.
- (2) The Review conducted by the Review Committee upon Request for Review pursuant to Article 110 shall be regarded, when Article 18 of the Administrative Litigation Act is applied, to be an administrative appeal under the Administrative Appeals Act.

CHAPTER VIII SUPPLEMENTARY RULES

Article 113 (Adjustment between Concurrent Benefits)

If a beneficiary of the Disability Pension or Survivor Pension is eligible to receive benefits in accordance with one of the following subparagraphs with the same cause that the Disability Pension or Survivor Pension under this Act shall be paid upon, the beneficiary shall be paid only half of the Disability Pension amount or Survivor Pension amount under Article 68 and Article 74 of this Act respectively:

1. Disability compensation under Article 80 of the Labor Standards Act, survivor compensation under Article 82 of the same Act, or lump sum compensation under Article 84 of the same Act;
2. Disability benefits under Article 40 of the Industrial Accident Compensation Insurance Act or survivor benefits under Article 43 of the same Act;
3. Disability compensation under Article 88 of the Seafarers Act, lump sum compensation under Article 89 of the same Act, or survivor compensation under Article 90 of the same Act; and
4. Disability benefits under Article 25 of the Fishing Vessels' and Their Crew Members' Accident Compensation Insurance Act or lump sum compensation benefits under Article 26 of the same Act or survivor benefits under Article 27 of the same Act.

Article 114 (Right of Subrogation, etc.)

- (1) When the NPS has already paid the Disability Pension or Survivor Pension of which the reason for payment was caused by an action of a third person, it shall subrogate the position of the beneficiary with respect to his/her claim for damages against the third person within the limit of the benefits payment already paid to him/her.

- (2) In the case where a reason for payment of the Disability Pension or Survivor Pension is caused by an action of a third person, and a compensation for damage has been paid by the third party for the same cause, the NPS shall not pay the Disability Pension or Survivor Pension referred to in paragraph (1) of this Article within the limit of the compensation amount.

Article 115 (Period of Prescription)

- (1) The right of the NPS to collect or recover pension contributions, funds to be recovered, and other dues under this Act shall expire if it is not exercised within three years, and the right of beneficiaries or insured persons to claim benefits or to receive any excessive or erroneous contributions shall expire if it is not exercised within five years.
- (2) While the payment of the total benefits is suspended, the period of prescription of the right to receive benefits shall not commence.
- (3) Notice for payment of pension contributions and other dues under this Act, the demand for payment as referred to in Article 95(1) and claim for the payment of benefits or refund for excessive or erroneous contributions, shall cause the suspension of the extinctive prescription.
- (4) The extinctive prescription, if suspended under paragraph (3), shall begin anew from the time when the designated payment period by the notice or demand for contributions lapses.
- (5) In calculating the period concerning claim for the payment of benefits or the refund of excessive or erroneous contributions referred to in paragraph (1), the document's delivery period shall not be included.

Article 116 (Special Cases of Extinctive Prescription for Lump-sum Refund)

- (1) Notwithstanding Article 115, if a person who becomes entitled to the Lump-sum Refund pursuant to Article 77(1)3, previous Article 67(1)1 (it refers to the provisions amended by Act No. 3902, the National Welfare Pension Amendment Act, repealed by Act No. 5623, the National Pension Amendment Act) and previous Article 67(1)4 (it refers to the provisions amended by Act No. 6027, the National Pension Amendment Act) falls under Article 77(1)1 or Article 77(1)2, the person may be paid the Lump-sum Refund.

(2) The provisions of Article 115(1) shall apply mutatis mutandis to the right to receive the Lump-sum Refund under paragraph (1).

Article 117 (Calculation of Fractions)

If a fraction of less than ten won arises in the calculation of benefits, contributions, refunds, etc. under this Act, the Management of the National Funds Act shall apply mutatis mutandis.

Article 118 (Original Register of Pension)

The NPS shall keep an original register of the National Pension, and record and maintain personal information, gain or loss of eligibility, payment of contributions, payment of benefits and other information as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs regarding persons who are and were insured persons, and beneficiaries. <Amended by Act No. 8852, Feb. 29, 2008>

Article 119 (Protection of Employee's Rights and Interests)

Employers shall not withhold promotions or wage increases, lay off employees or give them other unfavorable treatment, without justification, for the purpose of hindering the employees from becoming insured persons or evading increase of employer's liability.

Article 120 (Medical Examination)

The NPS may, if necessary, request a beneficiary of the Disability Pension or persons who are included in the list for calculating Dependents' Pension amount, undergo a medical examination from a doctor designated by the NPS, or may have officials of the NPS confirm the conditions of their disability.

Article 121 (Reporting, etc.)

(1) A person who is or was an insured person or a beneficiary shall report to or notify the NPS or his/her employer on matters regarding insured status, contributions, and acquisition or changes in the eligibility to benefits and others as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Act No. 8852, Feb. 29, 2008>

(2) If a person who is or was an insured person, or a beneficiary, is deceased, the person liable to make a report under Article 85 of the Act on Family Relationship Registration, etc. shall report the fact of death to the NPS within one month.

Article 122 (Investigation and Questioning, etc.)

- (1) In order to determine the qualification of the insured person, the Standard Monthly Income, contributions or benefits etc, or to confirm the acquisition, changes, lapse or suspension, etc. of eligibility to benefits, the NPS may, if necessary, require employers, persons who are or were insured persons, or beneficiaries to submit the necessary documents and other materials related to income and asset, or it may have its officials visit the work places or any other places to search for documents, etc. or ask any necessary questions to the persons involved.
- (2) When the NPS' officials visit, investigate or make inquiries under paragraph (1), they shall carry with them official identification indicating their official status, and show it to the interested persons.

Article 123 (Request for Materials)

- (1) The NPS may request the state and local governments, and other public organizations for materials related to the National Pension program, and those public bodies which have been asked to offer materials shall furnish them unless a special reason is provided.
- (2) With regards to the materials provided to the NPS under paragraph (1), fees and commissions, etc. for their use shall be exempt.

Article 124 (Maintaining Confidentiality)

Any person who is or was engaged in the NPS shall not disclose any confidential information which he/she has acquired in the course of his/her duties.

Article 125 (Notification of Under-Report of Income and Tax Evasion Data, etc.)

- (1) If the NPS recognizes that there has been an under-report of income or tax evasion on a monthly income report, etc. under Article 21, it may report the case to the Minister for Health, Welfare and Family Affairs and notify the Commissioner of the National Tax Service of the data regarding suspicion of under-reporting of income or tax evasion in writing. <Amended by Act No. 8852, Feb. 29, 2008>
- (2) If the Commissioner of the National Tax Service, who has been notified of the details referred to in paragraph (1), conducts a tax audit under the relevant laws

including the Framework Act on National Taxes, etc., he/she shall notify the NPS of the audit results regarding income.

- (3) The procedure of notification and other necessary matters referred to in paragraph (1) or (2) shall be determined by the Presidential Decree.

Article 126 (Application of Scheme to Foreign Nationals)

- (1) Foreign nationals who are employed at a workplace covered by this Act or who reside in the Republic of Korea, except for those as prescribed by the Presidential Decree, shall mandatorily be Workplace-based Insured Persons or Individually Insured Persons, notwithstanding Article 6: Provided, that this provision shall not apply, in the case where any relevant Act of those foreign nationals' home country does not apply to Korean nationals residing within that country with respect to a pension scheme equivalent to the National Pension Scheme under this Act.
- (2) Provisions of Articles 77 through 79 shall not apply to a foreign national who becomes a Workplace-based or Individually Insured Person under the main text of paragraph (1): Provided, that if the foreign national falls under one of the following subparagraphs, provisions of Articles 77 through 79 shall apply:
1. Foreign nationals whose home country's legislation provides the payment of benefits corresponding to the Lump-sum Refund referred to in Articles 77 through 79 for Korean nationals;
 2. Foreign workers who are employed at a workplace covered under this Act and fall under the Act on the Employment, etc. of Foreign Workers; and
 3. Persons who are employed at a workplace covered under this Act having a status of sojourn which allows them to do industrial trainee activities under Article 10 of the Immigration Control Act and haven't deserted the designated training places for the required training period.

Article 127 (Social Security Agreement with Foreign Countries)

If the Republic of Korea concludes a social security agreement with any foreign country, notwithstanding the provisions of this Act, matters such as coverage of the National Pension Scheme, contribution payments, requirements for eligibility to benefits, calculation of pension amount, and pension payments shall be governed by the said social security agreement.

CHAPTER IX PENAL PROVISIONS

Article 128 (Penal Provisions)

- (1) Any person who receives benefits through fraudulent or dishonest means shall be punished by imprisonment for a period not exceeding three years or fined not exceeding ten million won.

- (2) Any person who falls under one of the following subparagraphs shall be punished by imprisonment for a maximum of one year or fined not exceeding five million won:
 1. Any employer who makes his/her Workplace-based Insured Person bear a portion of or the entire amount of employer's liability referred to in Article 88(2), or deducted any amount exceeding payable employee's contributions from his/her employee's wages pursuant to Article 90(1);
 2. An employer who has not paid contributions without justifiable reason within the time limit of the payment referred to in Article 95(2);
 3. An employer who has, violating the provisions of Article 119, withheld promotions or wage increases, laid off employees or given them other unfavorable treatment, without justification, for the purpose of hindering the employees from becoming insured persons or evading increase of employer's liability; and
 4. Any person who discloses any confidential information which he/she has acquired in the course of his/her duty in violation of the provisions of Article 124.

Article 129 (Penal Provisions)

Any person who falls under one of the following subparagraphs, shall be fined not exceeding five hundred thousand won:

1. An employer who fails to submit a report or makes false statements in a report violating the provisions of Article 21(1); or
2. An employer who refuses to, evades or interferes with the requests of the NPS or its officials, or provides false statements, when the NPS or its officials require the submission of documents and other materials, or hinders the NPS during an investigation or while making inquiries under Article 122.

Article 130 (Joint Penal Provisions)

- (1) When a representative, agent, employee or other staff members of a corporate body has committed an offense as prescribed in Article 128 or 129 with respect to

the affairs of the corporate body, the corporate body shall also be punished by a fine as prescribed in the concerned Articles in addition to the punishment of the offender.

- (2) When an agent, employee or other staff members of an individual has committed an offense as prescribed in Article 128 or 129 with respect to the affairs of the individual, the individual shall also be punished by a fine as prescribed in the concerned Articles in addition to the punishment of the offender.

Article 131 (Fine for Default)

Any person who falls under one of the following subparagraphs shall be subject to a fine for default not exceeding one hundred thousand won:

1. A person who fails to make a report as referred to in Article 21(2), or 121(1) or (2);
2. A person who fails to make a notification as referred to in Article 23(2); and
3. A person who is or was an insured person, or a beneficiary who refuses to, evades, or interferes with the requests of the NPS or its officials, or provides false statements, when the NPS or its officials require the submission of documents and other materials related to income and asset, or hinders the NPS during an investigation or while making inquiries under Article 122.

Article 132 (Procedure for Imposing and Collecting Fines for Default)

- (1) The fine for default as referred to in Article 131 shall be imposed and collected by the Minister for Health, Welfare and Family Affairs as determined by the Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008>
- (2) A person who is dissatisfied with the imposition of fines for default referred to in paragraph (1) may appeal to the Minister for Health, Welfare and Family Affairs within thirty days from the date he/she is informed of the disposition. <Amended by Act No. 8852, Feb. 29, 2008>
- (3) If a person who has been fined under paragraph (1), appeals pursuant to paragraph (2), the Minister for Health, Welfare and Family Affairs shall immediately notify the case of the competent court, which shall, upon receiving the notification, bring that case to a trial in accordance with the Non-Contentious Case Litigation Procedure Act. <Amended by Act No. 8852, Feb. 29, 2008>

- (4) If a person does not pay the fine without appeal within the period specified in paragraph (2), the fine shall be collected in accordance with national standard set of disposition of national taxes in arrears.

ADDENDA <Act No. 8541, Jul. 23, 2007>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, that the amended provisions of Article 3(1)3, Article 3(1)5, Article 9(5), Article 17(1), Article 18, Article 19, Article 51(1), Article 57(4), Article 58(2), Article 77(2), the latter part of Article 80(1), and Article 91(1)6 shall enter into force on January 1, 2008.

Article 2 (Special Case for Old-age Pension)

- (1) If a person from forty-five to less than sixty years of age (forty to less than fifty-five for special occupation employees) has an insured period of five years or longer, as of January 1, 1988, he/she shall be paid a specified pension amount, notwithstanding the amended provisions of Article 61.
- (2) The pension amount referred to in paragraph (1) shall be obtained by adding the Dependents' Pension to the amount equivalent to 250/1000 of the basic pension amount: Provided, that if an insured period exceeds five years, the amount equivalent to 50/1000 of the basic pension shall be added for every year in excess (each month not constituting a full year shall be calculated as 1/12 of a year).

Article 3 (Application Examples regarding Contributions)

- (1) Notwithstanding Article 75(2) of Act No. 3902, the National Welfare Pension Amendment Act, the contribution of a Workplace-based Insured Person shall be calculated as follows for the years prior to 1997:
1. The employee's contribution and employer's liability shall respectively be an amount equivalent to 15/1000 of the Standard Monthly Income from 1988 to 1992, and an amount equivalent to 20/1000 of the Standard Monthly Income from 1993 to 1997; and
 2. The converted retirement payment reserve shall be 0 from 1988 to 1992, and an amount equal to 20/1000 of the Standard Monthly Income from 1993 to 1997.
- (2) The contribution of a Voluntarily or Voluntarily & Continuously Insured Person

shall be the amount equivalent to 30/1000 of the Standard Monthly Income amount from 1988 to 1992 and the amount equivalent to 60/1000 of the Standard Monthly Income amount from 1993 to 1997, notwithstanding Article 75(3) of Act No. 3902, the National Welfare Pension Amendment Act.

Article 4 (Application Examples regarding Beneficiaries of the Disability Pension)

The provisions of Article 58(1) and (2) of Act No. 4110, the National Pension Amendment Act shall also apply to a person who becomes disabled due to injury which occurred in the period from January 1, 1988 to March 31, 1989; the enforcement date of the above Act.

Article 5 (Special Cases regarding Coverage of Farmers & Fishermen)

Notwithstanding Article 6 of Act No. 4909, the National Pension Amendment Act that entered into force on July 1, 1995, farmers and fishermen from sixty to less than sixty-five years of age on the date of the entry into force of the same Act may become Individually Insured Persons under the provisions of Article 10 of that Act until they reach seventy years of age, if they submitted the application for the coverage of the National Pension Scheme to the NPS no later than December 31, 1995 in accordance with the Ordinance of the Ministry for Health, Welfare and Family Affairs.

Article 6 (Special Cases regarding Old-age Pension for Individually Insured Persons)

- (1) When an Individually Insured Person referred to in Article 10 of Act No. 4909, the National Pension Amendment Act that entered into force on July 1, 1995 and an Individually Insured Person referred to in Article 3 of the Addenda of the same Act were from forty-five to less than sixty years of age on the date of entry into force of the same Act and have completed the insured periods of five years or longer, he/she shall be paid a specified amount of pension, notwithstanding the amended provisions of Article 61 of this Act.
- (2) The pension amount as referred to in paragraph (1) shall be obtained by adding the Dependents' Pension amount to the amount equivalent to 250/1000 of the basic pension: Provided, that if an insured period exceeds five years, the amount equivalent to 50/1000 of the basic pension amount shall be added for each year in excess (each month not constituting a full year shall be calculated as 1/12 year).

Article 7 (Contribution Subsidies for Farmers and Fishermen)

Any farmer or fisherman who becomes an Individually Insured Person or whose status changes from an Individually Insured Person to a Voluntarily & Continuously Insured Person under the amended Article 10 of Act No. 4909, the National Pension Amendment Act, or Article 3 of the Addenda of the same Act, shall be subsidized until December 31, 2014, by the Special Accounts for Agriculture & Fishery Structure Adjustment within the scope of 50/100 of the contributions the concerned person is obliged to pay as determined by the Presidential Decree, notwithstanding Article 75(3) of the above Act.

Article 8 (Application Examples regarding Age for Benefit Payments)

The age for benefit payments referred to in Articles 48(1)3, 56(1), 56(2) through (4), each subparagraph of Article 57(3) and (4), each subparagraph of Article 57-2(1), Article 57-4(1), Article 58(2), the proviso of Article 63(1)3 and 63(1)5, the main text of Article 66(1) and the proviso of Article 67(1)1 and 67(2) and Article 93-2 of Act No. 5623, the National Pension Amendment Act, shall be such that from the year 2013 to 2017, one year of age shall be added, from the year 2018 to 2022 two years, from the year 2023 to 2027 three years, from the year 2028 to 2032 four years and from the year 2033 and afterwards five years of age, notwithstanding each of the concerned provisions regarding the age for benefit payment.

Article 9 (Special Cases regarding Old-age Pension)

(1) Persons aged fifty to less than sixty as of April 1, 1999 who fall under one of the following subparagraphs shall be paid a specified amount of pension from the day prescribed in the subparagraph concerned, notwithstanding the amended provisions of Article 61:

1. Persons whose insured period ranges from five years to less than ten years before they reach sixty years of age: On their 60th birthday; or
2. Persons whose insured period is five years or more after they reach sixty years of age: The day on which their insured status is lost.

(2) The amount of Special Old-age Pension referred to in paragraph (1) shall be obtained by adding the Dependents' Pension amount to the amount equivalent to 250/1000 of the basic pension amount: Provided, that if an insured period exceeds five years, the amount equivalent to 50/1000 of the basic pension amount shall be added for every year in excess (each month not constituting a full year shall be calculated as 1/12 year).

- (3) In the case where a person who becomes an Individually Insured Person under the provisions of Article 14 of the Addenda of Act No. 5623, the National Pension Amendment Act, has been insured for five years or more and loses his/her insured status, the provisions of paragraphs (1) and (2) shall apply mutatis mutandis.

Article 10 (Special Cases regarding Coverage of the Aged)

Persons aged from sixty to less than sixty-five as of April 1, 1999, notwithstanding Article 6 and Article 10 of Act No. 5623, the National Pension Amendment Act, may become Individually Insured Persons under the amended Article 9 of this Act: Provided, that they applied to the NPS for coverage no later than March 31, 2000 in accordance with the Ordinance of the Ministry for Health, Welfare and Family Affairs.

Article 11 (Special Cases regarding Payment of Lump-sum Refund, etc.)

- (1) Persons receiving the Lump-sum Refund under Article 16(1) of the Addenda of Act No. 5623, the National Pension Amendment Act, may return the Lump-sum Refund to the NPS, notwithstanding Article 68(1) of the same Act.
- (2) If a person who was a beneficiary of the retirement pension, etc. before April 1, 1999 loses his/her workplace-based or individually insured status, he/she may receive the Lump-sum Refund, notwithstanding Article 67(1) of Act No. 5623, the National Pension Amendment Act.

Article 12 (Application Examples regarding Contributions, etc)

- (1) Contributions of Individually Insured Persons under Article 10 of Act No. 5623, the National Pension Amendment Act, Voluntarily Insured Persons under Article 10-2 of the same Act, Individually Insured Persons under Article 10 of the Addenda and Voluntarily & Continuously Insured Persons who are not employed at an insured workplace, shall be an amount equivalent to 30/1000 of the Standard Monthly Income from April, 1999 to June, 2000, 40/1000 of the Standard Monthly Income from July, 2000 to June, 2001, 50/1000 of the Standard Monthly Income from July, 2001 to June, 2002, 60/1000 of the Standard Monthly Income from July, 2002 to June, 2003, 70/1000 of the Standard Monthly Income from July, 2003 to June, 2004, and 80/1000 of the Standard Monthly Income from July, 2004 to June, 2005, notwithstanding Article 4(1) and Article 75(3) of the same Act.
- (2) The employee's contribution and employer's liability referred to in the provisions of Article 75(2) of Act No. 5623, the National Pension Amendment Act and

contributions referred to in the provisions of Article 75(3) of the same Act, shall not be adjusted until 2009, notwithstanding the amended provisions of Article 4(1).

Article 13 (Special Application regarding Payment of Lump-sum Refund)

Persons may also receive the Lump-sum Refund if they fall under the provisions of Article 67(1)3 and 67(1)4 of Act No. 6027, the National Pension Amendment Act, before September 7, 1999; the enforcement date of the above Act.

Article 14 (Special Cases regarding Payment of Lump-sum Refund, etc. to Individually Insured Persons and Voluntarily Insured Persons)

Persons receiving the Lump-sum Refund under Article 3(1) of the Addenda of Act No. 6027, the National Pension Amendment Act, may return that Refund to the NPS, notwithstanding Article 68(1) of the same Act.

Article 15 (Special Cases of Lump-sum Refund Payment, etc. for Recipients of Livelihood Stabilization Loan)

The provisions of Article 67(2) and (3), and Article 68 of the Act No. 6164, the National Pension Amendment Act shall apply mutatis mutandis respectively to the application for and payment of the Lump-sum Refund, and return of that Refund as referred to in Article 2(1) of the Addenda of the same Act. In calculating the Lump-sum Refund for payment, the insured period and contributions shall be calculated in sequential order from the first insured period. The period for calculating interest shall be from the month following the month in which he/she lost their insured status before receiving the loan to the month of application for a Lump-sum Refund.

Article 16 (Application Examples of Payment of Dependents' Pension Amount)

The provisions of Article 48(1) of Act No. 6286, the National Pension Amendment Act, shall apply to the Dependents' Pension amount paid after December 23, 2000, the enforcement date of the above Act, for those who acquired eligibility for benefit before December 23, 2000, the enforcement date of the same Act.

Article 17 (Application Examples of Payment Period of Pension)

The provisions of Article 50(1) of Act No. 6286, the National Pension Amendment Act, shall apply from a person applying for the return of the Refund or postponed contributions payment after December 23, 2000; the enforcement date of the above Act.

Article 18 (Application Examples regarding Age for Benefit Payments)

The age for benefit payments referred to in Article 58(3) of Act No. 6286, the National Pension Amendment Act, notwithstanding the provisions of that Act for the age of payment, shall be such that from the year 2013 to 2017 one year of age shall be added, from the year 2018 to 2022 two years, from the year 2023 to 2027 three years, from the year 2028 to 2032 four years, and from the year 2033 and afterwards five years of age to the age for pension benefits.

Article 19 (Application Examples regarding Additional Coverage)

Amended provisions of Article 18 shall apply to a person who serves his military service under the Military Service Act after January 1, 2008, and the amended provisions of Article 19 shall apply to a person who gives birth to a child after January 1, 2008. If a person has a child born before December 31, 2007, additional coverage shall be added based on the following conditions:

1. If a person has one child who was born before December 31, 2007: The amended provisions of Article 19 shall apply to the total number of children who are born after January 1, 2008 and to the one child who was born before December 31, 2007; and
2. If a person has two or more than two children born before December 31, 2007: Eighteen months of coverage shall be added for each child who is born after January 1, 2008; however, the total additional coverage shall not exceed fifty months.

Article 20 (Application Examples regarding the Calculation of Basic Pension Amount)

The basic pension amount of each year from 2008 to 2027 referred to in the main text of Article 51(1), notwithstanding the amended provisions of Article 51(1), shall be the total sum of each subparagraph of Article 51(1) multiplied by the rate of each year specified in following subparagraphs:

1. 1500/1000 for 2008;
2. 1485/1000 for 2009;
3. 1470/1000 for 2010;
4. 1455/1000 for 2011;
5. 1440/1000 for 2012;
6. 1425/1000 for 2013;
7. 1410/1000 for 2014;
8. 1395/1000 for 2015;

9. 1380/1000 for 2016;
10. 1365/1000 for 2017;
11. 1350/1000 for 2018;
12. 1335/1000 for 2019;
13. 1320/1000 for 2020;
14. 1305/1000 for 2021;
15. 1290/1000 for 2022;
16. 1275/1000 for 2023;
17. 1260/1000 for 2024;
18. 1245/1000 for 2025;
19. 1230/1000 for 2026; and
20. 1215/1000 for 2027.

Article 21 (Application Examples regarding Age for Benefit Payments)

The age for benefit payments in the amended provisions of Article 70(3), notwithstanding the provisions of that Act for the age of payment, shall be such that from the year 2013 to 2017 one year of age shall be added, from the year 2018 to 2022 two years, from the year 2023 to 2027 three years, and from the year 2028 and afterwards five years of age to the age for benefit payments.

Article 22 (Transitional Measures regarding Insured Status of Former Individually Insured Persons)

An Individually Insured Person other than those who became the Individually Insured Persons pursuant to Article 10 of Act No. 4909, the National Pension Amendment Act at the time of enforcement of the same Act, shall be regarded as being a Voluntarily Insured Person pursuant to the provisions of Article 10-2 of the same Act.

Article 23 (Retroactive Application for Payment of Lump-sum Refund for Foreign Nationals who Have already Returned to Their Country of Origin)

The amended provisions of Article 126(2)2 and 126(2)3 shall apply to foreign nationals who returned to their country of origin before May 11, 2007, the enforcement date of the partly amended Act No. 8426, the National Pension Amendment Act, or foreign nationals falling under any subparagraph of the amended provisions of Article 77(1).

Article 24 (Transitional Measures regarding Foreign Workplace Insured Person)

A foreign national who became a Workplace-based Insured Person upon his/her own application under the previous provisions before August 4, 1995, the enforcement date of Act No. 4971, the National Pension Amendment Act, shall be subject to the provisions of Articles 67 through 69 of the same Act with respect to the insured period prior to the enforcement of that Act, notwithstanding Article 102(2) of the same Act.

Article 25 (Transitional Measures regarding Persons Excluded from Workplace-based or Individually Insured Persons)

(1) Workplace-based Insured Persons or Individually Insured Persons under the provisions before enforcement of Act No. 5623, the National Pension Amendment Act, who are excluded from the coverage as referred to in the proviso of Article 8(1), the first part of Article 8(2), and the provisions of Article 10 of the same Act, shall be regarded as Workplace-based Insured Persons or Individually Insured Persons under the same provisions.

(2) When a Workplace-based Insured Person or Individually Insured Person under the provisions of paragraph (1) intends to lose his/her insured status, he/she may withdraw by applying to the NPS as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs, notwithstanding the causes for the loss of insured status referred to in the provisions of Article 12(1) and (2) of Act No. 5623, the National Pension Amended Act.

Article 26 (Transitional Measures regarding the Calculation of Workplace-based Insured Persons' Insured Period)

Notwithstanding the proviso of Article 17(2) and the provisions of Article 17(3) of Act No. 5623, the National Pension Amended Act, the previous provisions shall apply to the duration of delinquency in contribution payment which occurred before April 1, 1999

Article 27 (Transitional Measures regarding Benefit Payments)

(1) In the case where the reason for payment of benefits occurred before January 1, 1999, the enforcement date of Act No. 5623, the National Pension Amendment Act, the payment of benefits shall be subject to the previous provisions.

(2) Notwithstanding Article 47 of Act No. 5623, the National Pension Amendment Act, the previous provisions shall apply to the calculation of the basic pension

amount which falls under the insured period before January 1, 1999; the enforcement date of the above Act.

Article 28 (Transitional Measures regarding Collection of Unjust Enrichment, etc.)

For the collection of unjust enrichment resulting from causes which have occurred before the enforcement of Act No. 5623, the National Pension Amendment Act, previous provisions shall apply notwithstanding Article 53(1) of the same Act.

Article 29 (Transitional Measures regarding Divided Pension)

For persons who became eligible to receive the Divided Pension resulting from a reason for payment as prescribed in Article 57-2(1) of Act No. 5623, the National Pension Amendment Act, before the enforcement of the same Act, the provisions concerning the Divided Pension referred to in the provisions of Articles 57-2 and 57-3 of the same Act shall apply to the portion of Old-age Pension benefits on or after January 1, 1999; the enforcement date of the above Act.

Article 30 (Transitional Measures regarding Contributions of Former Individually Insured Persons)

During the period of January, 1999 to March 1999, the previous provisions prior to Act No. 5623, the National Pension Amendment Act shall apply to contributions of persons eligible to be Individually Insured Persons (including Individually Insured Persons who became Voluntarily & Continuously Insured Persons) under the previous provisions prior to Act No. 5623, the National Pension Amendment Act, from January 1, 1999 to March 31, 1999.

Article 31 (Transitional Measures regarding Pension Payment)

A pension payment for the month and preceding the month that includes the enforcement date of Act No. 6286, the National Pension Amendment Act, shall be paid on the last day of the month that includes the enforcement day of the above Act.

Article 32 (Transitional Measures for Pensioners under the National Basic Living Security Act)

Pensioners under the National Basic Living Security Act, who have maintained their status as Workplace-based or Individually Insured Persons under the previous provisions at the time of enforcement of Act No. 6286, the National Pension

Amendment Act, notwithstanding Article 8(1) and subparagraph 4 of Article 10 of Act No. 6286, the National Pension Amendment Act, shall be deemed as a Workplace-based or Individually Insured Person under Article 8 or Article 10 of the same Act.

Article 33 (Transitional Measures regarding Payment of Benefits)

(1) In the case where the cause of payment of benefits occurred before the enforcement of Act No. 6286, the National Pension Amendment Act, the payment of benefits shall be subject to the previous provisions.

(2) If the amount calculated as referred to in Article 47(1)1 of Act No. 6286, the National Pension Amendment Act, after enforcement of that Act, is less than 1,271,595 won, the amount shall be deemed as 1,271,595 won, notwithstanding the same subparagraph.

Article 34 (Transitional Measures regarding Payment of Benefits, etc.)

(1) In the case where the cause of payment of benefits occurred before the enforcement of this Act, the payment of benefits shall be subject to the previous provisions.

(2) Notwithstanding the amended provisions of Article 51, the previous provisions shall apply to the calculation of the basic pension amount during the insured period before this Act enters into force.

(3) Concerning the insured period by year from 2008 to 2027, the basic pension amount referred to in the provisions of Article 51(1), notwithstanding the amended provisions of Article 51(1), shall be the total sum of the amount specified in each subparagraph of Article 51(1) multiplied by the rate of pertinent year in accordance with each subparagraph of Article 20 of this Addenda.

Article 35 (Transitional Measures regarding Suspension of Payment of Early Old-age Pension)

The amended provisions of Article 66(2) shall apply to a person who acquired eligibility to receive Early Old-age Pension benefits before the enforcement of this Act, and whose payment of the Early Old-age Pension is suspended because the person is engaged in income-earning activities at the time of or after enforcement of this Act: Provided, that the period during which the payment is suspended because of

the engagement in income-earning activities shall be included in the calculation of the benefit-receiving periods referred to in the amended provisions of Article 66(2)1. Provided, that where the rate calculated under the same subparagraph is smaller than the rate calculated under the previous provisions, the previous rate shall apply.

Article 36 (Transitional Measures regarding Persons Eligible for Disability Pension)

(1) Notwithstanding the amended provisions of Article 67(1), the previous provisions shall apply to a person whose termination of medical treatment has been approved or for whom two years have passed since the first medical examination date, before the enforcement of this Act.

(2) When the amended provisions of Article 67(2) apply to the person who has had his/her first medical examination date before the enforcement date of this Act: Provided, that if the application of that provisions is unfavorable compared to the previous provisions, the previous provisions shall apply to him/her.

(3) Notwithstanding the amended provisions of Article 85, the previous provisions shall apply to a person who has had his/her first medical examination date before the enforcement of this Act.

Article 37 (Transitional Measures regarding Protection of Eligibility for Benefits, etc.)

(1) The repeal of Article 57-2(3) and Article 93-2 of the partly amended Act No. 8426, the National Pension Amendment Act, shall also apply to a person who has acquired eligibility for benefits before the enforcement date of this Act.

(2) The amended provisions of Articles 52(1), 56, 58(2), 62, 63(2), 63(3), 65(2), 65(4), 70(3) and Article 81 shall also apply to a person who has acquired eligibility for benefits before the enforcement date of this Act.

Article 38 (Transitional Measures regarding Persons Liable to Make a Report on the Death of Insured Person, etc.)

A person who is liable to make a report to the NPS under the amended provisions of Article 121(2), notwithstanding the same provisions, shall be deemed as a person liable to make a report under Article 88 of the Family Register Act, until December 31, 2007.

Article 39 (Transitional Measures regarding Application for Coverage and Confirmation of Insured Status, etc.)

Confirmation or other actions conducted by the NPS, or all kinds of reports, applications, etc. or other actions to the NPS under the previous provisions at the time of enforcement of this Act shall be deemed as the corresponding actions of the NPS or actions to the NPS under this Act.

Article 40 (General Transitional Measures regarding Actions, etc.)

Actions conducted by the administrative body or actions conducted to the administrative body under the previous provisions shall be deemed as the corresponding actions by the administrative body or actions to the administrative body under this Act.

Article 41 (Transitional Measures regarding Penal Provisions or Fines for Default)

In the application of the penal provisions or fines for default with respect to actions conducted before the enforcement of this Act, the previous provisions shall apply.

Article 42 (Amendment of Other Acts)

(1) Act No. 8435, the Act on Family Relationship Registration, etc. shall be partly amended as follows:

Article 8(30) of the Addenda shall be repealed.

(2) Special Act on Improvement of Public Health and Welfare for Agricultural and Fishing Village Residents shall be partly amended as follows:

In Article 31, "provisions of Article 75(3) of the National Pension Act" shall be amended to "Article 88(3) of the National Pension Act".

(3) Act on the Protection and Settlement Support of Residents Escaping from North Korea shall be partly amended as follows:

In Article 26-2(1), "provisions of Article 56 of the National Pension Act" shall be amended to "Article 61 of the National Pension Act"

(4) The Income Tax Act shall be partly amended as follows:

In Article 22(5), "by the provisions of Article 75 of the National Pension Act" shall be amended to "pursuant to Article 88 of the National Pension Act"

(5) The Countermeasures against Natural Disasters Act shall be partly amended as follows:

In the first part of Article 51(4), "referred to in the provisions of Article 22 of the National Pension Act" shall be amended to "referred to in Article 24 of the National Pension Act"

(6) The Local Tax Act shall be partly amended as follows:

In the main text of Article 273(1) except for each subparagraph, "by Article 23 of the same Act" shall be amended to "in accordance with Article 25 of the same Act"; In subparagraph 1 of the same paragraph, "under the provisions of subparagraph 4 of Article 23 of the National Pension Act" to "in accordance with subparagraph 4 of Article 25 of the National Pension Act"; In subparagraph 2 of the same paragraph, "in accordance with subparagraph 6 of Article 23 of the National Pension Act" to "under subparagraph 7 of Article 25".

(7) Act No. 8387, the Statistics Amendment Act shall be partly amended as follows:

Article 8(3) of the Addenda shall be deleted.

(8) The Public Officials Pension Act shall be partly amended as follows:

In the first part of Article 85(2), "National Pension Corporation (NPC)" shall be amended to "National Pension Service (NPS)".

(9) The Veterans' Pension Act shall be partly amended as follows:

In the first part of Article 20(2), "National Pension Corporation (NPC)" shall be amended to "National Pension Service".

(10) The Korea Technology Credit Guarantee Fund Act shall be partly amended as follows:

In Article 50(1), "National Pension Corporation (NPC)" shall be amended to "National Pension Service (NPS)".

(11) Sciences Promotion and Credit Guarantee, etc. for School Expense Loans Act shall be partly amended as follows:

In Article 55, "National Pension Corporation (NPC)" shall be amended to "National Pension Service (NPS)".

Article 43 (Relations with Other Acts)

In the case where other Acts refer to the previous provisions of the National Pension Act at the time this Act enters into force, it shall be deemed that those provisions refer to the relevant provisions of this Act, substituting for the previous provisions, provided that the provisions corresponding to the previous provisions are stipulated in this Act.

ADDENDA

(Financial Investment Services and Capital Market Act)

<Act No. 8635, Aug. 3, 2007>

Article 1 (Enforcement Date)

This Act shall enter into force on the date one and a half years after its promulgation. (Proviso Omitted.)

Articles 2 through 41 Omitted

Article 42 (Amendment of Other Acts)

Paragraphs (1) to <30> *Omitted.*

<31> The wholly amended Act No. 8541, the National Pension Amendment Act shall be partly amended as follows:

Article 102(2)3 and 4 shall be as follows respectively:

3. Purchase, sale or lending of securities under Article 4 of the Financial Investment Services and Capital Market Act;
4. Trade in the derivatives markets based on the financial instruments indices from among those specified in each subparagraph of Article 5(1) of the Financial Investment Services and Capital Market Act.

Paragraphs <32> through <67> *Omitted.*

Articles 43 through 44 Omitted.

ADDENDA

(Act on Execution of the Sentences and Treatment of Prisoners)

<Act No. 8728, Dec. 21, 2007>

Article 1 (Enforcement Date)

This Act shall enter into force on the date one year after its promulgation.

Articles 2 through 4 Omitted.

Article 5 (Amendment of Other Acts)

Paragraphs (1) through (2) *Omitted.*

(3) The National Pension Act shall be partly amended as follows:

In Article 91(1)4, "in prison, etc. under Article 2 of the Criminal Administration Act" shall be amended to "in a correctional institution under Article 11 of the Act on Execution of the Sentences and Treatment of Prisoners".

Paragraphs (4) through (12) *Omitted.*

Article 6 Omitted.

ADDENDA

(Government Organization Act)

<Act No. 8852, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, that ...<*Omitted*>..., the amended parts of the laws promulgated under Article 6 of the Addenda which were promulgated before the enforcement of this Act but have not yet entered into force, among the laws amended under Article 6 of the Addenda shall enter into force on their enforcement dates respectively.

Articles 2 through 5 Omitted.

Article 6 (Amendment of Other Acts)

Paragraphs (1) to <451> *Omitted.*

<452> The National Pension Act shall be partly amended as follows:

In Article 2, Article 4(2), Article 5(1)5 and the provisions of Article 5(2) except for each subparagraph, Article 24, subparagraph 7 of Article 25, Article 28(2), Article 30(2), Article 31(5) and (6), Article 37, Article 41(1) through (3), Article 42(2), the main text of Article 51(1)2 except for each item, Article 95(3), Article 101(1), Article 102(1), the main text of Article 102(2) except for each subparagraph, Article 102(4) and (5), Article 103(6), Article 107(1), Article 125(1) and Article 132(1) through (3), "Minister of Health and Welfare" shall be amended to "Minister for Health, Welfare and Family Affairs" respectively.

In the provisions of Article 5(1) except for each subparagraph, Article 30(1), the provisions of Article 103(1) except for each subparagraph and Article 111(1), "Ministry of Health and Welfare" shall be amended to "Ministry for Health, Welfare and Family Affairs" respectively.

In the provisions of Article 5(2) except for each subparagraph and Article 104(2) except for each subparagraph, "Vice Minister of Health and Welfare" shall be amended to "Vice Minister for Health, Welfare and Family Affairs"

In the provisions of Article 10(1) except for each subparagraph and Article 10(2), the first part of Article 13(1) except for each subparagraph and paragraph (2), Article 14(4), Article 16(2), the first part of Article 17(3), the latter part of Article 19(2), Article 21(1) and (2), the provisions of Article 23(3) except for each subparagraph, Article 31(4) and (8), Article 89(5) and (6), the main text of Article 93, Article 95(5) and Article 118 and Article 121(1), "Ordinance of Ministry of Health and Welfare" shall be amended to "Ordinance of Ministry for Health, Welfare and Family Affairs".

In the proviso of Article 102(2) except for each subparagraph, "Minister of Finance and Economy and the Minister of the Planning and Budget" shall be amended to "Minister of Strategy and Finance".

In the provisions of Article 103(2) except for each subparagraph, "Minister of Health and Welfare" shall be amended to "Minister for Health, Welfare and Family Affairs", "Vice Ministers of the following ministry; Ministry of Finance and Economy,

Ministry of Agriculture and Forestry, Ministry of Commerce, Industry and Energy, Ministry of Labor and Ministry of Planning and Budget" to "Vice Ministers of the following ministry; Ministry of Strategy and Finance, Ministry for Food, Agriculture, Forestry and Fisheries, Ministry of Knowledge Economy and Ministry of Labor".

In the provisions of Article 107(3), "Minister of Health and Welfare" shall be amended to "Minister for Health, Welfare and Family Affairs", and "Minister of Finance and Economy" to "Minister of Strategy and Finance".

Paragraphs <453> through <760> *Omitted.*

Article 7 Omitted.

**ENFORCEMENT DECREE OF
THE NATIONAL PENSION ACT**

Republic of Korea

National Pension Service

CONTENTS

CHAPTER I GENERAL PROVISIONS (Article 1 ~ 17)	85
CHAPTER II NATIONAL PENSION INSURED PERSONS (Article 18 ~ 25)	94
CHAPTER III NATIONAL PENSION SERVICE (Article 26 ~ 34)	98
CHAPTER IV BENEFITS (Article 35 ~ 56)	101
CHAPTER V FINANCIAL RESOURCES AND COLLECTION OF CONTRIBUTIONS, ETC. (Article 57 ~ 73)	109
CHAPTER VI NATIONAL PENSION FUND (Article 74 ~ 87)	116
CHAPTER VII REQUEST FOR INVESTIGATION AND REVIEW (Article 88 ~ 109)	122
CHAPTER VIII SUPPLEMENTARY RULES (Article 110 ~ 114)	128
ADDENDA	130

This English text is not official, in case of any diversions of interpretation, only the Korean text is official and shall prevail.

ENFORCEMENT DECREE OF THE NATIONAL PENSION ACT

**Wholly Amended by Presidential Decree No. 20507, Dec. 31, 2007
Amended by Presidential Decree No. 20679, Feb. 29, 2008**

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Decree is to provide for matters authorized by the National Pension Act and the details necessary for the enforcement of the Act.

Article 2 (Persons not Deemed as Employees)

Under the proviso of Article 3(1)1 of the National Pension Act (hereinafter referred to as the "Act"), any person falling under the following categories shall not be regarded as an employee:

1. Daily workers or workers employed for a period of less than one month, except for those who have been continuously employed for more than one month;
2. Workers employed in the workplace of which the location is not fixed;
3. Directors of a corporation who have no income referred to in Article 3(1)2; and
4. Workers who are not employed for the purpose of being engaged in the regular work including part-time workers working less than eighty hours a month.

Article 3 (Scope of Income)

(1) The scope of income for a Workplace-based Insured Person or Voluntarily & Continuously Insured Person who works in a workplace insured under the National Pension Scheme (excluding a case where a beneficiary of the retirement pension, etc. referred to in Article 8(1) of the Act or a pensioner under the National Basic Living Security Act becomes a Voluntarily & Continuously Insured Person; hereinafter referred to as the "Voluntarily & Continuously Workplace-based Insured Person") as referred to in Article 3(1)3 of the Act shall be as follows:

1. For employers (limited to the employers of work places which are not juristic

persons): The income referred to in paragraph (2)1 through 3, and subparagraphs 5 and 6; and

2. For employees: The income obtained by subtracting non-taxable earned income referred to in subparagraph 4 of Article 12 of the Income Tax Act (including the amount which is exempt from taxation pursuant to Article 18-2 of the Restriction of Tax Reduction and Exemption Act) from income earned as referred to in Article 20(1) of the same Act.

(2) The scope of income, referred to in Article 3(1)3, of an Individually Insured Person, and a Voluntarily & Continuously Insured Person who fulfills the requirements of an Individually Insured Person (hereinafter referred to as "the Voluntarily & Continuously Individually Insured Person") shall be considered as falling under one of the following categories, except in the case where the insured person has an income from more than two categories, all incomes will be totaled, and considered as one combined income.

1. Agricultural income:

Income earned from sowing, pomiculture/horticulture, sericulture, seed growing, special crops-producing business, stockbreeding business, breeding business or incubation business, and services incidental to thereto; and

2. Forestry income:

Income earned from forestation and forestry product-producing business or wild birds and animal breeding business and services incidental to thereto; and

3. Fishery income:

Income earned from fishery and services incidental to thereto; and

4. Earned income:

Income referred to in paragraph (1)2; and

5. Business income:

Business income amount referred to in Article 19(2) of the Income Tax Act; and

6. Real estate rental income:

Real estate rental income amount referred to in Article 18(2) of the Income Tax Act.

Article 4 (Formula of Calculating Average Monthly Income)

The average monthly income referred to in Article 3(1)4 of the Act shall be calculated annually by dividing the aggregate amount of Standard Monthly Income of all the Workplace-based and Individually Insured Persons as of December 31 (excluding Workplace-based Insured Persons and Individually Insured Persons who are

not paying their pension contributions due to pension contribution payment exceptions referred to in the provisions of each subparagraph of Article 91(1) of the Act; hereinafter the same shall apply) by the total number of the Workplace-based and Individually Insured Persons.

Article 5 (Standard Monthly Income)

(1) The Standard Monthly Income as referred to in Article 3(1)5 of the Act shall be, within the scope of 220,000 won up to 3,600,000 won, the amount reported by the employer in the case of a Workplace-based Insured Person or by the insured person in the case of an Individually Insured Person, from which less than one thousand won is rounded off.

(2) Notwithstanding paragraph (1), in the case where monthly income amount reported by the employer or insured person is not more than 220,000 won, or exceeds 3,600,000 won, 220,000 won and 3,600,000 won shall be the Standard Monthly Income respectively.

Article 6 (Determination and Applicable Period of Standard Monthly Income when Insured Persons Acquire Insured Status and Resume Contribution Payment)

(1) In the case where a Workplace-based Insured Person or Voluntarily & Continuously Workplace-based Insured Person reacquires his/her insured status and then pays his/her first pension contributions, or he/she resumes paying his/her pension contributions after the termination of the exceptional period for paying pension contributions as referred to in Article 91 of the Act, the National Pension Service (hereinafter referred to as the "NPS") as referred to in Article 24 of the Act shall decide on the Standard Monthly Income based on the amount of monthly income falling under each of the following subparagraphs. The applicable period shall be from the month which includes the day he regains his/her insured status or resumes his/her pension contributions to the month preceding the month in which the Standard Monthly Income, which is regularly decided pursuant to Article 7(1), is applied:

1. In the case where income is earned monthly, weekly or periodically: The amount of monthly income equivalent to thirty times the amount that results from dividing the amount of the income by total days of the period;
2. In the case where income is earned daily, hourly or based on production or contract: The average amount of monthly income earned by another insured person

who works in the same workplace with the same income during the month preceding the month which includes the day the insured person regains his/her insured status or resumes paying his/her pension contributions; and

3. With regard to an insured person whose monthly income is difficult to calculate as referred to in subparagraphs 1 and 2, the average amount of monthly income earned by another insured person who works in the same workplace with the same income and in the same area during the month preceding the month which includes the day the insured person concerned regains his/her insured status and resumes paying his/her pension contributions.

- (2) In the case where an Individually Insured Person or Voluntarily & Continuously Individually Insured Person pays his/her first pension contributions after obtaining his/her insured status or resumes paying his/her pension contributions after the termination of the exceptional period of paying pension contributions referred to in Article 91 of the Act, the Standard Monthly Income for him/her shall be the income he earns from the job when he regains his/her insured status or resumes paying his/her contributions, and the NPS shall decide on the Standard Monthly Income for him/her based on a monthly income declared or filed by the insured person or his/her agent. In this case, the NPS may provide or notify information to the insured person or his/her agent regarding the recommended monthly income to declare on the basis of taxation data by business type, the type of business he/she is engaged in, the size of the workplace and the area of farmland, etc.

Article 7 (Determination and Applicable Period of Standard Monthly Income During Insured Period)

- (1) The Standard Monthly Income during the insured period for a Workplace-based Insured Person or Voluntarily & Continuously Workplace-based Insured Person after regaining his/her insured status shall be the amount of his/her monthly income that results from dividing the amount of total income he earns from the workplace during the working period within the preceding year by the number of months during the period (where there is a month whose number of days forming the basis of income calculation is less than twenty days, that month shall be excluded) and the NPS shall decide on the Standard Monthly Income for him/her every year and the application period shall be determined by each of the following subparagraphs: Provided, that if the employment period is less than three months, the Standard Monthly Income shall be determined by the provisions of Article 6(1):
 1. For employees:

From April of the concerned year to March of the following year; and

2. For employers (limited to the employers of work places which are not juristic persons):

From July of the concerned year to June of the next year.

- (2) The Standard Monthly Income during the insured period for an Individually Insured Person or Voluntarily & Continuously Individually Insured Person who has acquired an insured status shall be determined by the NPS based on the method described in any of the following subparagraphs:

1. In the case where his/her income remains unchanged:

Standard Monthly Income of the insured person concerned at the time of acquiring insured status as referred to in Article 6(2); and

2. In the case where his/her income changes more than once:

The NPS shall confirm a change in the business type in which he/she is engaged and reasons for the frequent changes of his/her income through the inspection of his/her workplace under Article 122 of the Act. If the NPS recognizes that his/her actual income is different from the existing Standard Monthly Income, the NPS shall notify him/her that he/she must declare the changed income pursuant to Article 21 of the Act and shall decide to make the preceding year's monthly income as referred to in Article 3(2) for him/her: Provided, that the decision shall be applied one month later from the month which includes the day the decision is made. In this case, the NPS may provide or notify information to the insured person or his/her agent regarding the recommended monthly income to declare on the basis of taxation data by business type, the type of business he/she is engaged in, the size of the workplace and the area of farmland, etc. within the scope of his/her monthly income of the preceding year referred to in Article 3(2).

- (3) In the case falling under each of the following subparagraphs, an Individually Insured Person or Voluntarily & Continuously Individually Insured Person or his/her agent may ask the NPS to alter the Standard Monthly Income declared by the Individually Insured Person or Voluntarily & Continuously Individually Insured Person or his/her agent and the alteration shall be applied from the first day of the month following the month including the day in which the alteration is requested:
<Amended by Presidential Decree No. 20679, Feb. 29, 2008>

1. A case where his/her income increases or decreases due to the alteration of business type, a change in business performance or the discontinuation of business; and

2. A case where an insured person wishes to set his/her Standard Monthly Income higher than his/her real income.

(4) The NPS, when it deems it necessary to encourage the insured persons to declare their monthly income pursuant to the provisions of paragraph (2) of this Article, shall work out an annual income confirmation plan that includes the scope of insured persons subject to the encouragement, the timing and methods of surveying the income of the insured, etc. after going through deliberations of the board of directors.

Article 8 (Determination of Standard Monthly Income of Insured Persons Working at Two or More Work Places)

In the case where a Workplace-based Insured Person or Voluntarily & Continuously Workplace-based Insured Person (including the case where he/she is a worker at the workplace insured under one National Pension program and an employer at the place insured under another National Pension program; hereinafter the same shall apply) who was insured by not less than two National Pensions, the Standard Monthly Income shall be determined on the basis of the Standard Monthly Income given at each workplace, respectively. However, in the case where the sum of the Standard Monthly Income of two work places surpasses the maximum amount of the Standard Monthly Income as referred to in Article 5(1), the Standard Monthly Incomes for each workplace shall be determined by multiplying the ratio gained by dividing the aggregate amount of the two Standard Monthly Incomes by each Standard Monthly Income, by the maximum of the Standard Monthly Income.

Article 9 (Specific Examples of Determination of Standard Monthly Income)

(1) In the case where it is difficult to calculate the Standard Monthly Income of a Workplace-based Insured Person, Individually Insured Person, Voluntarily & Continuously Workplace-based Insured Person or Voluntarily & Continuously Individually Insured Person under the provisions of Article 6 or where the monthly income declared or filed pursuant to the provisions of Article 6 or 7(1) and (2), or paragraph (3)¹ is largely different from the actual monthly income, the NPS shall decide on it notwithstanding those provisions; however, the standards for and methods of making such decision shall undergo prior deliberations of the National Pension Deliberative Council under Article 5 of the Act.

(2) In the case where entire or portion of the income is paid in kind, the value of

the goods shall be evaluated based on the consumer price of that region by the NPS.

- (3) In the case where the monthly income of a Workplace-based Insured Person, Individually Insured Person, Voluntarily & Continuously Workplace-based Insured Person or Voluntarily & Continuously Individually Insured Person has not been reported properly as referred to in Article 21 of the Act and there is no income-related data as a result of confirmation under Article 122(1) of the Act, the NPS shall determine the Standard Monthly Income based on the monthly income in accordance with any of the following subparagraphs:
1. When determining the Standard Monthly Income during the insured period: the adjusted standard monthly income of the previous year of the insured person based on the change rates of average monthly income; and
 2. When the Standard Monthly Income is determined at the time of acquisition of insured status or of resuming contribution payment: the amount equivalent to the Standard Monthly Income that is applied to the Voluntarily Insured Persons, etc. under the provisions of the main text of Article 10(1).
- (4) The provisions of Article 6, 7(1) and (2) shall apply mutatis mutandis to the case where the monthly income of a Workplace-based Insured Person, Individually Insured Person, Voluntarily & Continuously Workplace-based Insured Person or Voluntarily & Continuously Individually Insured Person has not been reported as prescribed in Article 21 of the Act and that there is income-related data as a result of confirmation pursuant to Article 122(1) of the Act.

Article 10 (Determination and Applicable Period of the Standard Monthly Income of Voluntarily Insured Persons, etc.)

- (1) The Standard Monthly Income of an insured person (excluding pensioners of the National Basic Living Security Act; hereinafter the same shall apply) falling under any of the following subparagraphs shall be the amount corresponding to the Standard Monthly Income for the insured person in the middle income bracket on the basis of the Standard Monthly Income for all Workplace-based and Individually Insured Persons as of December 31 of the preceding year. The application period shall be from April of the year concerned to March of the following year. In the case where the insured person requests that his/her Standard Monthly Income be raised higher than the middle income bracket, the NPS may determine the change of the Standard Monthly Income:

1. A Voluntarily Insured Person; and
2. A Voluntarily & Continuously Insured Person except for a Voluntarily & Continuously Workplace-based Insured Person and a Voluntarily & Continuously Individually Insured Person.

(2) In the case where a pensioner of the National Basic Living Security Act becomes an insured person falling under any of subparagraphs of paragraph (1), his/her Standard Monthly Income is determined based on totaled amount of income referred to in Article 3(1)1 and Article 3(1)2 of the Enforcement Decree of the National Basic Livelihood Security Act, among incomes investigated and confirmed under Article 23(1) of the National Basic Livelihood Security Act. The application period shall be from April of the year to March of next year.

Article 11 (Valuation of Financial Equilibrium of National Pension, etc.)

(1) The Minister for Health, Welfare and Family Affairs shall, under the provisions of Article 4(2) of the Act, complete the accounting of the financial balance of the National Pension Fund referred to in Article 101 of the Act (hereinafter referred to as the "Fund") by March 31 every five years, and make a comprehensive plan concerning the operation of the Fund, including financial projections of the Fund and adjustment of contributions, submit the plan for deliberation by the National Pension Deliberative Council, gain the approval of the President by the last day of September of the concerned year, and submit the plan to the National Assembly by the last day of October of the concerned year. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

(2) The Minister for Health, Welfare and Family Affairs shall make a public announcement regarding the comprehensive plan of the operation including financial projections of the Fund, etc. in more than one general daily newspaper and special economic daily newspaper registered under Article 12(1) of the Act on the Freedom of Newspapers, etc. and Guarantee of Their Functions, etc. each of which has a nation-wide registered distribution area. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 12 (Duty of Chairman of National Pension Deliberative Council)

(1) The chairman shall represent the National Pension Deliberative Council and supervise the affairs of the Council.

- (2) The vice-chairman shall assist the chairman and stand proxy for him/her in case where the chairman cannot perform his/her duty because of unavoidable circumstances.

Article 13 (Term of Office for National Pension Deliberative Council members, etc.)

The term of office for National Pension Deliberative Council members, other than the chairman shall be two years, and the members may be reappointed after serving their term.

Article 14 (Meetings of National Pension Deliberative Council, etc.)

- (1) The chairman shall call and preside over National Pension Deliberative Council Meetings.
- (2) National Pension Deliberative Council meetings shall be classified into regular and special meetings.
- (3) Regular meetings shall convene every February, and special meetings shall convene at the time stipulated under one of the following subparagraphs: <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
1. When the Minister for Health, Welfare and Family Affairs requests it;
 2. When more than one third of the National Pension Deliberative Council members request it; and
 3. When the chairman deems it necessary.
- (4) National Pension Deliberative Council meetings shall be held with the attendance of a majority of the incumbent members and its resolution shall require the consent of a majority of all the attendant members.
- (5) The chairman shall report the resolutions of the Council to the Minister for Health, Welfare and Family Affairs. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 15 (Preparing and Keeping of Minutes of National Pension Deliberative Council, etc.)

- (1) The chairman of the National Pension Deliberative Council shall prepare and keep the minutes of the Council meetings on file.

- (2) The minutes shall include the time, venue, matters discussed and resolved, and shall be signed and/or sealed by the chairman and the members present.
- (3) Any person who is or was an insured person, a beneficiary or any other person involved in the National Pension Scheme or program, may request the reading of the minutes at any time.

Article 16 (Secretary)

- (1) The National Pension Deliberative Council shall have a secretary appointed by the Minister for Health, Welfare and Family Affairs from among public officials in the Ministry. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (2) The secretary shall, pursuant to directions of the chairman, be in charge of the National Pension Deliberative Council's general affairs.

Article 17 (Allowance to Members)

Members present at the meetings of the National Pension Deliberative Council may be provided an allowance within the scope of the budget: Provided, that the allowance shall not be paid if a member who is a public officer attends the meeting as part of his/her duty as a public officer.

CHAPTER II NATIONAL PENSION INSURED PERSONS

Article 18 (Persons Excluded from Coverage)

A person who falls under one of the following subparagraphs pursuant to the proviso of Article 6 of the Act, shall be excluded from the coverage of the National Pension Scheme:

1. A special occupation employee with his/her age younger than sixty among those who have acquired eligibility to receive Old-age Pension benefits pursuant to the provisions of Article 61(1) through (3) of the Act and Article 2 of the Addenda of Act No. 8541, the National Pension Amendment Act; and
2. A person who has acquired eligibility to receive Early Old-age Pension benefits pursuant to Article 61(4) of the Act. However, persons whose Early Old-age Pension payment is suspended as referred to in the provisions of Article 66(1) shall be excluded.

Article 19 (Mandatorily Covered Workplace)

(1) Mandatorily covered work places under the provisions of Article 8(1) of the Act shall be as follows:

1. Work places employing one or more workers; and
2. Foreign agencies in Korea employing one or more Korean workers.

(2) In the case where two or more work places are related with each other as a head office and its branch, agency or liaison office, or are under one management, they shall be regarded as one workplace subject to the provisions of paragraph (1).

Article 20 (Criteria and Confirmation Method regarding Missing Persons)

(1) Confirmation of a missing person as referred to in subparagraph 5 of Article 9 of the Act shall be verified by the governor of special self-governing province, mayor, county governor or district chairman (meaning the chief of autonomous district; hereinafter the same shall apply).

(2) The initial date in reckoning of missing period referred to in paragraph (1) shall be the date verified by the governor of special self-governing province, mayor, county governor or district chairman.

(3) Notwithstanding paragraph (1), in the case where the missing person's contribution has been paid during missing period, the period which the contribution has been paid shall not be included in the missing period.

(4) In the case where a person whose contribution has been paid as referred to in paragraph (3) is verified as being missing as referred to in paragraph (1), his/her missing period shall be reckoned from the date which he/she was verified as missing after paying his/her contribution.

Article 21 (Loss of Insured Status upon Delinquency of Contributions)

The period of delinquency in payment of pension contributions which causes the loss of voluntarily insured status and voluntarily & continuously insured status under Article 12(3)5 or 13(3)4 of the Act shall be three months: Provided, that when it is proved that pension contributions cannot be made within that period because of natural disasters or other unavoidable circumstances, this provisions shall not apply.

Article 22 (Special Occupation Employee)

- (1) The term "occupational category as prescribed by the Presidential Decree" in Article 13(1)2 of the Act means as follows:
1. Mining under subparagraph 2 of Article 3 of the Mining Industry Act (limited to those who work in the mining pit); and
 2. Fishery under Article 2 of the Fisheries Act performed on a fishing boat referred to in Article 2 of the Seafarers Act (limited to those who are directly engaged in fishing work).
- (2) In the case of paragraph (1), if the insured period as a special occupation employee is less than 3/5 of his/her entire insured period, he shall not be deemed as a special occupation employee.

Article 23 (Presumption of Death)

- (1) In accordance with Article 15 of the Act, those who are described in the following cases shall be presumed deceased:
1. When a ship or aircraft has been wrecked, capsized, destroyed or its whereabouts is unknown, any person who was in the ship or aircraft at the time shall be presumed deceased if his/her survival or death cannot be confirmed three months after the incident took place;
 2. When the whereabouts of the person who was in a ship or aircraft that was already under way remains unknown for three months and his/her survival or death cannot be confirmed, the person shall be presumed deceased; and
 3. When the survival or death of a person cannot be confirmed for three months due to natural disasters or other similar fatalities, the person shall be presumed deceased.
- (2) A person who is presumed deceased under the provisions of paragraph (1) shall be presumed deceased on the day the accident took place or the day his/her whereabouts became unknown.
- (3) When a person whose survival or death could not be confirmed due to reasons as described in paragraph (1) is proved to be deceased within three months after the accident occurred or he/she became missing but the date of his/her death is not certain, he/she shall be presumed deceased on the day that the incident took place or when he/she went missing.

Article 24 (Individual Payment of Contributions)

- (1) When a Workplace-based Insured Person wishes to continue paying his own portion of contributions partly or entirely starting from the month following the month when the initial delinquency as notified occurred under the provisions of the latter part of Article 17(3) of the Act, he/she shall pay them within three years from the deadline set for him/her to pay his/her monthly pension contributions concerned.

- (2) When the NPS receives or collects a portion of or the entire amount of the delinquent contributions starting from the month following the month when the initial delinquency as notified occurred under the provisions of Articles 88(1) and 95(3) of the Act from an employer, it shall return the contributions which have been paid concurrently by the Workplace-based Insured Person plus interest to the person concerned. In this case, the provisions of Article 73(3) shall apply mutatis mutandis in determining the interest rate.

Article 25 (Scope of Child, etc.)

- (1) Any beneficiary whose child falls under one of the following subparagraphs (including a child who is deceased at the time of granting additional coverage) shall be eligible to receive an additional coverage under Article 19 of the Act:
 1. A child of one's own, recognized child born, adoptive child, and adoptive child who has the same family name with his/her father-in-law under the Civil Act; and
 2. An adoptive child under the Act on Special Cases concerning the Promotion and Procedure of Adoption.

- (2) Where a father or mother of a child (including foster parents; hereinafter the same shall apply in this paragraph) referred to in paragraph (1) acquires his/her eligibility to receive Old-age Pension benefits, if the child falls under one of the following subparagraphs, the father or mother of the child shall not be granted an additional coverage:
 1. In the case where the child becomes an adoptive child of another person; and
 2. In the case where the adoptive relationship between the parent and the child is terminated.

- (3) A child who has been already counted for the additional coverage by a person who is or was an insured person under Article 19 of the Act, shall not be counted for another person's additional coverage.

CHAPTER III NATIONAL PENSION SERVICE

Article 26 (Matters for Deliberation and Resolution by Board of Directors)

The board of directors of the National Pension Service shall deliberate on and decide the following matters:

1. Matters pertaining to the budget and closing accounts;
2. Matters pertaining to the amendment of articles of incorporation;
3. Matters pertaining to the acquisition, management and disposition of major assets of the NPS;
4. Operation plan and other matters pertaining to the basic policy of management of the NPS;
5. Matters pertaining to the calculation criteria and method of recommended monthly income for declaration;
6. Matters pertaining to an annual income confirmation plan for Individually Insured Persons and Voluntarily & Continuously Individually Insured Persons; and
7. Matters pertaining to the enactment, amendment, abolishment of rules or regulations.

Article 27 (Meetings of Board of Directors)

- (1) The meeting of the board of directors shall be classified into regular and special meetings.
- (2) The regular meeting shall annually be held in February and October by request of the president of the NPS.
- (3) The special meeting may be called by request of the president of NPS when he/she deems it necessary or when three or more directors (including executive directors; hereinafter the same shall apply) request it.

Article 28 (Preparing and Keeping Minutes of the Board of Directors)

The provisions of Article 15 regarding preparing, keeping and reading of the minutes of the National Pension Deliberative Council shall apply mutatis mutandis to preparing, keeping and reading of the minutes of the board of directors of NPS. In this case, the "National Pension Deliberative Council", "chairman", and "member" shall be regarded as "board of directors", "chief director", and "director" respectively.

Article 29 (Operation Plan and Budget)

- (1) The NPS shall draw up the operation plan and budget for each fiscal year under the operation and budget guidelines announced by the Ministry for Health, Welfare and Family Affairs and submit it to the Minister no later than two months before the beginning of the fiscal year. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (2) The operation plan and budget submitted under paragraph (1) shall be accompanied by annexed documents necessary to support its justification such as a detailed plan for each major project, a projected balance sheet, cost and revenue estimates, etc.
- (3) The Minister for Health, Welfare and Family Affairs shall approve the proposed operation plan and budget submitted under paragraph (1) no later than the beginning of each fiscal year. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 30 (Temporary Loans and Making up for by Transfer)

- (1) In the case of getting a temporary loan under Article 44(1) of the Act, the NPS shall submit a letter that clarifies reasons, methods, interest rates of loan and the repayment method to the Minister for Health, Welfare and Family Affairs. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (2) When the NPS deems it necessary to make up for any shortfalls through financial transfers from the Fund pursuant to Article 44(3) of the Act, the NPS shall submit a letter disclosing the reason for transfers and the amount to be transferred, etc. to the National Pension Fund Management Committee referred to in Article 103 of the Act.

Article 31 (Welfare Programs)

- (1) Under the provisions of Article 46(1) of the Act, the NPS may carry out following welfare projects:
 1. Establishment and operation of welfare facilities for the elderly, children, disabled or others in need, and loans for those facilities;
 2. Establishment and operation of hospitals, recreation facilities and nursing facilities, and loans for these facilities;
 3. Loans for livelihood stabilization;

4. Loans for education;
5. Loans for establishment of welfare facilities in mandatorily covered work places in small and medium-sized businesses; and
6. Loans for purchasing or leasing house.

(2) The NPS may allow those who are or were insured persons or non-beneficiaries to use welfare facilities referred to in the paragraph (1)1 and 2 as long as NPS programs are not negatively affected. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 32 (Loan Services)

(1) The NPS may provide loan services to a person who is or was an insured person under Article 46(2) of the Act up to the amount corresponding to 80/100 of the contributions he/she has paid.

(2) Matters necessary with regard to the interest rates, duration, criteria and procedure of the loan shall be determined and disclosed by the Minister for Health, Welfare and Family Affairs. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 33 (Entrustment of Services)

(1) The scope of services that the NPS shall be entrusted with, and eligible legal bodies the NPS may entrust its services to under Article 47(2) of the Act shall be as follows:

1. Receipt of contributions, redemption of loans and other expenses, and the payment of benefits and loans may be entrusted to post offices or financial institutions;
2. Works related with accepting the application for acquisition and loss of insured status, etc. may be entrusted to the insurer of National Health Insurance or the heads of local self-governing bodies;
3. Establishment and operation of welfare facilities for the old-aged, children, disabled and the like, and those of hospitals, recreation facilities and nursing facilities may be entrusted to social welfare organizations as defined in the Social Welfare Services Act, or public enterprises or government-invested organizations as defined by the Government Invested Organization Basic Management Act, as well as cooperative unions such as the National Federation of Agricultural Cooperative, Fisheries Cooperatives and the Forestry Cooperatives established under the Agricultural Cooperatives Act, Fisheries Cooperatives Act and Forestry

Cooperatives Act, respectively, and persons who run religious organizations or the similar types of organizations; and

4. Works pertaining to issuance of a notice of contribution payment or demand may be entrusted to the insurer of National Health Insurance.

- (2) The NPS may pay commission fees to the outsourcing institutions under paragraph (1).

Article 34 (Enactment of Provisions)

The NPS shall obtain the approval of the Minister for Health, Welfare and Family Affairs, where it intends to enact or modify the necessary provisions concerning its organization, personnel, remuneration for officers and staff, audit, inspection, management and operation of the Fund. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

CHAPTER IV BENEFITS

Article 35 (Issuance of Certificate of National Pension Pensioner)

The NPS shall issue a pensioner certificate under the National Pension Scheme to a person eligible for benefits (hereinafter referred to as the "beneficiary") as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 36 (Annual Revaluation Rate, etc.)

The annual revaluation rate (hereinafter referred to as the "revaluation rate") shall be determined every year on the basis of the amount calculated by dividing the amount settled under the following subparagraph 1 by the amount pursuant to subparagraph 2, when it is announced by the Minister for Health, Welfare and Family Affairs under Article 51(1)2 of the Act. In this case, deliberation by the National Pension Deliberative Council shall be conducted in advance. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

1. The amount calculated under Article 51(1)1 of the Act; and
2. The amount calculated each calculation year according to the calculation method under Article 51(1)1 of the Act each evaluation year.

Article 37 (Application Period for Calculation of Basic Pension Amount)

The amount calculated under Article 51(1)1 of the Act and the annual revaluation rate under Article 36 shall be applied to any person entitled to receive the benefits whose payment commenced in the period from April of the current year to March of the following year.

Article 38 (Recognition Criteria for Maintenance of Livelihood of Persons Eligible for Dependents' Pension Amount)

Under the provisions of Article 52(1) of the Act, the recognition criteria for each category of eligible persons who may gain Dependents' Pension benefits shall be as shown in Table 1.

Article 39 (Recognition Criteria for Maintenance of Livelihood of Persons Eligible for Unpaid Benefits)

Under the proviso of Article 55(1) of the Act, the recognition criteria for determining the eligibility to receive unpaid benefits for a beneficiary's siblings whose livelihood has been maintained by the beneficiary shall be as shown in Table 1.

Article 40 (Payment Method of Unpaid Benefits)

When two or more people having the same priority under the provisions of Article 55(2) of the Act are entitled to unpaid benefits, the payment shall be made as shown below:

1. A claim filed by a claimant who has equal priority to other claimants shall only effect his/her share of unpaid benefits; and
2. In the case where persons having the same priority or their legal representative appoints a representative who is to receive the entire benefits on behalf of all of the persons having the same priority, the representative can apply for the unpaid benefits.

Article 41 (Notice of Collection of Unjust Enrichment)

(1) When grounds of collection of unjust enrichment occur as referred to in Article 57(1) and (2) of the Act, the NPS shall give at least twenty days notice of the deadline for the amount to be collected (hereinafter referred to as the "refund of unjust enrichment").

(2) When the refund of unjust enrichment is not collected within the deadline

specified in paragraph (1), the NPS shall demand payment, giving a new deadline period of at least twenty days.

- (3) The refund of unjust enrichment may be returned to the NPS on a monthly basis as determined in the following subparagraphs:
1. Up to and including two payments if the refund of unjust enrichment ranges from 200,000 won to less than 400,000 won;
 2. Up to and including four payments if the refund of unjust enrichment ranges from 400,000 won to less than 1,200,000 won;
 3. Up to and including twelve payments if the refund of unjust enrichment ranges from 1,200,000 won to less than 1,800,000 won; and
 4. Up to and including thirty-five payments if the refund of unjust enrichment is more than 3,600,000 won.
- (4) In the case where the refund of unjust enrichment under paragraph (3) has not been repaid after more than three months, the NPS may collect it all at one time.

Article 42 (Interest on Unjust Enrichment)

- (1) Under the latter part of Article 57(1) of the Act, the interest rate shall be applied to the duration of the unjust enrichment beginning from the month which includes the initial date of the unjust enrichment until the month preceding the date of the return of the unjust enrichment to the NPS. In this case, the interest rate shall be calculated based on the entire paid benefits including the compound interest on an annual basis.
- (2) The interest rate to be applied in the period calculated as referred to in paragraph (1) shall be the same as the interest rate of a time deposit with a maturity of three years (If the rate fluctuates during the calculated period, or differs depending on the bank, the average interest rates of banks whose operations cover the entire nation and which are established under the Banking Act as of January 1 of the corresponding year; hereinafter the same shall apply).

Article 43 (Exceptions to Collection of Refund of Unjust Enrichment)

The NPS may not collect any refund of unjust enrichment amounting to less than 3,000 won pursuant to Article 57(4) of the Act.

Article 44 (Paid Benefits Amount not Subject to Seizure)

Benefits which were already paid to a beneficiary but can not be seized pursuant to Article 58(2) of the Act shall be the amount as determined by Article 2 of the Enforcement Decree of the Civil Execution Act.

Article 45 (Income-earning Activities)

"Income-earning activities" under the provisions of Article 61(3) and (4) of the Act refers to the activities with income that exceeds the amount calculated pursuant to Article 51(1)1 of the Act. Income here is calculated by dividing the sum determined from the following subparagraphs by the number of months worked (months worked in a given year, period of less than one month shall be counted as one month):

1. Real estate rental income under Article 18(2) of the Income Tax Act;
2. Business income under Article 19(2) of the Income Tax Act; and
3. Earned income under Article 20(2) of the Income Tax Act.

Article 46 (Degree of Disability, etc.)

- (1) The classification standard for the degree of disability referred to in Article 67(5) of the Act shall be as Table 2 indicates.
- (2) The examination and evaluation of the degree of disability shall be conducted by the NPS.
- (3) The NPS may have a disability evaluation committee member or commission an advisory physician for the purpose of ensuring the proper evaluation of the degree of disability.
- (4) Matters necessary with regard to the qualification of a disability evaluation committee member and an advisory physician and also the criteria for classification of the degree of disability, and others shall be determined and announced by the Minister for Health, Welfare and Family Affairs. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 47 (Recognition Criteria for Maintenance of Livelihood of Persons Eligible for Survivor Pension)

Under the provisions of Article 73(1) of the Act, the recognition criteria for each category of persons who have been supported by a current or former insured person whose dependents are eligible to receive the Survivor Pension shall be as shown in Table 1.

Article 48 (Payment Method of Survivor Pension)

In the case where there are two or more survivors having the same priority under Article 73(3) of this Act, the provisions of Article 40 shall apply mutatis mutandis to the payment method of the Survivor Pension.

Article 49 (Income-earning Activities of Spouses Eligible for Survivor Pension)

The provisions of Article 45 shall, in the case of spouses who are beneficiaries of the Survivor Pension, apply mutatis mutandis to the scope of income-earning activities which suspends the pension payment concerned under the provisions of Article 76(1)3 of the Act.

Article 50 (Calculation of Lump-sum Refund)

When a Lump-sum Refund is calculated under Article 77(2) and 116(1) of the Act, the amount of interest to be added to the Lump-sum Refund shall be calculated as prescribed in the following subparagraphs by the number of concerned months:

1. The interest rate over the period from the month following the month which includes the date of the initial contribution (including the postponed contribution as referred to in Article 92 of the Act) to the month which includes the date on which the insured status is lost shall be the rate of a time deposit with a maturity of three years of the concerned period; and
2. The interest rate over the period from the month following the month which includes the date on which insured status is lost to the month which includes the date in which any reason referred to in any of each subparagraph of Article 77(1) of the Act occurs shall be the rate of a time deposit with a maturity of one year of the concerned year; however, in the case where the Lump-sum Refund is paid pursuant to Article 116 of the Act, the interest rate shall be applied until the month which includes the date as described in the following items:
 - (a) In the case where a person receives a Lump-sum Refund pursuant to Article 67(1)1 of the previous Act (referring to the provisions which were amended by Act No. 3902, the National Welfare Pension Amendment Act and repealed by Act No. 5623, the National Pension Amendment Act): The date when five years elapse since the reason occurs; however, if the person reaches sixty years of age, loses Korean nationality or emigrates to a foreign country, or becomes covered under other public pension programs before five years elapse, the date on which the reason for entitlement to the Lump-sum Refund occurs; and
 - (b) In the case where a person receives a Lump-sum Refund as referred to in

Article 77(1)3 of the Act and Article 67(1)4 of the previous Act (referring to the provisions which were amended by Act No. 6027, the National Pension Amendment Act): The date on which the reason for the payment of the Lump-sum Refund occurs.

Article 51 (Payment Method of Lump-sum Refund)

In the case where there are two or more survivors having the same priority in receiving a Lump-sum Refund under Article 77(3) of the Act, the provisions of Article 40 shall apply mutatis mutandis to the payment method.

Article 52 (Time Limit of Return of the Refund, etc.)

- (1) When a person who received a Lump-sum Refund pursuant to Article 78(1) of the Act, returns his/her refund and its interest to the NPS (hereinafter referred to as the "return of the Refund"), the return of the Refund shall be made by the last day of the month following the month in which he/she applies for the return of the Refund, or by the last day of each successive month following the month in which he/she applies for the return of the Refund in installments.
- (2) When the application for return of the Refund in installments is accepted by the NPS under Article 78(2) of the Act, the return of the Refund shall be paid monthly, according to the request of the person who shall pay, in equally divided amounts within the installment times as described in any of following subparagraphs:
 1. Three times if the insured period is less than one year;
 2. Twelve times if the insured period ranges from one year to less than five years;
and
 3. Twenty-four times if the insured period is over five years.
- (3) The period for the calculation of the interest added to the Lump-sum Refund under Article 78(1) of the Act shall be based on the number of months from the month in which the payment of the Lump-sum Refund is made to the month preceding the month in which the return of the Refund is applied for. In this case, the interest shall be calculated based on the entire Lump-sum Refund paid, including the compound interest on an annual basis. However, the period for calculation of the interest added to the payment in installment referred to in Article 78(2) shall be from the month in which the return of the Refund is applied for to the month preceding the month in which the installment comes to an end, and the

amount of one installment shall be the whole amount of the principal and its interest of the Lump-sum Refund equally divided by the number of installments.

- (4) The interest referred to in the provisions of the main text of paragraph (3) shall be calculated applying interest rate of a time deposit with a maturity of one year which has been applied during the period pursuant to the same provisions, and the interest to be added again in the case of payment in installments under the proviso of the same paragraph, shall be calculated applying the interest rate of time deposit with a maturity of one year of the concerned year including a date of application for the return of the Refund.
- (5) In the case of the installment return of the Refund referred to in paragraph (2), the period corresponding to the return of the Refund shall be added, in order, to the insured period from the first month of the insured period concerned.

Article 53 (Recognition Criteria for Maintenance of Livelihood of Person Eligible for Lump-sum Death Payment)

- (1) A person whose whereabouts is unknown referred to in the proviso of Article 80(1) of the Act shall be the person falling under one of the following subparagraphs:
1. A person for whom one year has passed since a date verified by the governor of special self-governing province, mayor, county governor, district chairman or a police chief as a person whose whereabouts is unknown; and
 2. A person who is verified by the NPS as a person whose whereabouts is unknown and is out of his/her residence without keeping in contact with anybody else for a considerable period of time.
- (2) The recognition criteria for persons whose livelihood has been maintained by the person who is or was an insured person and who are eligible to receive the Lump-sum Death Payment under the proviso of Article 80(1) of the Act (limited to spouse, children, parents, grandchildren, grandparents, siblings and first cousins) shall be as shown in Table 1.

Article 54 (Payment Method of Lump-sum Death Payment)

In the case where there are two or more persons having the same priority in receiving a Lump-sum Death Payment under Article 80(3) of this Act, the provisions of Article 40 shall apply mutatis mutandis to the payment method.

Article 55 (Restrictions on Benefit Payment)

In the case where the payment of benefits is restricted under Article 82(2) of the Act, the scope of benefits which may not be paid shall be as follows:

1. If a person, intentionally or as a result of gross negligence, does not follow medical directions: The amount ranging from 800/1000 to 1000/1000 of the sum; and
2. If a person does not follow medical directions without justification: The amount ranging from 500/1000 to 800/1000 of the sum.

Article 56 (Temporary Suspension of Benefit Payment)

(1) In the case where the NPS intends to temporarily suspend the payment of benefits under Article 86(2) of the Act, it shall demand in writing with a time limit of at least ten days that the beneficiary resolve the reason for the suspension of benefits payment.

(2) In the case where the person who is under demand of the NPS as referred to in the provisions of paragraph (1) does not take any necessary actions within the given period, the NPS shall temporarily suspend the benefit payment from the following month for a designated period within three years.

(3) In the case where the person whose benefit payment is temporarily suspended under paragraph (1) takes necessary actions during the period of temporary suspension, the temporary suspension shall be immediately released and benefits which have not been paid during that period shall be paid.

(4) In the case where the NPS suspends the payment of benefits pursuant to Article 86(1) of the Act to a person who has not taken any necessary actions within the period of temporary suspension by the provisions of paragraph (2), it shall suspend the payment including the period of temporary suspension.

CHAPTER V
FINANCIAL RESOURCES AND COLLECTION OF PENSION
CONTRIBUTIONS, ETC.

Article 57 (Scope of Farmers and Fishermen)

- (1) A person who runs or is engaged in agriculture, forestry, livestock or fishery businesses (hereinafter referred to as the "farmers and fishermen") referred to in the proviso of Article 89(1) of the Act shall be any person falling under one of the following subparagraphs:
1. A person falling under Article 3 of the Enforcement Decree of the Framework Act on Agriculture and Rural Community; and
 2. A person falling under Article 3(3) of the Enforcement Decree of the Act on the Special Measures for Development of Agricultural and Fishing Villages.
- (2) Notwithstanding paragraph (1), if a person is concurrently engaged in the agricultural business, forestry business and fisheries business, he/she shall be determined as either a farmer or fisherman based on the aggregation of sales amount by each business type and the business period as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (3) Any person falling under one of the following subparagraphs, notwithstanding paragraphs (1) and (2), shall be excluded from farmers and fishermen category:
1. A person who has any other income that is more than the total amount of agricultural, forestry or fishery income; and
 2. A person who has a registered business under Article 5 of the Value-Added Tax Act and Article 168 of the Income Tax Act: Provided, that a person who falls under one of the following items shall be excluded.
 - (a) A person who is subject to simplified taxation referred to in Article 25 of the Value-Added Tax Act; and
 - (b) A person who is engaged in business related to agriculture, forestry or fishery.
- (4) Farmers and fishermen referred to in paragraphs (1) and (2) shall be confirmed by the head of a City, Gu, Eup or Myeon having jurisdiction over the location of their residences or lands under the Ordinance of the Ministry for Health, Welfare and Family Affairs: Provided, that this shall not apply to those who can be

confirmed as farmers by the farmland register referred to in Article 49 of the Farmland Act or those who registered their livestock businesses under Article 22(1) of the Livestock Industry Act. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 58 (Advance Payment and Refund of Contributions)

- (1) The payment of contributions in advance under Article 89(2) of the Act shall be made on a monthly basis.

- (2) When an insured person who paid contributions in advance under Article 89(2) of the Act loses his/her insured status before the passage of the insured period covered by the contributions paid in advance, the amount corresponding to the insured period which does not pass yet including contributions paid in advance shall be returned upon the claim of the person who loses his/her insured status (meaning the "successor" under the Civil Act in the event of death). In this case, the amount of contributions to be returned shall be determined by deducting the amount of contributions corresponding to applicable period of the reduction rate as referred to in paragraph (3) from the contributions paid in advance.

- (3) In the case of an insured person paying his/her contributions in advance under Article 89(3) of the Act, the insured period covered by the contributions paid in advance shall not exceed one year, and the reduced amount of contributions by advanced payment shall be calculated by multiplying $1/12$ of the interest rate of the time deposit with a maturity of one year by the number of months of advanced payment. In this case, the interest rate of the time deposit with a maturity of one year shall be the interest rate of the year in which the insured person applies for the advanced payment of contributions.

Article 59 (Benefits for Automatic Transfer of Contributions)

Under the provisions of Article 89(4) of the Act, the NPS may subtract the amount corresponding to the costs curtailed by automatic transfer from the contributions, and/or provide gifts, money and the like by lot for the insured person who pay contributions by automatic transfer.

Article 60 (Exceptions of Contribution Payment)

Exceptions to pension contribution payment under Article 91(1)7 of the Act shall be the cases falling under one of the following subparagraphs: <Amended by Presidential

Decree No. 20679, Feb. 29, 2008>

1. In the case where a person has been hospitalized for more than three months because of sickness or injury;
2. In the case where a person who is aided or supported by the Act on the Prevention of and Countermeasures against Agricultural and Fishery Disasters, Countermeasures against Natural Disasters Act or by the Disaster Relief Act; and
3. In the case where a person whose income has been reduced by disaster, accident and so on, to an extent that is recognized as difficult in maintaining minimum livelihood as determined by the Minister for Health, Welfare and Family Affairs.

Article 61 (Application for Exception of Contribution Payment, etc.)

- (1) In the case where an employer or Individually Insured Person intends not to pay his/her contributions under Article 91(1) of the Act, he/she shall submit an application for an exception to his/her pension contribution payment to the NPS as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (2) Notwithstanding paragraph (1), when the NPS judges that contributions cannot be collected from an Individually Insured Person due to the occurrence of reasons as prescribed by the subparagraphs 2 through 6 of Article 91(1) of the Act, it may determine the exception of contribution payment for the period in which the reasons occurred: Provided, that this shall not be applied to contributions which have already been paid for all or part of the period in which the reasons occurred.
- (3) The NPS shall confirm whether the cause of exception expires or not whenever one year passes from the starting day of exception of contribution payment for the person who does not pay the contributions by the cause of provisions of Article 91(1)6 or 7 of the Act.
- (4) The NPS shall, when the cause of exception of contribution payment expires, notify in advance that fact to the insured person concerned.
- (5) The provisions of Article 20(1) shall apply mutatis mutandis to the recognition criteria for confirming a person as missing referred to in Article 91(1)6 of the Act.
- (6) The period of exception of contribution payment shall be from the month including the date on which the cause of exception occurs to the month including

the date on which the cause expires: Provided, that in cases falling under one of the following subparagraphs, the exception period shall be until the month preceding the month including the date on which the cause of payment exception expires:

1. In the case where a cause of payment exception occurs on the first day of the month; and
2. In the case where an insured person wishes to pay his/her contributions for the month including the date on which the cause of payment exception expires.

Article 62 (Application for Payment of Postponed Contributions, etc.)

(1) In the case where a person falling under one of the subparagraphs of Article 92(1) of the Act intends to pay contributions (hereinafter referred to as the "postponed contributions") corresponding to the whole or part of the period provided in the subparagraph concerned to the NPS, he/she shall apply for payment of the postponed contributions as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

(2) The provisions of Article 52(1) through (4) shall apply mutatis mutandis to the deadline for making the postponed contributions payment and to the method, the frequency of payment, and any additional interest rate in the case of postponed payments to be made in installment. In this case, the "return of the Refund" and the "insured period" shall be deemed as "postponed contributions" and "additional period" respectively.

Article 63 (Collection of Pension Contributions from Persons Working in more than two Covered Work Places)

The NPS shall, in collecting the pension contributions of a Workplace-based Insured Person, where he/she is a worker or employer in more than two work places which are covered by the National Pension Schemes, collect them respectively on the basis of the Standard Monthly Income by each workplace: Provided, that where there exists a workplace which pays the amount of corresponding to the maximum of the Standard Monthly Income from among the more than two work places, pension contributions shall be collected from the concerned workplace alone.

Article 64 (Demand of Pension Contribution Payments, etc.)

(1) The NPS, when it demands a Workplace-based Insured Person to pay his/her

pension contributions, etc. under Article 95(1) of the Act, shall issue a demand note to the employer of the Workplace-based Insured Person concerned within twenty days after the time limit of paying his/her pension contributions elapses.

- (2) The NPS, when it demands an Individually Insured Person to pay his/her contributions, etc. under Article 95(1) of the Act, shall issue a demand note to him/her within three months after the due date of paying such pension contributions elapses.

Article 65 (Appropriation of Pension Contributions in Disposition for Arrears)

When contributions, etc. in arrears are collected pursuant to the examples of dispositions in arrears under Article 95(3) of the Act, if the allotment appropriated for the arrears is short of the amount in arrears after the dispositions are concluded, the pension contributions, etc. shall be appropriated in methods falling under each of the following subparagraphs:

1. In the case where the pension contributions have been in arrears for more than two months, the order of appropriation shall be: The arrears fee/additional charges, followed by pension contributions from the initial default on the due date;
2. In the case where the pension contributions have been in arrears, the order of appropriation shall be: The arrears fee/additional charges, followed by pension contributions; and
3. In the case where an Individually Insured Person who is in arrears in his/her contributions and also in arrears in his/her contributions as a Workplace-based Insured Person (limited to an employer in the unincorporated workplace), notwithstanding subparagraphs 1 and 2, the arrears fee, additional charges and pension contributions from the initial default on the due date as a Workplace-based Insured Person shall be appropriated before appropriation of the arrears fee/additional charges and pension contributions from the initial default on the due date as an Individually Insured Person.

Article 66 (Request for Vicarious Execution of Disposal, etc.)

- (1) If the NPS intends to request for vicarious execution of disposal of seized property to the Korea Asset Management Corporation established under the Act on the Efficient Disposal of Non-Performing Assets, etc. of Financial Institutions and the Establishment of Korea Asset Management Corporation (hereinafter referred to as "KAMCO") pursuant to Article 95(4) of the Act, it shall prepare a vicarious

disposal request form containing the following information and send it to KAMCO:

1. Name and address or dwelling place of the delinquent;
2. Type, quantity, quality, and location of property subject to disposal;
3. Detailed information regarding contributions or other money to be collected related to the seizure as well as the original time limit within which those payments should have taken place; and
4. Other necessary information.

- (2) The NPS shall notify the fact of vicarious disposal to the delinquent, the person(s) with right to the property, including the lease right, pledge right, and mortgage right, and others holding the property subject to seizure.

Article 67 (Delivery of Property Seized)

- (1) The NPS may, upon requesting a vicarious execution of disposal under Article 66(1), deliver the property held by it or being kept in custody of a third party to KAMCO: Provided, that with respect to the NPS property being held by a third party, its delivery may be substituted by delivering a certificate of holding the property issued by the third party.

- (2) When KAMCO takes over the seized property under paragraph (1), it shall prepare a transfer/take over document.

Article 68 (Request for Cancellation of Vicarious Execution of Disposal)

- (1) In the case of any property that is not disposed within two years after the receipt of request for vicarious execution of disposal, KAMCO may make request the NPS to cancel the vicarious execution of disposal of the property.

- (2) The NPS shall, upon receipt of a request for cancellation under paragraph (1), comply with it unless there exist any special reasons.

Article 69 (Notification of Release of Seizure)

- (1) In the case where the NPS requests a vicarious execution of disposal of the seized property to KAMCO and then, releases the seizure of the property before its disposition, it shall immediately notify such fact of cancellation to KAMCO.

- (2) When notification is received under paragraph (1), KAMCO shall immediately stop the disposal procedure and notify such fact to the NPS.

Article 70 (Detailed Matters regarding Vicarious Execution of Disposal)

Matters necessary with regard to vicarious disposal by KAMCO under Article 95(4) of the Act and specified by this Decree shall be defined after discussion between the NPS and KAMCO.

Article 71 (Exceptions to Collection of Arrears Fee, etc.)

The NPS may not collect the arrears fee/additional charges under Article 97(3) of the Act, in cases falling under the following subparagraphs: <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

1. In the case where a person was not able to pay contributions due to a war or disaster;
2. In the case where a person was not able to pay contributions due to the closure of workplace (limited to a Workplace-based Insured Person);
3. In the case where a person was not able to pay contributions due to the occurrence of an accident such as a fire; or
4. Other situations that prevented the collection of arrears fee or additional charges determined by the Ordinance of the Ministry for Health, Welfare and Family Affairs.

Article 72 (Accounting System on Contributions, etc.)

The president of the NPS may appoint an executive contributions collection official from among executive directors of the NPS and also appoint a contributions collection officer from among employees of the NPS to put them in charge of the collection of contributions, and the arrears fee/additional charges referred to in Articles 88(1) and 97 of the Act.

Article 73 (Appropriation and Refund of Excessive or Erroneous Contributions)

(1) In the case where any excessive or erroneous contribution has occurred as referred to in Article 100 of the Act, the NPS shall appropriate it in the following order. In this case, the provisions of Article 65 shall apply mutatis mutandis to the appropriation method of collected amount referred to in subparagraph 3:

1. Disposition fee for arrears;
2. Refund of unjust enrichment and interest to be added;
3. Contributions not paid, and the arrears fee/additional charges referred to in Article 97 of the Act; and
4. One month's contribution to be paid: Provided, that the appropriation shall not be made against the intention of the person entitled to receive the remaining of excessive and erroneous contributions under paragraph (2).

- (2) The outstanding amount of excessive or erroneous contributions, which has remained after the appropriation under paragraph (1) shall be returned in the order of each of the following subparagraphs. In this case, if there exist more than two persons in the same order, the provisions of Article 40 shall apply mutatis mutandis:
1. Persons liable for payment;
 2. Persons eligible to receive the Survivor Pension referred to in Article 72 of the Act; and
 3. Successor of persons liable for payment.
- (3) The period for calculation of the interest added to the excessive or erroneous contributions under the latter part of Article 100 of the Act shall be from the month following the month including the date in which the excessive or erroneous contributions have occurred to the month including the date in which the appropriation or refund is determined, and in this case, the interest rate shall be the interest rate of the time deposit with a maturity of one year applied during the calculation period.
- (4) When the NPS intends to appropriate under paragraph (1) or refund the excessive or erroneous contributions under paragraph (2), it shall notify such a fact in writing to the concerned person referred to in paragraph (2).
- (5) The provisions of paragraphs (1) through (4) shall apply mutatis mutandis to the excessive or erroneous contributions incurred from the collection of the return of the Refund and postponed contributions, and the provisions of paragraphs (1), (2) and (4) shall apply mutatis mutandis to the excessive or erroneous contributions incurred from the collection of the return of unjust enrichment.

CHAPTER VI NATIONAL PENSION FUND

Article 74 (Operation of Fund, etc.)

- (1) Financial institutions referred to in Article 102(2)1 of the Act shall be as follows:
1. Financial institutions under the Banking Act, Korea Development Bank under the Korea Development Bank Act, Industrial Bank of Korea under the Industrial Bank of Korea Act;
 2. Securities companies under the Securities and Exchange Act;

3. Trust companies under the Trust Business Act;
4. Asset management companies and investment consulting companies under the Act on Business of Operating Indirect Investment and Assets;
5. Merchant banks under the Merchant Banks Act; and
6. Insurance companies under the Insurance Business Act.

(2) In the case of lending funds to implement the businesses as described in Article 102(2)5 of the Act, the interest rate shall be determined by the National Pension Fund Management Committee.

(3) The business to increase the Fund referred to in Article 102(2)7 of the Act shall be as follows:

1. Investment in venture companies under Article 4(1) of the Act on Special Measures for the Promotion of Venture Businesses, including investment associations for small and medium business establishment, investment associations for the development of promising future technologies and Korea venture investment associations;
2. Investment in corporate restructuring associations under Article 15-4(1) of the Industrial Development Act;
3. Transaction of exchange-traded derivatives and over-the-counter derivatives under subparagraphs 8 and 9 of Article 2 of the Act on Business of Operating Indirect Investment and Assets;
4. Sale and purchase of foreign exchange under Article 3(1)11 of the Foreign Exchange Transactions Act;
5. Investment in and financing of indirect investment organizations under Article 2(2) of the Act on Business of Operating Indirect Investment and Assets;
6. Investment in and financing of infrastructure business under Article 2(2) of the Act on Private Participation in Infrastructure;
7. Investment in and financing of businesses for real estate's development, acquisition or management;
8. Investment in and financing of businesses for energy and resources development;
9. Investment in and financing of companies or businesses for acquisition of aircraft or vessel, enterprises;
10. Investment in and financing of companies legally established or operated under relevant legislation in foreign countries falling under subparagraphs 1 through 9; and
11. Businesses expecting the earning rate higher than that of a state bond with a

maturity of five years under the proviso of Article 102(3) of the Act and which are deemed necessary businesses for an increase of the Fund by the Management Committee.

(4) The earning rate of a state bond with a maturity of five years referred to in the proviso of Article 102(3) of the Act shall be the higher yield between the bonds of following subparagraphs transacted either outside a securities market or KOSDAQ under Article 194 of the Securities and Exchange Act:

1. Type 1 of national housing bond issued under Article 91(1)1 of the Enforcement Decree of Housing Act; and
2. State bond under Article 3 of the State Bond Act.

Article 75 (Accounting of the Fund)

The accounting of the Fund referred to in Article 102(4) of the Act shall be based on the facts of the case and administered in accordance with the principles of business accounting.

Article 76 (Entrustment of Works related to Management and Operation of the Fund, etc.)

The Minister for Health, Welfare and Family Affairs shall entrust the work described in any of the following subparagraphs to the NPS under Article 102(5) of the Act: <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

1. The management and operation of the Fund referred to in Article 102(2) of the Act;
2. Accounting of the Fund referred to in Article 102(4) of the Act; and
3. Affairs determined by the Minister for Health, Welfare and Family Affairs relating to management and operation of the Fund including the rent of property obtained by the NPS as referred to in Article 102(2)6 of the Act.

Article 77 (Duties of Chairman of Management Committee, etc.)

- (1) The chairman of the Management Committee shall represent the Committee and supervise the affairs of the Committee.
- (2) When the chairman cannot perform his/her duty owing to unavoidable circumstances, a person who is appointed by the chairman in advance from among the members of the committee who are qualified to represent the public interest, shall act on his/her behalf.

Article 78 (Meetings of Management Committee, etc.)

- (1) The chairman of the Management Committee shall call a committee meeting by request of a third of the participants or when he/she deems it necessary, other than the meetings referred to in Article 103(5) of the Act.
- (2) The Management Committee shall have a secretary appointed by the chairman among government officials of the Ministry for Health, Welfare and Family Affairs.
<Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (3) The provisions of Article 15 shall apply mutatis mutandis to the preparing, keeping and reading of minutes of the Management Committee. In this case, the "National Pension Deliberative Council" shall be regarded as the "Management Committee".

Article 79 (Allowance to Management Committee Members)

Members present at the meetings of the Management Committee may be provided an allowance within the scope of the budget: Provided, that the allowance shall not be paid if a member who is a public officer attends the meeting as part of his/her duty as a public officer.

Article 80 (Evaluation Committee for National Pension Fund Operation)

- (1) The chairman of the Evaluation Committee for National Pension Fund Operation (hereinafter referred to as the "Evaluation Committee") referred to in Article 104 of the Act shall represent the Evaluation Committee and supervise the affairs of the Committee.
- (2) The vice-chairman of the Evaluation Committee shall assist the chairman and stand proxy for him/her when the chairman cannot perform his/her duty owing to unavoidable circumstances.
- (3) The Evaluation Committee shall have a secretary appointed by the chairman among government officials of the Ministry for Health, Welfare and Family Affairs.
<Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (4) Members present at the meetings of the Evaluation Committee may be provided an allowance within the scope of the budget: Provided, that the allowance shall not be paid if a member who is a public officer attends the meeting as part of his/her duty as a public officer.

(5) Other necessary matters relating to the operation of the Evaluation Committee, with the exception of paragraphs (1) through (4), shall be determined by the chairman of the Management Committee through resolution of the Committee.

Article 81 (Statement of Guidelines for Fund Management)

(1) The Minister for Health, Welfare and Family Affairs shall prepare a statement of guidelines for National Pension Fund Management (hereinafter referred to as the "Fund Management Guidelines") for the forthcoming year, and shall submit it to the Management Committee by the end of April of that year. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

(2) The Management Committee shall deliberate on and make resolution of the Fund Management Guidelines by the end of May of that year.

Article 82 (Opening of Fund Account)

In order to keep accurate record of revenues and outlays, the Minister for Health, Welfare and Family Affairs shall open the account of the National Pension Fund at the Bank of Korea. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 83 (Deposit of Contributions in Fund, etc.)

(1) The NPS shall deposit all collected contributions in the account of the National Pension Fund on a daily basis.

(2) The NPS shall file a monthly written report on the collection status showing the total amount of contributions collected and uncollected, etc. for the previous month, with the Minister for Health, Welfare and Family Affairs, by the end of each month. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 84 (Monthly Fund Operation)

The Minister for Health, Welfare and Family Affairs shall in principle, manage and operate the accumulated Fund on a monthly basis in accordance with the Fund management plan referred to in Article 107(1) of the Act. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 85 (Accounting Body of Fund, etc.)

(1) The Minister for Health, Welfare and Family Affairs shall appoint officers to be

in charge of revenue collection, financial affairs, expenditures and accounts of the Fund among government officials of the Ministry for Health, Welfare and Family Affairs. In this case, the Minister shall report the appointments to the chairman of the Board of Audit and Inspection and the President of the Bank of Korea respectively. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

- (2) The officers in charge of revenue collection and financial affairs shall be responsible for the contracts necessary for management and operation of the Fund, and matters relating to actions that are the cause of revenues and expenditures and matters relating to any decision and collection of income accrued from the Fund. The officers in charge of expenditures and accounts shall be responsible for revenues and expenditures resulting from the management and operation of the Fund.
- (3) The NPS shall have a fund accounting director and a fund accountant to conduct work related to the operation and management of the Fund, entrusted under Article 76(1). The fund accounting director shall become an executive director of the fund under Article 31 of the Act, and a person appointed by the president of the NPS among personnel of the NPS shall become the fund accountant. In this case, the fund accounting director shall perform duties of the officers in charge of revenue collection and financial affairs, and fund accountant of the NPS shall perform duties of the officers in charge of expenditures and accounts of the Fund. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (4) In the case where the president of the NPS appoints the fund accounting director and the fund accountant under the provisions of paragraph (3), he/she shall report these appointments to the Minister for Health, Welfare and Family Affairs, the chairman of the Board of Audit & Inspection and the President of the Bank of Korea respectively. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (5) The matters necessary for expenditures and actions to be the cause of expenditures of the Fund, etc. shall be determined by the Ordinance of the Ministry for Health, Welfare and Family Affairs.

Article 86 (Settlement of Accounts for Fund Operations, etc.)

- (1) The NPS shall submit the results on Fund operations at the end of every quarter referred to in Article 107(3) of the Act to the Management Committee by the 20th day of the first month of the following quarter.

- (2) The NPS shall submit the annual results of fund operations with the audit report of auditors under the provisions of Article 3 of the Act on External Audit of Stock Companies, to the Minister for Health, Welfare and Family Affairs within two months after the end of every fiscal year. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

Article 87 (Public Notice on Contents of Fund Operations, etc.)

The chairman of the Management Committee under Article 107(4) of the Act shall make an annual public notice of the contents of operations and uses of the fund in one or more daily general and daily economic newspapers which are registered to be supplied nationwide, by the provisions of Article 12(1) of the Act on the Freedom of Newspapers, etc. and Guarantee of Their Functions. In this case, the chairman of the Management Committee shall also make public notice of the evaluation results concerning fund operations submitted by the Evaluation Committee as referred to in Article 104(6) of the Act.

CHAPTER VII
REQUEST FOR INVESTIGATION AND REVIEW

Article 88 (Process of Request for Investigation)

- (1) The Request for Investigation referred to in Article 108 of the Act shall be filed in writing with the statements shown below, and signed and sealed by the claimant:
1. Name, address and resident's registration number of the claimant;
 2. Name, address and resident's registration number of the person given a disposition by the NPS;
 3. Description of dispositions for the Request;
 4. Date of disposition noticed to the claimant;
 5. Intent and reason of the Request;
 6. Date of filing the Request for Investigation;
 7. The relationship between the claimant and the person given dispositions, if they are not the same person; and
 8. List of attached documents, if any.
- (2) If the claimant and the person given dispositions are identified as neither a current nor former insured person, the name, address and resident's registration number of the relevant current or former insured person shall be specified.

(3) If the Request for Investigation is filed by an agent, a letter of attorney shall also be accompanied.

Article 89 (Composition of Investigation Committee)

(1) Under the provisions of Article 109(1) of the Act, the National Pension Investigation Committee (hereinafter referred to as the "Investigation Committee") shall be composed of less than twenty committee members, including the chairman.

(2) The Committee members shall be appointed or commissioned by the president of the NPS among the following persons:

1. Officers or personnel who is at a position of head of the department or higher in the NPS;
2. Persons recommended by employers' associations;
3. Persons recommended by the federations of labor unions;
4. Persons recommended by associations representing Individually Insured Persons; and
5. Lawyers or other professionals having good knowledge and experience in the fields of social insurance and health care.

Article 90 (Chairman of Investigation Committee)

(1) The chairman of Investigation Committee shall be appointed from among executive directors by the president of the NPS.

(2) A person designated by the chairman shall stand proxy for him/her if the chairman cannot perform his/her duty owing to unavoidable circumstances.

Article 91 (Term of Office for Investigation Committee Members)

The term of office for Investigation Committee members shall be two years. However, the term of office for the member who is an officer or personnel of the NPS shall be that of his/her incumbent period of the position.

Article 92 (Meetings of Investigation Committee)

(1) Meetings of Investigation Committee shall be composed of the chairman and nine members designated by the chairman at each meeting: Provided, that the members shall include not less than two persons referred to in each of the subparagraphs of Article 89(2)2 through 5.

(2) The chairman shall call and preside over committee meetings.

- (3) The meetings of the Investigation Committee shall be held with the attendance of a majority of the members and its resolution shall require the consent of a majority of all the attendant members.

Article 93 (Secretary)

- (1) The Investigation Committee shall have one secretary.
- (2) The secretary shall be appointed by the president of the NPS from among personnel in the NPS.
- (3) The secretary shall, in compliance with the direction of the chairman, be in charge of the general affairs of the Investigation Committee.

Article 94 (Allowance)

An allowance may be paid to Investigation Committee members present at the meeting, except for members who are NPS personnel.

Article 95 (Correction)

- (1) If the Request for Investigation is unlawful but presumed correctable, the Investigation Committee shall ask for corrections to this claim, allowing a reasonable period of time; however, the correction may be made at the Committee's discretion, if it is slight or negligible.
- (2) The correction under paragraph (1) shall be made in writing. The Request for Investigation having such corrections shall be regarded as being legitimate from the beginning.

Article 96 (Submission of Evidence)

Before the decision is made by the Investigation Committee on the Request for Investigation, the claimant may submit the documents concerned, account books and material evidence, as well as make a verbal statement to the Investigation Committee.

Article 97 (Request for Expert Opinion)

The Investigation Committee, if necessary, may ask for opinions of an expert who has good knowledge and experience in this field by request of the claimant or at the Committee's discretion.

Article 98 (Withdrawal of Request for Investigation)

The claimant may withdraw the Request by written form at any time before the decision is made by the Investigation Committee.

Article 99 (Decision)

- (1) The NPS shall make a decision to reject the Request for Investigation when it is unlawful.
- (2) The NPS shall make a decision to reject the Request for Investigation when it is presumed to have no reason.
- (3) The NPS shall make a decision to cancel or change its disposition when the Request for Investigation is presumed to have fair reasons.
- (4) When the decision has been made pursuant to the provisions of paragraphs (1) to (3), the NPS shall forward the original letter of decision to the claimant without delay.

Article 100 (Period of Decision)

- (1) The NPS shall make a decision within sixty days from the receipt of the Request for Investigation: Provided, that the chairman may extend the period for thirty more days in virtue of his/her office if there are unavoidable circumstances.
- (2) In the case where the period is extended under the proviso of the paragraph (1), it shall be notified to the claimant seven days before the period of decision ends.
- (3) The correction period referred to in Article 95 shall not be included in the period of decision referred to in paragraph (1).

Article 101 (Form of Written Decision)

A written decision shall include the following subparagraphs and be signed and sealed by the president of the NPS:

1. Name and address of the claimant;
2. Name and address of the person given a disposition by the NPS;
3. Text of decision;
4. Intent of the Request for Investigation;
5. Reason for decision; and
6. Date of decision.

Article 102 (Regulations for Operation of Investigation Committee)

Matters necessary for the operation of the Investigation Committee shall be determined by the provisions of the NPS.

Article 103 (Form of Request for Review)

When a person who is dissatisfied with the decision of the Request for Investigation under the provisions of Article 110 of the Act makes a Request for Review, the following items shall be specified in addition to what is described in Article 19(2) of the Administrative Appeals Act:

1. Name, address and resident's registration number of the person who makes a Request for Review in the case where the claimant and the person given the decision are not identified as the same person; and
2. Name, address and resident's registration number of the current or former insured person concerned in the case where both the claimant for a Review and the person given a decision by the NPS are identified as neither a current nor former insured person.

Article 104 (Composition of Review Committee, etc.)

- (1) The National Pension Review Committee (hereinafter referred to as the "Review Committee") referred to in Article 111(1) of the Act shall be composed of seven committee members, including a chairman.
- (2) Committee members shall be persons appointed or commissioned by the Minister for Health, Welfare and Family Affairs among the following persons: <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
 1. A government official of Grade 3 or 4 in the Ministry for Health, Welfare and Family Affairs or a general government employee belonging to the Senior Executive Service;
 2. Persons eligible to hold the position of judge, prosecutor or general lawyer;
 3. Persons having experience of teaching at a position of associate professor or higher at a university described in Article 2 of the Higher Education Act; and
 4. Persons having good knowledge and experience in the field of social insurance or health care. In this case, their eligibility is subject to the approval of the Minister for Health, Welfare and Family Affairs.

Article 105 (Chairman of Review Committee)

- (1) The director general of National Pension Policy in the Ministry for Health,

Welfare and Family Affairs shall be the chairman of the Review Committee.
<Amended by Presidential Decree No. 20679, Feb. 29, 2008>

- (2) A committee member designated by the chairman shall stand proxy for the chairman when the chairman cannot perform his/her duty.

Article 106 (Meetings of Review Committee)

- (1) The chairman shall call and preside over committee meetings.
- (2) The meetings of the Review Committee shall be held with the attendance of a majority of the members and its resolution shall require the consent of a majority of all the attendant members.

Article 107 (Secretary)

- (1) The Review Committee shall have one secretary.
- (2) The secretary shall be appointed by the Minister for Health, Welfare and Family Affairs among government officers in the Ministry. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (3) The secretary shall, in compliance with the direction of the chairman, be in charge of the general affairs of the Review Committee.

Article 108 (Allowance)

Members present at the meetings of the Review Committee may be provided an allowance within the scope of the budget: Provided, that the allowance shall not be paid if a member who is a public officer attends the meeting as part of his/her duty as a public officer.

Article 109 (Term of Office for Review Committee Members)

The provisions of Article 91 shall apply mutatis mutandis to the term of office for Review Committee members. In this case, the "Investigation Committee" and "officer or personnel of the NPS" shall be regarded as the "Review Committee" and "government official" respectively.

CHAPTER VIII SUPPLEMENTARY RULES

Article 110 (Notification Process of Under-Report of Income and Tax Evasion Data)

(1) In accordance with Article 125(1) of the Act, if the NPS recognizes that there has been an under-report of income or tax evasion on a monthly income that an employer or insured person declared, falling under one of the following subparagraphs 1 to 3, it shall report the case to the Minister for Health, Welfare and Family Affairs and notify the Commissioner of the National Tax Service of the data: <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

1. In the case where an income has significant difference from the one declared to the Commissioner of the National Tax Service;
2. In the case where an income is significantly lower than an average income of the same type of business/occupation; and
3. In the case where an income differs from the one entered on a payroll book, other income-related documents or an account book.

(2) In accordance with Article 125(2) of the Act, if the NPS is notified of audit results regarding income by the Commissioner of the National Tax Service, it shall make the results be reflected in the income of the insured person accordingly.

Article 111 (Foreign Nationals Excluded from Mandatory Coverage)

Under Article 126(1) of the Act, foreign nationals described in one of the following subparagraphs shall be excluded from mandatory Workplace-based or Individually Insured Persons: <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

1. Persons staying in the Republic of Korea who are not permitted to extend their term of stay under Article 25 of the Immigration Control Act;
2. Foreign nationals who are not registered under Article 31 of the Immigration Control Act, or foreign nationals to whom a forced deportation order has been issued under Article 59(2) of the same Act; and
3. Persons specified by the Ordinance of Ministry for Health, Welfare and Family Affairs among the foreign nationals who are qualified to stay in Korea under Table 1 of the Enforcement Decree of the Immigration Control Act.

Article 112 (Notice to Foreign Nationals)

The NPS shall, to foreign nationals who are mandatorily Workplace-based Insured

Persons or Individually Insured Persons under Article 126(1) of the Act, notify the fact that the foreign nationals will be mandatorily covered by the National Pension Scheme because their home country's legislation corresponding to the National Pension Act is applied to Koreans, and the fact that a Lump-sum Refund shall not be paid to foreign nationals in the case where the legislation of their home country doesn't pay the benefits corresponding to the Lump-sum Refund to Koreans.

Article 113 (Payment of Lump-sum Refund to Insured Foreign Nationals)

"In the case where the legislation of foreign nationals' home country provides the payment of benefits corresponding to the Lump-sum Refund referred to in Articles 77 through 79 for Korean nationals" referred to in Article 126(2)1 of the Act means that the legislation of the foreign nationals' home country provides a lump-sum payment, a certain amount which is calculated on the basis of the contributions made by the Koreans concerned during the insured period, to Koreans who do not acquire the right of benefits corresponding to the benefits under subparagraphs 1 through 3 of Article 49 of the Act but fall under any of subparagraph of Article 77(1) of the Act.

Article 114 (Procedure for Imposing and Collecting Fines for Default)

- (1) When the fines are imposed under Article 132(1) of the Act, after examination and confirmation of violations that incur fines, the NPS shall inform the offending person of the violation and the amount of fines incurred in writing to demand paying the fines.
- (2) In the case where the fines are to be imposed as referred to in paragraph (1), the Minister for Health, Welfare and Family Affairs shall, before the imposition of the fines, give a time of no less than ten days to the person who has been fined in order to allow him/her to make a written or verbal statement. If there is no statement made until the designated date, he/she shall be regarded to have no objection. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>
- (3) The Minister for Health, Welfare and Family Affairs shall take account of motive, result, etc. of the violation in determining the amount of fines. <Amended by Presidential Decree No. 20679, Feb. 29, 2008>

ADDENDA <Presidential Decree No. 20507, Dec. 31, 2007>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, that the amended provisions of Articles 3 to 10, Article 20, Article 25, Article 36, Article 43, Article 44, Article 50, Article 52(4), Article 53, Article 61(5) and (6), Article 62(2), and Article 63 shall enter into force on January 1, 2008.

Article 2 (Amount of Contribution Subsidies for Farmers and Fishermen)

The amount of contribution subsidies referred to in Article 7 of the Addenda of Act No. 8541, the National Pension Amendment Act shall be the amount as prescribed in each of the following subparagraphs:

1. In the case where the monthly income amount of an insured person who is a farmer or fisherman is less than the amount announced at the beginning of the year through agreement between the Minister of Health, Welfare and Family Affairs and the Ministry of Agriculture and Forestry (hereinafter referred to as the "Standard Income Amount"): One half of the pension contribution amount the concerned person is obliged to pay; and
2. In the case where the monthly income amount of an insured person who is a farmer or fisherman exceeds the Standard Income Amount: One half of the pension contribution amount based on the Standard Income Amount.

Article 3 (Application Example regarding Exception of Collecting Refund of Unjust Enrichment)

The amended provisions of Article 43 shall be applied starting from the refund of unjust enrichment which has not been collected at the time of enforcement of this Decree.

Article 4 (Application Example regarding Time Limit of Return of the Refund)

The amended provisions of Article 52(4) shall be applied starting from the application for return of the Refund which, at the time of enforcement of this Decree, has not yet been paid within the time limit.

Article 5 (Application Example regarding Application for Payment of Postponed Contributions, etc.)

The amended provisions of Article 62(2) shall be applied starting from the application for payment of the postponed contributions which, at the time of enforcement of this Decree, has not yet been paid within the time limit.

Article 6 (Transitional Measures on Voluntarily & Continuously Workplace-based Insured Persons)

Voluntarily & Continuously Workplace-based Insured Persons under the previous provisions at the time of enforcement of this Decree shall be considered as the Voluntarily & Continuously Workplace-based Insured Persons, notwithstanding the amended provisions of Article 3(1) except for each subparagraph.

Article 7 (Transitional Measures on Standard Monthly Income Amount)

(1) Notwithstanding the amended provisions of Article 5, Standard Monthly Remuneration Amount by Grade referred to in Table 1 of Presidential Decree No. 12227, Enforcement Decree of the National Welfare Pension Amendment Act shall be applied to the Standard Monthly Income amount of insured period from January 1, 1988 to March 31, 1995, and Standard Monthly Income Amount by Grade referred to in the Table 1 of Presidential Decree No. 14565, Enforcement Decree of the National Pension Amendment Act shall be applied to the Standard Monthly Income amount of insured period from April 1, 1995 to December 31, 2007.

(2) Standard Monthly Income Amount by Grade under the previous provisions shall be deemed as the Standard Monthly Income under this Decree until the Standard Monthly Income is determined under the amended provisions of Article 5.

Article 8 (Transitional Measures regarding Persons in Exception of Contribution Payment)

Any person who is admitted the exception of contribution payment as a missing person under the previous provisions at the time of enforcement of this Decree, notwithstanding the amended provisions of Article 20 and 61(5), shall be considered as a person who is admitted the exception of contribution payment under this Decree.

Article 9 (Transitional Measures on Determination of Standard Monthly Remuneration Amount and Standard Monthly Income Amount)

(1) In accordance with the Presidential Decree No. 12227, Enforcement Decree of the National Welfare Pension Amendment Act, when the NPS shall determine the standard monthly remuneration amount of the Workplace-based Insured Person to be applied during the period from January, 1988 to March of the same year under the Presidential Decree, notwithstanding Article 6 of the same Decree, the NPS shall determine the standard monthly remuneration amount, based on the monthly remuneration amount which is calculated from dividing the total remuneration amount received for three months (where there is a month whose number of days forming the basis of remuneration payment is less than twenty days, that month shall be excluded) before the date of the declaration, by the number of the months of the corresponding period, on the basis of the date of the declaration referred to in Article 2 of the Addenda of the same Decree: Provided, that in the case of the Workplace-based Insured Person who is insured under the Medical Insurance Act, the standard monthly remuneration amount under the previous Medical Insurance Act in effect as of the date of the declaration referred to in Article 2 of the Addenda of the same Decree may be the standard monthly remuneration amount to be applied during the same period.

(2) The standard monthly remuneration amount of the Individually Insured Person to be applied during the period from January 1988 to March 1989 under the Presidential Decree No. 12227, Enforcement Decree of the National Welfare Pension Amendment Act, notwithstanding Article 10 of the same Decree, shall be the amount corresponding to the standard monthly remuneration amount of the person falling under the median on the basis of the standard monthly remuneration amount referred to in paragraph (1).

Article 10 (Transitional Measures on Interest Rate Applicable to Lump-sum Refund)

The interest rate which shall be applied to the Lump-sum Refund for the Individually Insured Person, Voluntarily Insured Person and Voluntarily & Continuously Insured Person under Article 67(2)2 of the Act No. 3902, the National Welfare Pension Act, shall be as follows from 1988 to 1992, notwithstanding Article 44(2) of Presidential Decree No. 12227, Enforcement Decree of the National Welfare Pension Amendment Act:

1. The three-year maturity interest rate of the general workers' property formation

savings which has been applied during the continued insured period shall be applied to the amount corresponding to 1/2 of the pension contributions during the corresponding period; and

2. The one year maturity interest rate of the time deposit which has been applied during the continued insured period shall be applied to the amount corresponding to 1/2 of the pension contributions during the corresponding period.

Article 11 (Transitional Measures on Application of Standard Monthly Remuneration Amount for Workers Abroad)

The worker's standard monthly remuneration amount referred to in the proviso of subparagraph 4 of Article 3 of Presidential Decree No. 12695, Enforcement Decree of the National Pension Amendment Act shall be determined within one month after enforcement of the same Decree, and that determined standard monthly remuneration amount, notwithstanding Article 11 of the same Decree, shall be applied starting from the month which includes the day on which the determination is made.

Article 12 (Transitional Measures on Determination of Standard Monthly Remuneration Amount)

In accordance with the Presidential Decree No. 13449, Enforcement Decree of the National Pension Amendment Act, when the NPS shall determine the standard monthly remuneration amount of the Workplace-based Insured Person in the workplace with five to nine full-time employees to be applied during the period from January, 1988 to March of the same year under the Presidential Decree No. 13449, Enforcement Decree of the National Pension Amendment Act, notwithstanding Article 6 of the same Decree, the NPS shall determine the standard monthly remuneration amount, based on the monthly remuneration amount which is calculated from dividing the total remuneration amount received for three months (where there is a month whose number of days forming the basis of remuneration payment is less than twenty days, that month shall be excluded) before the date of the declaration, by the number of months of the corresponding period on the basis of the date of the declaration referred to in Article 2 of the Addenda of the same Decree: Provided, that in the case of the Workplace-based Insured Person who is insured under the Medical Insurance Act, the standard monthly remuneration amount under the Medical Insurance Act in effect as of the date of the declaration referred to in paragraph (2) of the Addenda of the same Decree may be the standard monthly remuneration amount to be applied during the same period.

Article 13 (Transitional Measures on Scope of Income)

"The Article 16(1)1 of the Enforcement Decree of the Income Tax Act" referred to in the amended provisions of Article 3(1)4(b) of Presidential Decree No. 14565, Enforcement Decree of the National Pension Amendment Act, shall be deemed as "Article 12(1)2 of the Enforcement Decree of the Income Tax Act" until December 31, 1995.

Article 14 (Transitional Measures on Standard Monthly Income Amount by Grade)

In the case where a person who acquired the status of the insured person before April 1995, and whose standard monthly remuneration amount has been determined pursuant to the provisions of the proviso of Article 6 and Article 7 of the previous Decree before being amended to Presidential Decree No. 14565, Enforcement Decree of the National Pension Amendment Act or whose Standard Monthly Income amount has been determined pursuant to the provisions of Article 10 of the previous Decree before being amended to the same Decree, the NPS shall determine the standard monthly remuneration amount or the Standard Monthly Income amount pursuant to the Table of Article 2 of the Addenda of Presidential Decree No. 14565, Enforcement Decree of the National Pension Amendment Act deeming the monthly remuneration amount at the time of acquiring the status of the insured person as the monthly remuneration amount according to the Table as in Article 2 of the Addenda of the same Decree.

Article 15 (Transitional Measures on Calculation of Lump-sum Refund)

In calculating the Lump-sum Refund pursuant to the amended provisions of Article 44 of Presidential Decree No. 14565, Enforcement Decree of the National Pension Amendment Act, the provisions of the previous Decree before being amended to the same Decree shall apply to the period for the calculation of the Lump-sum Refund and the interest rate before February 1, 1995.

Article 16 (Transitional Measures on Arrears Fees, etc.)

The previous provisions before being amended to the Presidential Decree No. 14565, Enforcement Decree of the National Pension Amendment Act shall apply to the collection of the arrears fee, etc. for pension contributions of which payment period elapsed at the time of enforcement of the same Decree.

Article 17 (Transitional Measures on Earning Rate of Fund)

The interest rate of loans for supporting programs to establish the workplace or private sector child care facilities in the workplace and private sector from among welfare promotion programs for insured persons and beneficiaries, which is in operation under Article 83(2)5 of Act No. 4909, the National Pension Amendment Act at the time of enforcement of Presidential Decree No. 14565, Enforcement Decree of the National Pension Amendment Act, shall be deemed to have been determined by the National Pension Fund Management Committee pursuant to the provisions of Article 52 of the same Decree.

Article 18 (Special Cases regarding Period for Calculation of Interest to be Added on Lump-sum Refund)

In calculation and payment of interest to be added for the beneficiary of the Lump-sum Refund under Article 16 of the Addenda of Act No. 5623, the National Pension Amendment Act (including the amended provisions by Act No. 6286, the National Pension Amendment Act; hereinafter referred to as the "Addenda of the Act" in this Article), the period from the first month following the month which includes the date on which that beneficiary lost the status of the insured person to the month in which he/she applied for the Lump-sum Refund shall be considered, notwithstanding Article 44(3) of Presidential Decree No. 16082, Enforcement Decree of the National Pension Amendment Act: Provided, that where the beneficiary of Lump-sum Refund under Article 16(3) of the Addenda of the Act lost the status of Workplace-based Insured Persons or Individually Insured Persons before December 23, 2000, the enforcement date of the same provision, the period from the month following the month including the date on which that beneficiary lost the status of the insured person to December of 2000 shall be considered in calculating interest to be added.

Article 19 (Application Example of Recognition Criteria regarding Persons whose Livelihood has been Maintained)

The recognition criteria regarding persons whose livelihood has been maintained under the provisions of Articles 36, 37-2, 43-2, and 45-2 of Presidential Decree No. 16082, Enforcement Decree of the National Pension Amendment Act shall be applied to a person for whom the reason for payment of benefits occurs after enforcement of the same Decree, or a person for whom the reason of change in eligibility for benefits occurs among who is receiving Dependents' Pension or Survivor Pension benefits under the previous provisions on the enforcement date of the same Decree, January 1, 1999.

Article 20 (Special Cases for Standard Monthly Income of Newly Insured Persons, etc.)

- (1) The NPS shall decide on the Standard Monthly Income for persons who acquired the insured status as Individually Insured Persons pursuant to the provisions of Article 10 of Act No. 5623, the National Pension Amendment Act at the enforcement date of Presidential Decree No. 16219, Enforcement Decree of the National Pension Amendment Act, April 1, 1999 (hereinafter referred to as the "newly insured persons" in this Article), based on the preceding year's income under the amended provisions of Article 3(2), declared by the newly insured persons concerned or their agents pursuant to Article 2 of the Addenda of the same Act.
- (2) The NPS may, with regard to the newly insured persons, provide separately when the Standard Monthly Income shall be decided and when the pension contributions shall be paid, within the scope of one year, through the approval of the Minister for Health, Welfare and Family Affairs.
- (3) The newly insured persons, who disagree with the Standard Monthly Income that the NPS decided for them, may ask the NPS to adjust the amount.

Article 21 (Transitional Measures regarding Interest Rates of Lump-sum Refund, etc.)

In calculating the Lump-sum Refund for the pension contributions paid during the insured period before the enforcement of Presidential Decree No. 16219, Enforcement Decree of the National Pension Amendment Act, the previous provisions shall be applied to the interest and interest rates of the above Lump-sum Refund, notwithstanding the amended provisions of Article 44 of the same Decree.

Article 22 (Scope of not Engaged in Income-Earning Activities)

- (1) The scope of the case where a person is not engaged in income-earning activities under Article 16 of the Addenda of Act No. 5623, the National Pension Amendment Act shall be defined as the case where a person doesn't have any income referred to in Article 3 of Presidential Decree No. 16219, Enforcement Decree of the National Pension Amendment Act or the case that falls under the exception to pension contribution payments pursuant to Article 49 of the same Decree.
- (2) The scope of the case where a person is not engaged in income-earning activities

under Article 3 of Addenda of Act No. 6027, the National Pension Amendment Act shall be defined as the case where a person doesn't have any income referred to in Article 3 of Presidential Decree No. 16567, Enforcement Decree of the National Pension Amendment Act or a the case that falls under the exception to pension contribution payments pursuant to the provisions of Article 49 of the same Decree.

Article 23 (Transitional Measures regarding the Persons to be Excluded from National Pension Coverage)

- (1) Insured persons who shall be excluded from the coverage of the National Pension Scheme pursuant to subparagraph 1 of Article 18-2 of Presidential Decree No. 17013, Enforcement Decree of the National Pension Amendment Act at the time of enforcement of the same Decree shall be deemed to be the persons insured under the previous provisions, notwithstanding the same provisions.
- (2) Persons who are insured under paragraph (1) may withdraw from the coverage of the National Pension Scheme after notifying thereon to the NPS as prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs.

Article 24 (Transitional Measures of Recognition Criteria regarding Persons whose Livelihood has been Maintained by Beneficiaries, etc.)

With respect to the payment of Survivor Pension for the persons whose livelihood has been maintained by beneficiaries, etc. under the previous provisions at the time of enforcement of the Presidential Decree No. 17013, Enforcement Decree of the National Pension Amendment Act, notwithstanding Table 2 of the same Decree, the previous provisions before the amendment to that Decree shall apply.

Article 25 (Special Cases regarding the Criteria for Calculation of Reevaluation Rate by Year)

- (1) In calculating the amount under subparagraph 1 of Article 34 of Presidential Decree No. 17188, Enforcement Decree of the National Pension Amendment Act, in the case of the year whereto Article 6(2) of the Addenda of Act No. 6286, the National Pension Amendment Act is applied, the provisions of Article 6(2) of the Addenda of the same Act shall be applied even to the case of calculating the amount under subparagraph 2 of Article 34 of the same Decree.
- (2) In applying subparagraph 2 of Article 34 of Presidential Decree No. 17188, Enforcement Decree of the National Pension Amendment Act, the amount for 1988

shall be the Average Monthly Income of the year, and the amount for 1989 shall be obtained by summing up the Average Monthly Income of the year and the Average Monthly Income of 1988 adjusted to the national consumer price fluctuation rate of 1989 compared to 1988, which has been announced by the Commissioner of the National Statistical Office under Article 3 of the previous Statistics Act, and by dividing it by 2.

Article 26 (Application Example regarding Mandatorily Covered Workplace)

Article 19(1)1 and 19(1)2 of Presidential Decree No. 18027, Enforcement Decree of the National Pension Amendment Act shall be applied from the dates under the following classification:

1. July 1, 2003: The workplace of corporate body, the workplace falling under the retail business of medicine and medical supplies by the Korean Standard Industrial Classification under Article 17 of the previous Statistics Act (limited to pharmacies), the real estate assessment business, the legal profession (including notary public business), the patent attorney business, the certified judicial scrivener business, the certified public accountant business, the certified tax accountant business (including licensed customs broker business), the building design and related service business (limited to certified architect business), workplace falling under hospital or clinic and veterinarian business, or the other similar workplace prescribed by the Ordinance of the Ministry for Health, Welfare and Family Affairs;
2. July 1, 2004: The workplace that is not falling under the provisions of subparagraph 1 but was covered by the National Health Insurance or the Unemployment Insurance at the time of enforcement of the same Decree; and
3. January 1, 2006: The workplace not falling under subparagraphs 1 and 2.

Article 27 (Application Example regarding Income-Earning Activities)

The provisions of Article 39 of Presidential Decree No. 19391, Enforcement Decree of the National Pension Amendment Act shall be applied starting from the payment of first pension benefits after enforcement of the same Decree.

Article 28 (Application Example regarding Criteria for Determining Disability Degree)

Article 41(4) of the Presidential Decree No. 19391, partially amended Enforcement Decree of the National Pension Amendment Act and Table 3 of the same Decree shall be applied starting from the first claim for assessment of disability degree after enforcement of the same provisions.

Article 29 (Application Example regarding Arrears Fees)

Article 51(1) and (2) of Presidential Decree No. 19391, partially amended Enforcement Decree of the National Pension Amendment Act shall be applied starting from the initial default on the due date of an arrears fee (including an extended time limit if it is extended pursuant to Article 76(5) of Act No. 6268, the National Pension Amendment Act) after enforcement of the same provisions.

Article 30 (Application Example of Recognition Criteria regarding Persons who have been Supported by Beneficiary or Insured Person, etc.)

Table 2 of Presidential Decree No. 19391, partially amended Enforcement Decree of the National Pension Amendment Act shall be applied, starting from the payment of the first benefit amount after enforcement of the same Decree, for the persons falling under one of the following subparagraphs:

1. A person whose reason for the first pension payment occurs after enforcement of the same Decree;
2. A person who fails to receive the Dependents' Pension under the previous provisions at the time of enforcement of the same Decree but falls in the categories subject to receive benefits pursuant to Table 2 of the same Decree; and
3. A person who is receiving the Survivor Pension under the previous provisions at the time of enforcement of the same Decree and for whom the reason of change in eligibility for pension benefits occurs pursuant to Table 2 of the same Decree.

Article 31 (Relations with Other Acts)

In the case where other Acts refer to the previous provisions of the Enforcement Decree of the National Pension Act at the time this Decree enters into force, it shall be deemed that those provisions refer to the relevant provisions of this Decree, substituting for the previous provisions, provided that the provisions corresponding to the previous provisions are stipulated in this Decree.

ADDENDA

(Ministry for Health, Welfare and Family Affairs and Its Subordinate Agency Organization)

<Presidential Decree No. 20679, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation.

Articles 2 through 8 Omitted.

Article 9 (Amendment of Other Acts)

Paragraphs (1) to (15) *Omitted.*

<16> The Enforcement Decree of the National Pension Act shall be partially amended as follows:

In the provisions of Act 7(3) except for each subparagraph, Article 35, the main text of Article 57(2) and (4), Article 61(1), Article 62(1), subparagraph 4 of Article 71, Article 85(5) and subparagraph 3 of Article 111, "Ordinance of Ministry of Health and Welfare" shall be amended to "Ordinance of Ministry for Health, Welfare and Family Affairs" respectively.

In Article 11(1) and (2), Article 14(3)1 and (5), Article 16(1), Article 29(1) and (3), Article 30(1), Article 32(2), Article 34, the provisions of Article 36 except for each subparagraph, Article 46(4), subparagraph 3 of Article 60, provisions of Article 76(1) and subparagraph 3 except for each subparagraph, Article 81(1), Article 82, Article 83(2), Article 84, the first part of Article 85(1) and 85(4), Article 86(2), Article 104(2) and subparagraph 4 except for other subparagraphs, Article 107(2), the provisions of 110(1) except for each subparagraph, Article 114(2) and (3), and items a-8, b-13, c-13, and d-11 of Table 2, "Minister of Health and Welfare" shall be amended to "Minister for Health, Welfare and Family Affairs" respectively.

In Article 16(1), Article 78(2), Article 80(3), the first part of Article 85(1), Article 104(2)1, Article 105(1) and 107(2), "Ministry of Health and Welfare" shall be amended to "Ministry for Health, Welfare and Family Affairs" respectively.

Paragraphs (17) to (80) *Omitted.*

[Table 1]

Recognition Criteria

Regarding Persons Supported by Beneficiaries or the Insured Persons

(Relating to Article 38, Article 39, Article 47, and Article 53)

Persons Supported	Recognition Criteria	Supporting Evidence	Scope of Benefits
<p>Spouse</p> <p>Children</p>	<p>Recognized. However, in the case where the spouse fails to carry out the duties of support due to leaving home or becoming missing, he/she shall not be recognized. In the case where there is a stepchild born or adopted prior to the current marriage, the child is recognized provided that he/she lives with the beneficiaries or the insured persons.</p>	<p>- A Family Certificate</p>	<p>Dependents' Pension</p> <p>Survivor Pension</p>
Parents	<p>In the case of co-residence: Recognized</p> <hr/> <p>In the case of non-co-residence: Recognized only in the following cases.</p> <ol style="list-style-type: none"> 1. In the case of non co-residence for the reasons of study, employment, medical treatment, business, residential circumstances, or other similar situations. 2. In the case where the beneficiary (in the case of Survivor Pension, the current or former Insured Person) regularly provides financial support including living expenses, etc. 	<p>In the case of co-residence</p> <p>- A Family Certificate</p> <p>In the case of non co-residence</p> <p>- A Family Certificate</p> <p>- A Certificate of Studentship, etc.</p>	<p>Dependents' Pension</p> <p>Survivor Pension</p>
Grand-children	<p>In the case of co-residence: Recognized, provided that the grandchildren do not have any parent or even though the grandchildren have a parent (or parents), that person is not able to support his/her children due to special reasons.</p> <hr/> <p>In the case of non co-residence: Recognized only in the following cases.</p> <ol style="list-style-type: none"> 1. In the case of non co-residence for the reasons of study, employment, medical treatment, business, residential circumstances, or other similar situations, provided that the grandchildren do not have any parent or even though the grandchildren have a parent (or parents), that person is not able to support his/her children due to special reasons. 2. In the case where the beneficiary (in the case of Survivor Pension, the current or former Insured Person) regularly provides financial support including living expenses, etc. 		<p>Survivor Pension</p>

Persons Supported	Recognition Criteria	Supporting Evidence	Scope of Benefits
Grand-parents	<p>In the case of co-residence: Recognized, provided that grandparents do not live with their son or daughter, or even though the grandparents are living with either their son or daughter, he/she is not able to support his/her parents due to special reasons.</p>		Survivor Pension
	<p>In the case of non co-residence: Recognized only in the following cases.</p> <ol style="list-style-type: none"> 1. In the case of non co-residence for the reasons of study, employment, medical treatment, business, residential circumstances, or other similar situations, provided that the grandparents do not live with their son or daughter, or even though the grandparents are living with either their son or daughter, he/she is not able to support his/her parents due to special reasons. 2. In the case where the beneficiary (in the case of Survivor Pension, the current or former Insured Person) regularly provides financial support including living expenses, etc. 		
Brothers & Sisters	<p>In the case of co-residence: Recognized</p>		Unpaid Benefits
	<p>In the case of non co-residence: Recognized only in the following cases.</p> <ol style="list-style-type: none"> 1. In the case of non co-residence for the reasons of study, employment, medical treatment, business, residential circumstances, or other similar situations. 2. In the case that a beneficiary regularly provides financial support including living expenses, etc. 		
Distant Relatives up to the First Cousin	<p>In the case of co-residence: Recognized</p>		Lump-sum Death Payment
	<p>In the case of non co-residence: Recognized only in the following cases.</p> <ol style="list-style-type: none"> 1. In the case of non co-residence for the reasons of study, employment, medical treatment, business, residential circumstances, or other similar situations. 2. In the case that a beneficiary regularly provides financial support including living expenses, etc. 		

<Remarks>

1. "Residential circumstance" means cases where actual co-residence is not possible due to limited housing space, etc.
2. "Special situations" means the following items
 - A. In the case of a disabled person under the Welfare of Disabled Persons Act
 - B. In the case of beginning military service as a short-term staff sergeant or lower rank
 - C. When imprisoned in jail or other similar institutions
 - D. When missing
 - E. Students enrolled in an educational institution of lower stage than the university under Article 2 of the Higher Education Act
 - F. People who are 60 years of age or more, or of less than 18 years of age
 - G. Pensioners under the National Basic Living Security Act

[Table 2]

Standard for Degree of Disability (Relating to Article 46)

A. 1st Degree

CONDITION OF DISABILITY
<ol style="list-style-type: none">1. Sight in both eyes has deteriorated below 0.022. Both arms are completely disabled3. Both legs are completely disabled4. Loss of the wrist joint or above in both arms5. Loss of the ankle joint or above in both legs6. Physical impairment not included in the above mentioned items 1 to 5, resulting in incapability for any type of labor and needing continuous care7. Impairment to mental or nervous system resulting in incapability for any type of labor and requiring continuous care or supervision8. Persons specifically designated by the Minister for Health, Welfare and Family Affairs as persons incapable of performing any type of labor and in need of long-term rest, continuous care and supervision because of mental or physical impairment

B. 2nd Degree

CONDITION OF DISABILITY
<ol style="list-style-type: none">1. Sight in both eyes has deteriorated below 0.062. Sight in one eye has deteriorated below 0.02 and the other below 0.13. Loss of chewing and speaking ability4. Severe handicap to the function of spine5. Loss of the wrist joint or above in one arm6. Loss of the ankle joint or above in one leg7. One arm is completely disabled8. One leg is completely disabled9. Loss of or complete disability in all fingers of both hands10. Loss of the Lisfranc's joint or above in both feet11. Physical impairment not included in the above mentioned items 1 to 10, resulting in that labor capacity is severely limited or required to be constrained12. Impairment to mental or nervous system resulting in incapability for any type of labor13. Persons specifically designated by the Minister for Health, Welfare and Family Affairs as persons whose physical, mental or nervous system impairment is of a degree that labor capacity is severely limited or required to be restricted

C. 3rd Degree

CONDITION OF DISABILITY
<ol style="list-style-type: none">1. Sight in both eyes has deteriorated below 0.1 or sight in one eye has deteriorated below 0.02 with that of the other eye deteriorating below 0.15

2. Hearing ability impaired to such a degree that words shouted in the ear cannot be heard
3. Considerable handicap to chewing and speaking ability
4. Medium degree handicap to the function of spine
5. Disability in two out of three major joints of one arm
6. Disability in two out of three major joints of one leg
7. Loss of the thumb and forefinger of one hand
8. Disability in four fingers or more including the thumb and forefinger of one hand
9. Loss of the Lisfranc's joint or above in one foot
10. All toes of both feet are completely disabled
11. Physical impairment not included in above mentioned items 1 to 10, to a degree that labor capacity is greatly limited
12. Impairment to mental or nervous system to such a degree that labor capacity is greatly limited or required to be restricted
13. Persons specifically designated by the Minister for Health, Welfare and Family Affairs as persons whose physical, mental or nervous system impairment is of a degree that labor capacity is greatly limited or required to be restricted

D. 4th Degree

CONDITION OF DISABILITY
<ol style="list-style-type: none"> 1. Sight in both eyes has deteriorated below 0.3 2. Hearing ability impaired to such a degree that words normally spoken over a distance more than one meter cannot be heard 3. Medium degree handicap to chewing and speaking ability 4. Handicap to the function of spine 5. Disability in one out of three major joints of one arm 6. Disability in one out of three major joints of one leg 7. Loss of two fingers including the thumb or forefinger, or loss of four fingers or more, except the thumb and forefinger 8. Disability in six toes of both feet 9. Physical impairment not included in the above mentioned items 1 to 8, which comes to such a degree as it somewhat limits a person's ability to do labor 10. Impairment to mental or nervous system to such a degree that it somewhat limits a person's ability to do labor 11. Persons specifically designated by the Minister for Health, Welfare and Family Affairs as persons whose physical, mental or nervous system impairment is of a degree that labor capacity is somewhat limited or required to be restricted

*** Note**

1. Eyesight shall be measured by the internationally authorized standard eye-chart and a person who has a refraction error in his/her eyesight shall be measured with the corrected eyesight, in principle.
2. The loss of fingers means the case of losing the joint in the thumb and the 1st or upward joints in the other fingers.

This English text is not official, in case of any diversions of interpretation, only the Korean text is official and shall prevail.