

AWCA Technical Seminar 2024

*Employment Injury Benefits for Migrant Workers*

Jakarta, 8 October 2024



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# Employment Injury Insurance and Migrant Workers in Korea: Challenges and Solutions

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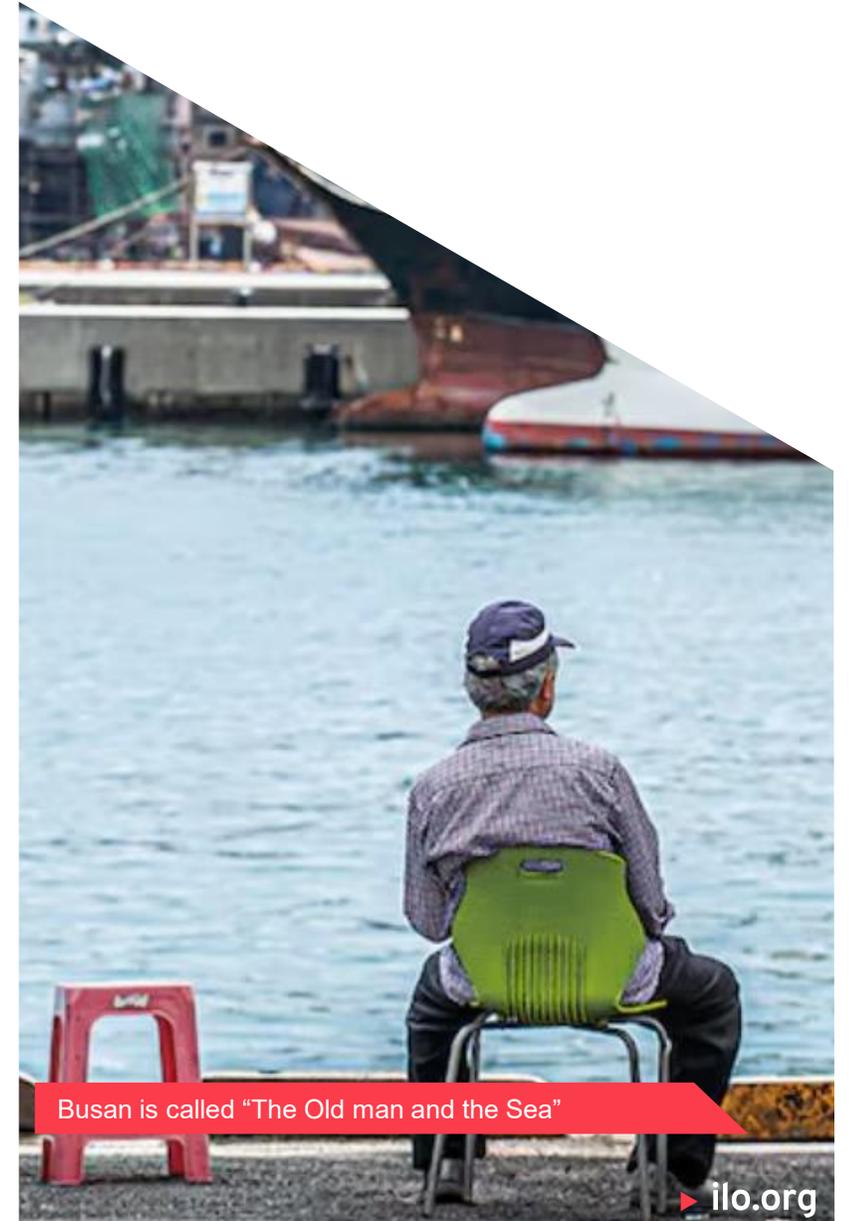
## ▶ Korea characteristics

### Aging society and projected population decline

- ▶ Low fertility rate: 0.72 (new-born baby 230,000 in 2023)
- ▶ Old age dependency ratio: 0.26
- ▶ Youth employment rate: 46.7%



### Lack of labour force in the labour market



## ▶ Strong demand for migrant workers

*“Many foreign workers are needed. I also hire local workers during the busy farming season. They accounted for only about 20% of all workers at our farm, **80% are actually foreign workers and agriculture products are produced by them**”*

**Korean famer owner, Kim said**

내년 외국인 근로자 도입 역대 최대 16만5000명...음식점 등 업종 확대



Korean Newspaper, the increase of foreign workers

## Social insurance in Korea



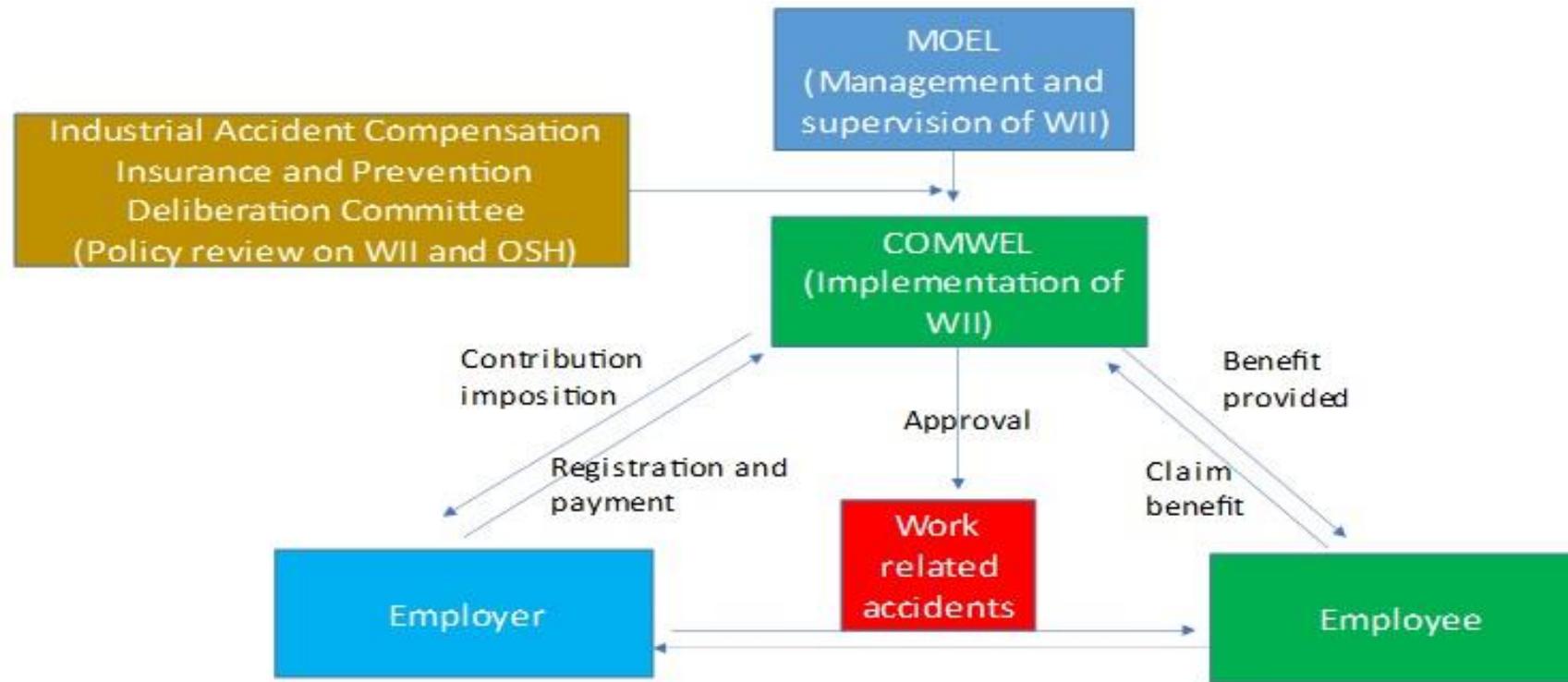
Type		Operator
1 <sup>st</sup> social safety net (social insurance)	Workers' Compensation Insurance	Ministry of Employment and Labor
	Employment Insurance	
	National Pension	Ministry of Health and Welfare
	National Health Insurance	
	Long Term Care Insurance	
2 <sup>nd</sup> social safety net (public assistances)	Public assistances	

## Migrant workers' eligibility for coverage by social insurance

4 major SISs Visa category	NP (national pension)	HI (health insurance)	EI (employment insurance)	WCI (workers' compensation insurance)
Industrial Trainee (D-3)	X	O	X	O
General Trainee (D-4)	X	O	X	O
Business Supervisor (D-7)	△	O	△	O
Professional Employment (E-5)	△	O	△	O
Non-Professional Employment (E-9)	O	O	△	O
Visiting & Joining Family (F-1)	X	O	△	O
Resident (F-2)	O	O		O
Overseas Koreans (F-4)	O	O	△	O
Permanent Resident (F-5)	O	O		O
Working Visit (H-2)	O	O	△	O

O: mandatorily-covered    △: voluntarily-covered or subject to the Principle of Reciprocity    X: neither mandatorily-covered nor voluntarily-covered

## Operational Framework for Workers' Compensation Insurance



## Korea Worker's Compensation and Welfare Service (COMWEL)



### Structure of COMWEL

No. of Employees: 10,000+

No. of offices: 1 HQ, 94 branch offices

### Main service

**Work Injury Insurance:** registration, collection, medical care, disability, benefits

**Employment Insurance:** registration, collection

**Wage Claim Guarantee**

**Financial Support** for vulnerable workers

## ► Design of Work Injury Insurance

**Coverage:** All businesses with employing more than one worker

\*Exclusion: public official pension, military pension, and etc.

**Contribution:** Paid by the employer

**Contribution rate:** 0.6-1.8 per cent of employee monthly salary depending on the sector

**Benefit:** Medical benefit, Temporary capacity benefit, Disability benefit, Vocational and Rehabilitation benefit, Funeral benefit, Survivors' benefit

## ▶ **Worker's Compensation Insurance for migrant workers**

**All migrant workers are compensated.**

*\*Undocumented immigrants are eligible for WCI benefits*

**Not be dismissed during a period of suspension of work for medical treatment**

According to Article 23-2 of the Labor Standards Act, "The employer shall not dismiss an employee during a period of suspension of work for medical treatment of an occupational injury or disease and within 30 days immediately thereafter."

## ▶ Diverse nationalities working in Korea

# 82 countries

35,067 work injury claims were compensated from 2020 to 2023

## Case 1) Access to the claim benefit

### Key issues:

Risk of exposure to misinformation  
Risk of brokerage in the claim process



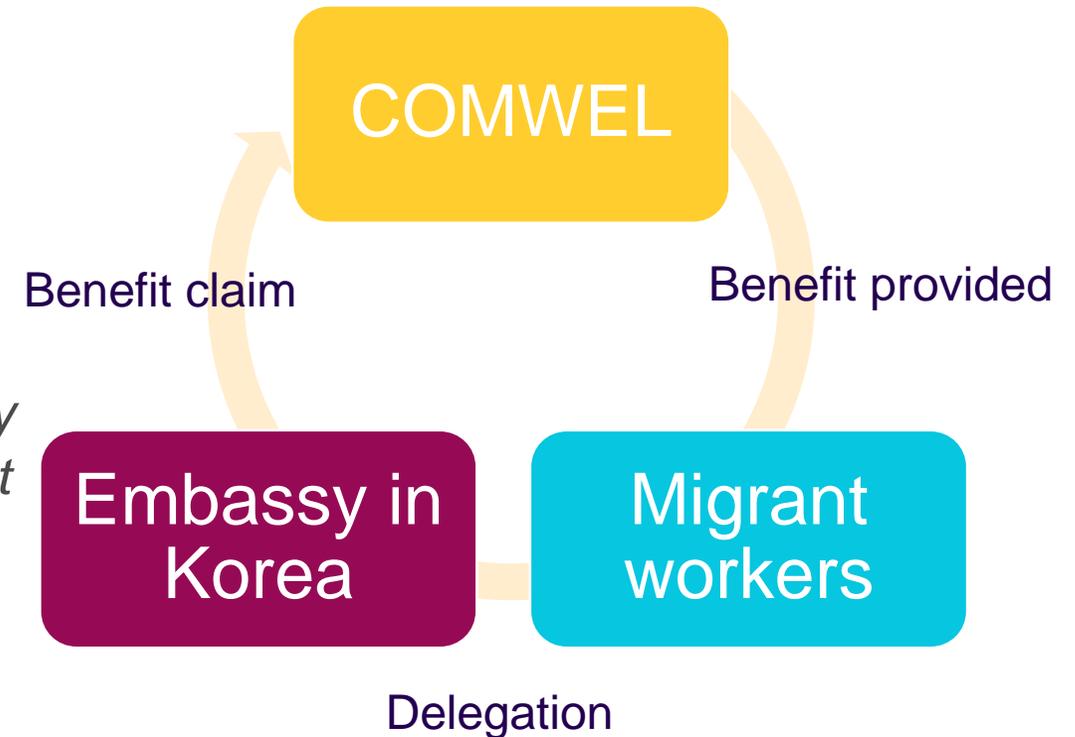
- ✓ Suffer financial losses due to unqualified brokerage
- ✓ Missed the opportunity for proper medical treatment

No.	Country	Beneficiary (2020-2023)
1	China	22,461
2	Uzbekistan	1,688
3	Vietnam	1,650
4	Nepal	1,083
5	Thailand	798
6	Sri Lanka	703
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.	.	
.	.	
82	Greece	1
Total		35,067

## Solution: Diverse and Reliable agents for the claim

**COMWEL has delegated authority to embassies in Korea to act as proxies to claim benefits on behalf of foreign workers(effective December 4, 2023).**

*Claims for workers' compensation insurance can only be filed in person or through an agent (spouse, direct line descendant or ascendant, siblings, lawyer, certified labor consultant, labor affairs manager working for foreign embassies in South Korea).*



## ▶ Case 2) No signature is required from the employer

### Key issues:

- ✓ All documents were obtained with employer's sign to claim the benefit.
- ✓ However, migrant workers are concerned about their employment relations due to the work injury so they avoid reporting work injury.
- ✓ Especially, migrant workers with illegal status is more vulnerable to work injury.



### ✓ Solution:

**Abolish employer's sign requirement for the claim from 2018**

**No need to notify employer when migrant worker claim the benefit**

**COMWEL send a notification to the employer**

## ▶ In case of illegal migrant workers

- ✓ No discrimination in its coverage based on nationality or residence status

Their personal identities may be disclosed during the insurance application process, but this does not necessarily result in deportation measures.

- ✓ Benefit level

Migrant workers receive the same level of benefits as Korean workers.  
Claims for benefits are submitted to COMWEL.

## ► Penalty to employer

In case employer hires illegal migrant workers,

1. Imprisonment with labor for not more than three years or by a fine not exceeding 30 million won;
2. Bears all or part of the costs related to the worker's departure;
3. Employment of migrant workers is restricted for 3 years;
4. Participation in subcontracting for public construction projects will also be restricted.

## ► Case3) In case injured migrant worker returns to their home country before fully recovering

They can claim a lump-sum payment of insurance benefits.

**The lump-sum payment consists of the following insurance benefits, with each amount adjusted to account for interest accrued during the advance payment period:**

Temporary capacity benefits, Medical care benefits, Disability benefits

✂ Requires a doctor's letter stating that departing Korea will not impact the treatment.



# Thank you



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