



Introduction to Tiger Consulting Korea (Legal name- Tiger Consulting Korea Co., Ltd.)

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Key Country Facts

General information:

The Korean Peninsula is located in North-East Asia. It is bordered by the Amnok River (Yalu River) to the northwest, separating Korea from China, and the Duman River (Tumen River) to the northeast which separates Korea from both China and Russia. The Yellow Sea is to its west and the East Sea to the east. There are several notable islands that surround the peninsula including Jeju, Ulleungdo, and Dokdo.

The Korean peninsula is roughly 1,030 km (612 miles) long and 175 km (105 miles) wide at its narrowest point. Korea's total land area is 100,033 sq km, and it has a population of 49.8 million people (2011).

Due its unique geographical location, Korea is a very valuable piece of land and an international hub of Asia.

Official Language:

Hangul, Korea's official alphabet

Currency:

Korean Won (KRW)

Time Zone:

UTC +9

Capital City:

Seoul is the Capital of Korea.

Laws:

Their legal system is a civil law system based on the Constitution of the Republic of Korea.

Cultural observations

Korea is situated in the heart of North East Asia. It reflects the very essence of Asia with an exotic blend of a multi-cultural society that lives together in peace and

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harmony. Koreans are warm and friendly people who easily accept foreigners into their circle of friends.

Establishing a company/legal entity in Country

Employment: Koreans may work at will. Foreign workers and expatriates must possess valid visas, work passes, and employment passes prior to commencing work.

Working Hours: 9-6 Mon-Fri

Banking & payments: Over the past decade, Korean banks have adhered to the lessons of the 1997 Asian financial crisis, and have performed admirably in terms of growth, profitability, asset soundness, and capital adequacy. They have made considerable headway in enhancing both their efficiency and resilience.

The global financial crisis put a dent in the banking industry worldwide, and its aftermath did help reduce Korean banks' total assets in 2009. However, the Korean banking sector has since regained its growth momentum and shown numerous signs of recovery from the crisis. As of December 2012, the total assets of Korean banks stood at 2,031 trillion won, up 12.9% from 2009.

Visa's & work permits: Foreigners and expatriates who wish to work in Korea are required to possess permitted passes from the Korea immigration office. Entry into Korea is in accordance with the Immigration Control Law 2013 and Passport Act 2013.

Public Holidays

- New Year's Day 1 January
- Chinese New Year (date will move slightly each year)
- Anniversary of the Independence Movement 1 March
- Labour Day 1 May
- Children Day 5 May
- Buddha's Birthday (date will move slightly each year)
- Memorial Day 6 June
- Independence Day 15 August
- Harvest[moon] Festival (date will move slightly each year)
- National Foundation Day 3 October
- Hangeul (Korean characters) Day 9 October
- Christmas Day 25 December

Tax & Social Security

National Tax Service of Korea (NTS)

Every individual who is taxed is required to declare his income to NTS. Non-resident individuals are taxed at a different tax rate on income earned/received from Korea, which is 18.7% on employment. Employers have the responsibility to withhold tax for all employees who are under employment in Korea on a monthly basis.

Social Insurance in Korea

1. Present Condition -The nation requires citizens to subscribe to 4 compulsory social insurances by law.
 - Health Insurance- Secure medical treatment and promote health
 - Pension Insurance, Unemployment Insurance - Secure income
 - Industrial Accident Compensation Insurance - Secure medical treatment and income
2. Type of Social Insurance

Korean Social Security System	
Type	Meaning & Benefit
Health Insurance	<ul style="list-style-type: none"> ○ Improve public health and promote social security by paying insurance benefits to prevent, diagnose, treat, and rehabilitate from disease or injury and to help promote health and prevent death ○ Service Benefits: health care benefit, healthy check-ups ○ Cash Benefits: care expenses, co-payment ceiling system, compensation for excessive co-payment, assistive device expenses for the disabled, pregnancy & childbirth examination expenses
National Pension	<ul style="list-style-type: none"> ○ Contribute to people's life stabilization and welfare promotion by implementing the public pension benefit for geriatric disease or death ○ Pension Benefit: old-age pension, disability pension, survivor's pension ○ Lump sum allowance: pension refund, death benefit
Industrial Accident Compensation Insurance	<ul style="list-style-type: none"> ○ Compensate for a worker's industrial accident rapidly and fairly. ○ Install and operate the insurance facilities required for promoting the worker's rehabilitation and return to society ○ Help protect workers by operating businesses for disaster prevention and workers' safety promotion. ○ Care benefit, temporary Incapacity benefit, disability benefit, nursing benefit, survivor benefit, funeral expenses, Injury,& disease compensation pension
Unemployment Insurance	<ul style="list-style-type: none"> ○ Prevent unemployment and promote employment. ○ Increase the worker's vocational competency development. ○ Strengthen occupational guidance and introduction ○ Promote the life stabilization of the worker and his/her activity of searching for a job by implementing the benefits required for unemployed workers' livelihood. ○ Stable employment business ○ Vocational competency development business ○ Unemployment benefit

Reporting requirements

Monthly: Payroll

Yearly: Accounting/Audit

Starters & Leavers: Monthly as event occurs

Income tax/social insurances: Monthly filing 10th of the next month

Annual Tax Filing: Employers to file income tax return by 31st March of the year
Employees to file income tax return by 10th March of the year

Employment Law

The Labour Standard Act 2012 is the main legislation on labour matters in Korea. Korea's business environment is generally strike-free.

Employees

Payslips: Monthly available on web-site, pdf or paper

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Payslip requirements:

(sample payslip)

Payroll Report for September 2013

Employee No. 123		Name: John		Start Date: Jan 1, 2011	
Department		Title: Project Manager			
Description	Amount	Description	Amount		
Basic Salary		Normal pay			
Transport		Travel expense			
Mobile phone		Equipment expense			
Transportation allowance		Telephone communication			
Bonus		Income tax			
Others		Social tax			
			Total Gross Pay	0	
			Total Payment	0	

Thank you for hardworking!!!!!!

Tiger Consulting Korea

Holiday allowance:

Full-time employees are paid for public holidays.

Maternity:

Every female employee entitled to maternity leave of no less than ninety days in respect of each confinement. The female employee can take one-year unpaid baby-care leave.

Annual Leave:

An employee is entitled to paid annual leave of

- (i) Fifteen days for the first two years of continuous service with the same employer
- (ii) One day will be added every two years consecutive service with the same employer with maximum 25 days

Sickness:

An employee may be required to use the unused annual leave for sick leave, where some companies would give 3–5 days paid sick leave. It depends upon the company’s policy.

Benefits to the employee in country

Pension

In South Korea, employer-sponsored retirement plans supplement the pay-as-you-go National Pension Scheme, the basic social security (old-age, survivors, and disability) safety net. When first introduced in 1961, employer plans covered companies with 30 or more employees and provided mandatory severance payments, which consisted of lump-sum benefits of at least 1-month average pay per year of service. Coverage was gradually extended to include employers with five or more employees. Additionally under the 2005 Employee Benefit Retirement Security Act, employers are encouraged to adopt a tax-advantaged defined benefit plan or defined contribution plan, or convert their existing mandatory severance plan (with the consent of employees) to one of these pension plan designs. Alternatively, employers with fewer than ten employees may choose to make tax-free contributions on behalf of their employees to an individual retirement account.

Expatriates:

Accommodation

Expats moving to Korea can rest assure that they will have no problem in finding comfortable and affordable accommodation while in Korea. All types of accommodation are present, from large, stand-alone houses (known as built-in one-room), to semi-detached and terraced houses, to apartments and condominiums or hotels for shorter stays.

Generally, apartments for foreigners are most popular with expats in Korea, as they are secure, and often boast highly sought-after amenities, such as gyms, swimming pools, and even tennis courts. Renting a 2-bedroom apartment costs up to KRW3,000,000per month. There are less expensive areas and options, starting from KRW500,000 per month.

Transportation

Once you are in the country there is public transportation such as buses, subways, and taxis available, even to remote areas. The public transportation system in Korea is well developed and to boost up the public transportation usage, the Korean government operates bus-only lanes on mainroads.

Taxis and limousine services are also available at reasonable rates.

Food

Korea has a fine range of cuisine from across the world, and this is reflected in the many types of restaurants available. Street food in Korea is a great experience and provides for a low-cost night out; even restaurant meals will seldom cost more than KRW5,000 to KRW10,000. Alcohol gets expensive though, so drinks can increase the meal bill substantially.