

SUBJECT	LEGAL CHANGE	ACTION REQUIRED
Employment Terms – Working time		
Working on ‘Rest Days’	<p>Currently, if an employee works on a ‘rest day’: (a) 4 hours of work or less is counted as 4 hours; (b) 4 to 8 hours of work is counted as 8 hours; and (c) 8 to 12 hours of work is counted as 12 hours.</p> <p>A draft amendment to the Labour Standards Act (“LSA”) has been proposed, which will remove this benefit, such that work hours on ‘rest days’ will be calculated with reference to the <i>actual</i> hours worked. Hours will no longer be rounded up, which will save employers money.</p> <p>The draft amendment is expected to be enacted by the Legislative Yuan in early 2018.</p>	<p>(1) Keep abreast of how the situation develops. When the change is confirmed, diarise the effective date, and update the Company Work Rules to reflect the new practice.</p> <p>(2) Review any other documentation and amend if necessary to ensure compliance.</p>
Relaxation of overtime limits	<p>The LSA currently prescribes that overtime cannot exceed 46 hours per month. An amendment has been proposed to increase this cap to 54 hours, provided the employee works no more than 138 overtime hours each quarter.</p> <p>That said, any increase in overtime will necessitate Labor Union approval (or the Labor Management Conference if there is no Union), and employers with more than 30 employees will need to file a report with the Local Labor Authority for approval.</p> <p>The draft amendment is expected to be enacted by the Legislative Yuan in early 2018.</p>	<p>(1) Keep abreast of how the situation develops. When the change is confirmed, diarise the effective date, and update the Company Work Rules to reflect the new practice.</p> <p>(2) Review any other documentation and amend if necessary to ensure compliance.</p>
Adjustment of Fixed Day Off	<p>Currently, the LSA requires employers to select 1 day, which must be taken off by staff every week. If the employer is eligible to adopt a 4 week flexible working-hour system, and has done so, however, it can select 2 fixed days off every 2 weeks.</p> <p>Amendments have been proposed to allow for greater flexibility for all employers. In short, employers will be able to adjust the fixed day off every seven days, subject to the approval of the Labor Union (or the Labor Management Conference if there is no Union).</p> <p>There is an additional hurdle for employers with more than 30 employees; they must file a report with the Local Labor Authority for approval before they can make the weekly adjustments.</p> <p>The draft amendment is expected to be enacted by the Legislative Yuan in early 2018.</p>	<p>(1) Keep abreast of how the situation develops. When the change is confirmed, diarise the effective date, and update the Company Work Rules to reflect the new practice.</p> <p>(2) Review any other documentation and amend if necessary to ensure compliance.</p> <p>(3) Put a system in place to ensure the approvals between the Labour Union (or Labour Management Conference if there is no Union) and the Labour Authority are recorded.</p>

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Annual Leave	<p>Currently, unused annual leave must be compensated by a payment in lieu at the end of the holiday year in which it accrues. An amendment has been proposed, which will allow staff to carry-over to the next holiday year. The employer and employee would both need to agree to take advantage of this.</p> <p>Carry-over will not be unlimited, however. If any portion of the deferred leave remains unused at the end of the following holiday year, the employee must be paid in lieu.</p> <p>The draft amendment is expected to be enacted by the Legislative Yuan in early 2018.</p>	<p>(1) Keep abreast of how the situation develops. When the change is confirmed, diarise the effective date, and update the Company Work Rules to reflect the new practice.</p> <p>(2) Review any other documentation and amend if necessary to ensure compliance.</p> <p>(3) Put a system in place to ensure you keep a record of the agreement between you and the employee.</p>
Shift Work and Rest Periods	<p>Currently, workers are entitled to 11 consecutive hours of rest between shifts. The proposal is to reduce this to 8 consecutive hours, subject to Labor Union approval (or the Labor/Management Conference if there is no Union).</p> <p>Employers with more than 30 employees would need to file a report with the local competent authority for approval if the rest period is to be shortened.</p> <p>The draft amendment is expected to be enacted by the Legislative Yuan in early 2018.</p>	<p>No immediate action should be taken by employers, but keep abreast of how the situation develops.</p>