



[COSC 689] SPTP: DATA ANALYT CONST SAFE&HL

● **Workers' compensation system
in Korea**

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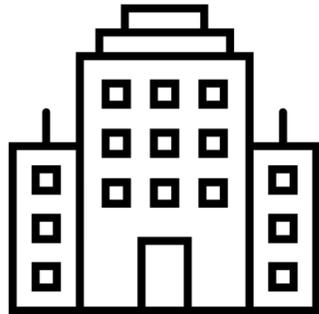
01. Introduction



What happens when
a worker is injured
while working at a jobsite?

01. Introduction: Workers' compensation system in Korea

- **Industrial accident compensation insurance**
 - is the first social insurance that pays **industrial accident compensation insurance (IACS)** benefits to workers suffering from occupational accidents
 - Regulated by Korea Workers' Compensation & Welfare Service

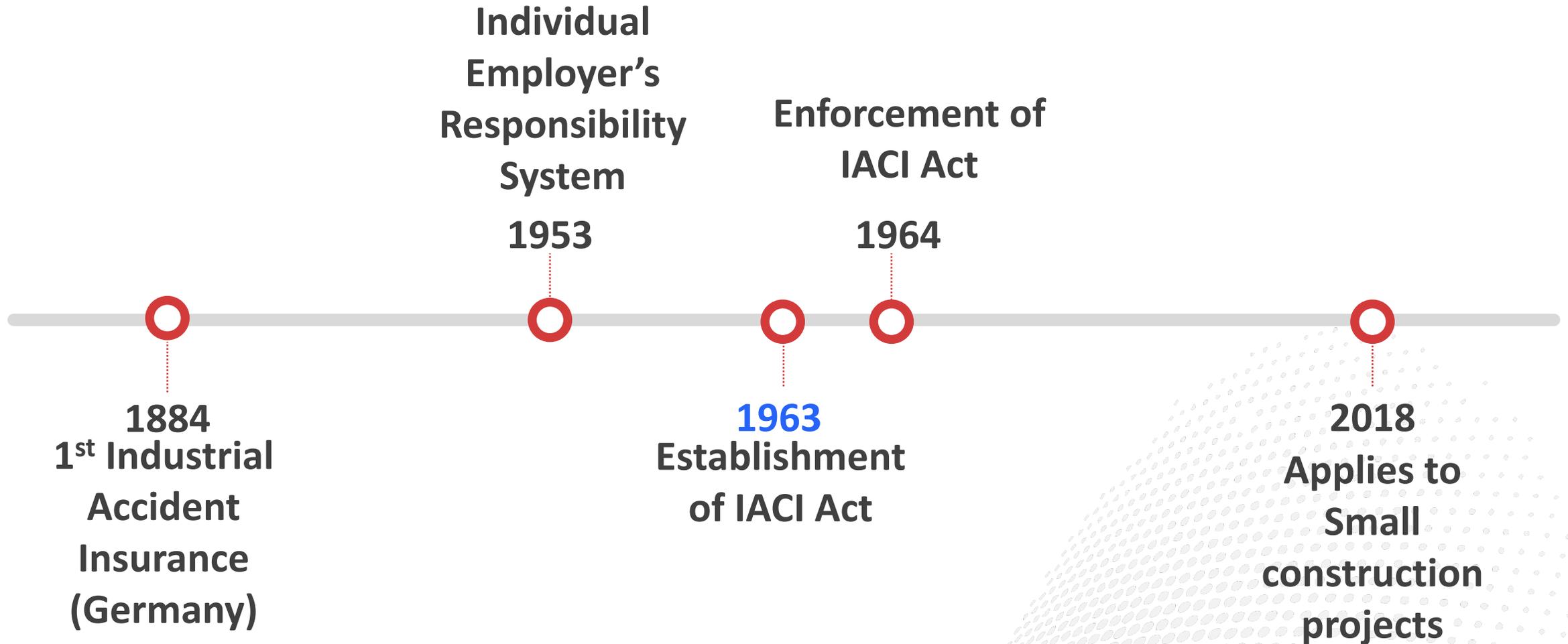


Reduce economic burden
to run financially stable
(joint responsibility)



Expedite (social)
rehabilitation of
worker & family

01. Historic aspects



02. Features of IACI

- **Who pays for the compensation insurance?**
 - *The owner of a business* applied with the IACI Act shall become a policyholder
 - 100% responsible (unlike other social insurance) + mandatory
 - Within 14 days from the commencement day
- **How the rates of the insurance are determined?**
 - The rate is determined and notified by the Minister of Employment and Labor
 - Based on *the total amount of the compensation benefits*, such as pensions, accident prevention and welfare expenditure, etc, over the past 3 years, while taking account of *the type of business and the basis of risks*.

03. Coverage of IACI

- **IACI benefits** shall be paid where a **worker of a workplace** covered by the IACI suffers **an occupational accident**.
 - Occupational accident: any *injury, disease, disability or death* of a worker due to a accident on duty or occupational disease
 - Causal relationship
 - No self-harm
- **IACI benefits** includes
 - *1) Medical care, 2) temporary layoff, 3) disability, 4) nursing care, 5) survivors, 6) funeral expenses, 7) vocational rehabilitation benefits, 8) injury-disease compensation annuities*, etc.
 - Intensive Physical Rehabilitation Program (ex. sports), Monitoring & Follow-up Program, Return-to-work program/subsidy, Job adaptation/ Training Program, etc

03. Determination of Compensation

■ IACI benefits amount

- Is generally calculated based on **the average wage**
 - ex. *Temporary Disability Benefits* : 70-90% of daily average wage (based on worker)
 - After 1 year, modify the amount by the annual average wage change rate announced by the Minister of Employment and Labor
 - The maximum or minimum compensation amount will be prescribed by Presidential Decree
- Other benefit (ex. permanent disability benefits) calculation method will be **prescribed by Presidential Decree**

Disability Grade	Payment Method
1 to 3	Paid in annuity
4 to 7	Paid in annuity or on a lump-sum basis
8 to 14	Paid on a lump-sum basis

04. Overall Resolution Process

■ IACI process

Preparation of submission

- Factual investigation
- Evidence Gathering
- Preparation of insurance benefit application



Receiving the Korea Workers' Compensation and Welfare Service

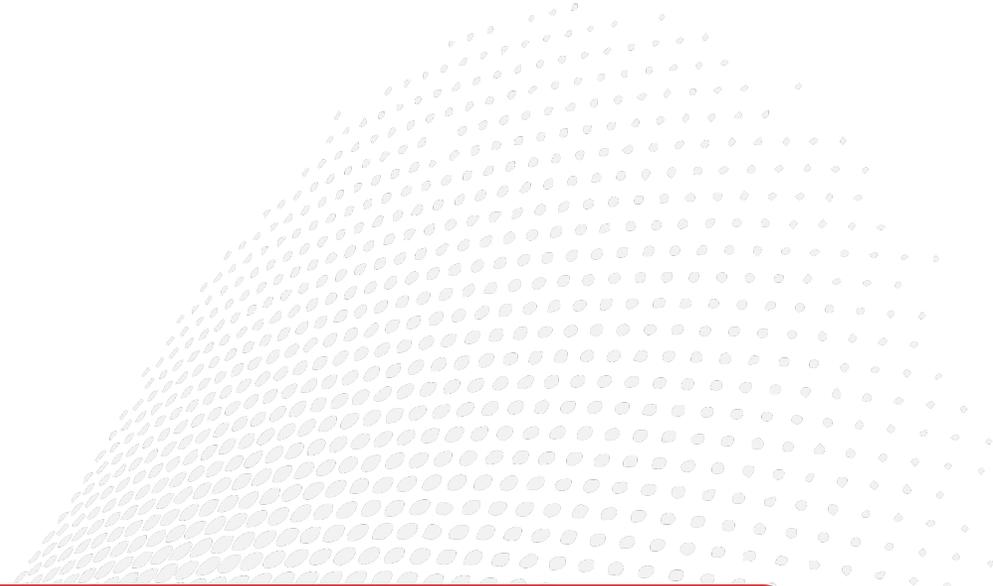
- Review Submission
- a related investigation : Attendance, Flowing lines, Visit
- Preparation of insurance benefit application
- In the case of occupational illness
: Review of the disease decision committee
- Approval decision



Approval



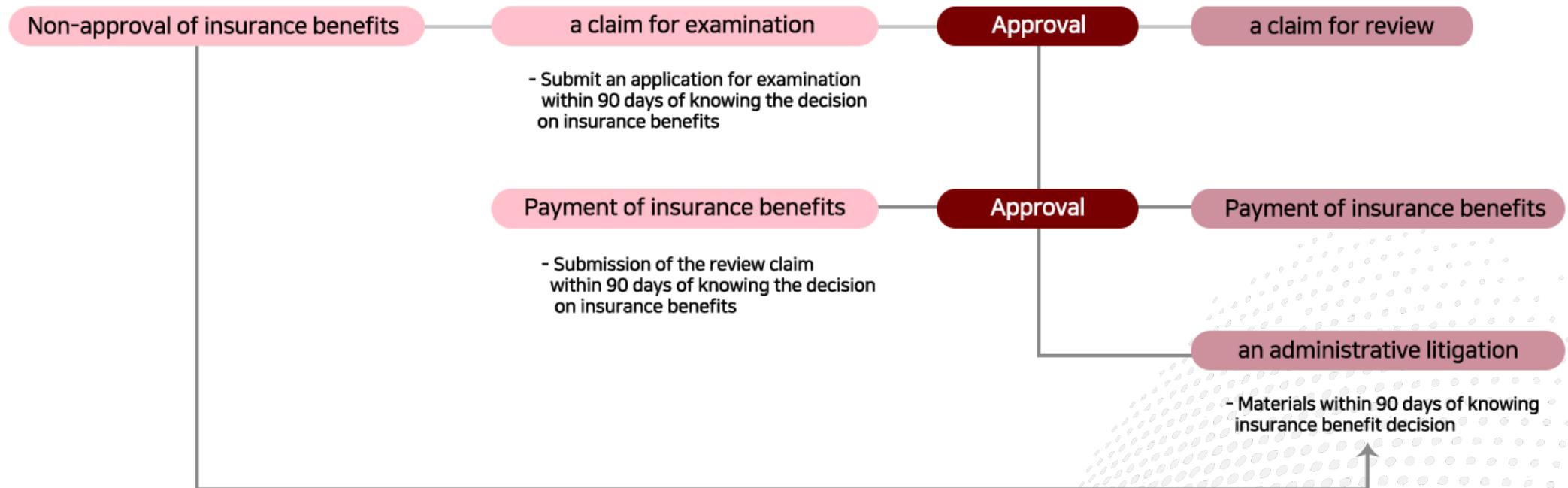
Insurance pay



04. Overall Resolution Process

■ IACI process (cont'd)

- Any person who is dissatisfied with a decision may file *a request for reexamination*



- Employers can face **criminal charges** if they avoid IACI

05. Other methods

■ Settlement with Employer

- **Employer directly compensates** for medical expenses or other damages
 - The company is concerned about the disadvantages that can result from IACI processing, such as deduction in PQ score

■ Other insurances

- Any other personal & professional insurances
- Workers' Accident Liability Insurance
 - (for construction & others) reimbursement for non-paid care