

MEMO

Annual leave paid days are granted by law

An employer shall grant annual paid leave to workers who have been employed continuously for six months from the 1st day of entry and work at least 80% of the total working days. Annual paid leave have to be granted to any type of workers.

(Full-time employees, Part-timers, Temporary workers.)

1. Days granted of Annual paid leave

(1) General workers (workers with 5 or more prescribed working days per week or 30 or more prescribed working hours per week)

| | | | | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|---------|--------------------|
| No. of years of continual employment | 0.5 | 1.5 | 2.5 | 3.5 | 4.5 | 5.5 | Over 6.5 and above |
| No. of days granted | 10 days | 11 days | 12 days | 14 days | 16 days | 18 days | 20 days |

(2) Workers with fewer than 30 prescribed working hours per week.

| | Prescribed weekly working days | No. of prescribed working days per year | Number of years of continuous service | | | | | | |
|--------------------|--------------------------------|---|---------------------------------------|--------|--------|---------|--------|---------|---------------|
| | | | 0.5 | 1.5 | 2.5 | 3.5 | 4.5 | 5.5 | 6.5 and above |
| Paid leave granted | 4 days | 169 days-216 days | 7 days | 8 days | 9 days | 10 days | 12days | 13 days | 15 days |
| | 3 days | 121 days-168 days | 5 days | 6 days | 6 days | 8 days | 9 days | 10 days | 11 days |
| | 2 days | 73 days- 120 days | 3 days | 4 days | 4 days | 5 days | 6 days | 6 days | 7 days |
| | 1 day | 48 days- 72 days | 1 day | 2 days | 2 days | 2 days | 3 days | 3 days | 3 days |

2. Requirements for given Annual paid leave

Condition of occurrence of Annual paid leave.

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6 months of continuous service since its initial employment date.

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More than 80% of attendance rate.

● What is continuous service

Continuous service will be judged based on an employee's tenure at the company in keeping with the reality of true state of service. In case of rehiring retired worker as fixed-term employee, an employer has to treat as continuous service.

● Points of attention regarding calculation of attendance rate

Those cases listed below have to be considered as working days.

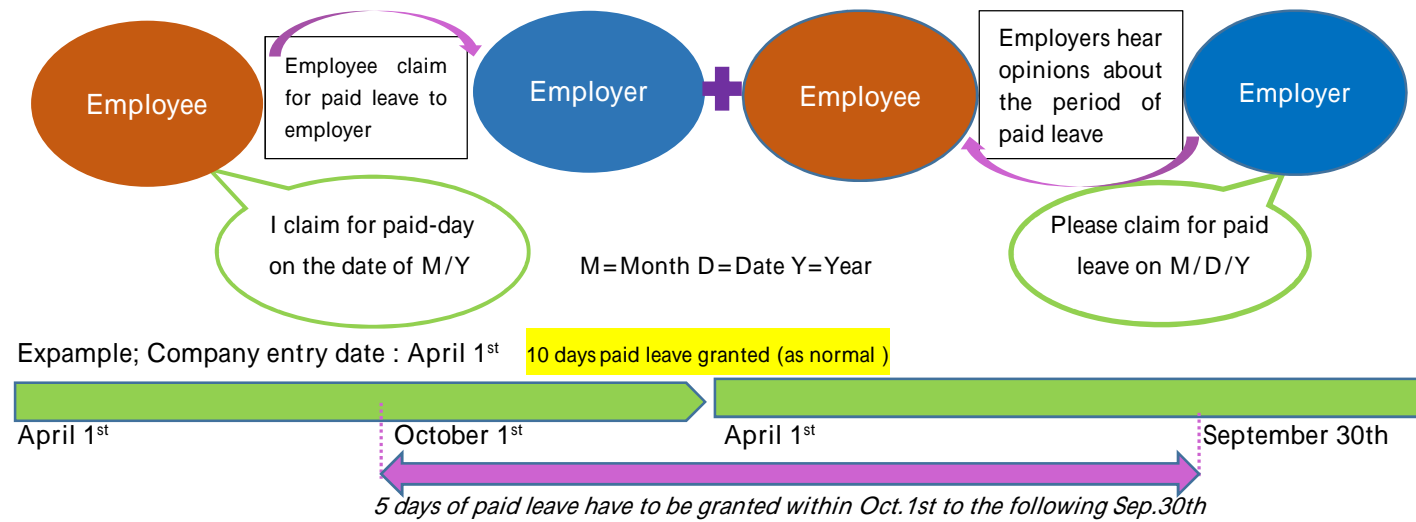
- Period of absence due to industrial accident or illness.
- Claimed leave which set under the Act on the Welfare of Workers who Take Care of Children or other Family members including Child Care and Family Care leave.
- In principal, periods of absence for company reasons, etc., should be excluded from all working days.

3. When to take annual paid leave

The dates of paid leave will be requested by employee and employers are obliged to give permission on application. Asserting the rights to change requested paid leave dates is allowed for employers in case of many workers claim for the same paid leave days. Simply, "It is the very busy term for the company and we need you to work" cannot be the reason to turn it down.

4. When can workers claim Annual paid leave?

Dates can be requested by workers and employer must provide annual paid leave on designated period. However, in case of annual paid leave is given on the designated dates that could disturb the ordinary business operation, employer has the rights to change the requested paid leave dates (Right of Period change ()) Employers are obliged to grant 5 days of annual leave within one year to all workers who are granted 10 days or more of annual paid leave.



Asserting the rights to change requested paid leave dates is allowed in case of many workers claim for the same paid leave days. Simply "It is the very busy term for the company" cannot be the reason to turn it down. Employers have to book the record of each employees' paid leave and take custody for 3 years.

5. Hourly unit annual paid leave granted in a calculated way

(1) Allocate annual paid leave in a calculated way

When employees ask for more than 5 days annual paid leave, employers can allocate requested number of days (up to 10 ~ 20 days depends on the No. of years of continual employment) when both parties conclude the Labor-management agreement.

(2) Hourly unit paid leave

Annual paid leave are granted as a day unit. It is possible to allocate it as hourly units when both parties conclude the Labor-management agreement. (Up to 5 days per year)

Q&A related to Annual paid leave

Q1 *What is the state of limitation of annual paid leave?*

A1. The right to claim for Annual paid leave will be expired in 2 years from the date of grant.

Q2. *Is it possible to buy the annual paid leave?*

A2. It is violating the Labor Standard Act since annual paid leave is the regulation established for employees to "REST"; however, in case of unclaimed annual paid leave are left on retirement, employers could allow you to buy the left over annual paid leave periods.

Q3. *What is the wage of annual paid leave?*

A3. The wage of annual paid leave are granted as listed below.

- 1 Average wage regulated by Labor standard Act.
- 2 The same wage as you are paid as working normal hours.
- 3 The Amount equivalent to 1/30 of normal monthly wage that is regulated under Health Insurance Act only when Labor and Management agreement is concluded.

How an employer would grant annual paid leave to an employee have to be written clearly on the employment contract.

Q4. *I am concerning about receiving disadvantageous treatment if I claim annual paid leave.*

A4. An employer must strive not to treat any workers with disadvantageous treatments related to claimed annual paid leave (Labor standard Act, article 136). Reducing the wage or restrain of claiming annual paid leave, for example, are considered as disadvantageous treatments.

Q5. *I was told "Our Company does not provide annual paid leave"*

A5. Annual paid leave must be granted under Labor Standard Act regulation. All employees have right to claim for annual paid leave as long as fixed requirements are met.

Please do not hesitate to contact to nearest Prefectural labor bureau, labor standard inspection office for further information.

