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Key Employment Practices Across Hong Kong & Macau, Japan, South Korea, and Taiwan

Overview







Comparing the number of working hours in different countries can provide insight into cultural work norms, economic productivity, and even labour laws.

To put things into perspective, the average employee in countries/regions such as South Korea and Japan clocks in more hours and workdays, leading them to sit on the higher end of the spectrum compared to most European countries (including major European powers such as France, Germany, and the UK).

In the European Union (EU), all employees are entitled to at least four paid holidays per year. This is a stark contrast to the US, which is the only advanced economy in the world that does not guarantee paid holidays for workers ([Visual Capitalist, 2024](#)).

In this issue, we will explore key employment practices and insights into how Hong Kong & Macau, Japan, South Korea, and Taiwan address regulatory requirements and workplace standards.

Average Working Hours by Country

Country/Region	Average working hours per year	No. of eight-hour workdays
 South Korea	1,872	234
 US	1,799	225
 Japan	1,611	201
 UK	1,524	191
 France	1,500	188
 Germany	1,343	168

Source: [Visual Capitalist](#)

Comparison of General Key Employment Terms

Probationary Period and Legal Notice Period

Country/Region	Probationary Period	Legal Notice Period
Hong Kong	<ul style="list-style-type: none"> No provision specifies a probation period, but the standard practice is to have a 3-6 months period (subject to the company and job position) 	<ul style="list-style-type: none"> No notice is required within the first month of probation As per agreement, but not less than 7 days from the second month
Macau	<ul style="list-style-type: none"> 90 days for an indefinite contract 180 days for employees whose work is of highly technical nature or involving special qualifications, as well as for employees who hold leadership and management positions 30 days for employees under fixed-term contracts 	<ul style="list-style-type: none"> 15 days in the case of rescission on the initiative of the employer 7 days in the case of rescission on the initiative of the employee
Japan	<ul style="list-style-type: none"> Commonly between 3-6 months 	<ul style="list-style-type: none"> 14 days, according to the LSA (Labour Standards Act) At least 30 days by the employer for the case of termination
South Korea	<ul style="list-style-type: none"> No provision specifies a probation period, but the standard practice is to have a 3-6 months period 	<ul style="list-style-type: none"> No notice is mentioned in LSA that employees must give At least 30 days' notice by the employer As per agreement under the Civil law
Taiwan	<ul style="list-style-type: none"> No provision specifies a probation period, but the standard practice is to have 3 months or less 	<ul style="list-style-type: none"> 3 months to less than 1 year of employment: 10 days' notice More than 1 year to less than 3 years of employment: 20 days' notice More than 3 years of employment: 30 days' notice

Minimum Wage and Statutory Social Insurance

Country/Region	Minimum Wage	Statutory Social Insurance
Hong Kong	<ul style="list-style-type: none"> HK\$40 per hour (approx. CN¥36) 	<ul style="list-style-type: none"> Mandatory Provident Fund (MPF) Employee's Compensation Insurance
Macau	<ul style="list-style-type: none"> MOP\$7,072 per month (approx. CN¥6,132) 	<ul style="list-style-type: none"> Social Security Fund Employees' Compensation Insurance
Japan	<ul style="list-style-type: none"> Depending on each prefecture Effective from Oct 2024, ¥1,163 in Tokyo (approx. CN¥55) 	<ul style="list-style-type: none"> Pension National Health Insurance Unemployment Insurance Worker's Accident Compensation Insurance
South Korea	<ul style="list-style-type: none"> KRW9,860 per hour (approx. CN¥51) Will increase to KRW10,030 in 2025 (approx. CN¥52) 	<ul style="list-style-type: none"> National Pension National Health Insurance Employment Insurance Industrial Accident Compensation
Taiwan	<ul style="list-style-type: none"> NT\$27,470 per month (approx. CN¥5,992) and NT\$183 per hour (approx. CN¥40) Will increase to NT\$28,590 per month, and NT\$190 per hour (approx. CN¥6,237 and CN¥42) 	<ul style="list-style-type: none"> Labour Insurance Health Insurance Labour Retirement Fund

Statutory Retirement Age and Severance Pay

Country/Region	Statutory Retirement Age	Severance Related Payments
Hong Kong	No statutory requirement	<ul style="list-style-type: none"> Employees who have worked over 2 years are eligible for severance or long service pay Last month's wage or average daily wage x 2/3 (capped at HK\$15,000) x Years of Service
Macau	65 years old	<ul style="list-style-type: none"> Depending on years of service, the compensation will amount to 7 days to a maximum of 20 days of basic remuneration
Japan	60 years old <ul style="list-style-type: none"> Companies are required to provide job opportunities until the employee reaches 65 years old if they wish to keep working In 2025, the retirement age will be changed to 65 years old 	<ul style="list-style-type: none"> No statutory obligation to pay severance allowance upon termination

Country/Region	Statutory Retirement Age	Severance Related Payments
South Korea	60 years old	<ul style="list-style-type: none"> Employees who have worked for at least 1 year are eligible for severance pay 30 days' average wages for each year of continuous service Applicable for termination, retirement, and resignation
Taiwan	65 years old	<ul style="list-style-type: none"> 0.5 month's average wage for every full year of employment The total severance pay should not exceed more than 6 months of average wage

Collective Bargaining, Employment Disputes and Dual Employment

Country/Region	Collective Bargaining	Employment Disputes Channels	Dual Employment
Hong Kong		Labour Relations Division offices	<ul style="list-style-type: none"> No statutory restriction; depending on the company policy
Macau		Labour Affairs Bureau (DSAL)	<ul style="list-style-type: none"> No statutory restriction; depending on the company policy
Japan		Labour Bureau	<ul style="list-style-type: none"> No statutory restriction; depending on the company policy Point to note: The calculations of social insurance may be impacted
South Korea		Union and/or Department of Labour	<ul style="list-style-type: none"> No statutory restriction; depending on the company policy Point to note: It may reach the upper limit of the monthly base income for national pension calculations
Taiwan		Ministry of Labour – Labour Procedure Act (LPA)	<ul style="list-style-type: none"> No statutory restriction; depending on the company policy Point to note: It may trigger additional contributions to 2nd generation health insurance supplementary premium

Comparison of Overtime and Leave

Working Hours and Overtime

Country/Region	Working Hours	Overtime Payments
Hong Kong	<ul style="list-style-type: none"> No statutory restrictions 	<ul style="list-style-type: none"> No statutory requirement
Macau	<ul style="list-style-type: none"> 48 hours per week or 8 hours per day The maximum working hours per day cannot exceed 12 and 16 hours (subject to the situation) 	<ul style="list-style-type: none"> Requested by the employer but irrespective of the employee's consent: 150% Requested by the employer with the employee's prior consent or initiated by the employee with the employer's prior consent: 120%
Japan	<ul style="list-style-type: none"> 40 hours per week or 8 hours per day The maximum allowed is 45 hours per month and 360 hours per year 	<ul style="list-style-type: none"> From 125% to 175% depending on the overtime situations When working late at night in excess of statutory working hours exceeding 60 hours in a month: 175%
South Korea	<ul style="list-style-type: none"> 40 hours per week Employees can agree to a maximum of 12 hours of overtime per week 	<ul style="list-style-type: none"> At least 150% for overtime work Night work on working days: 150% Holiday work up to 8 hours: 150% Holiday work exceeds 8 hours: 200%
Taiwan	<ul style="list-style-type: none"> 40 hours per week or 8 hours per day The maximum working hours per day cannot exceed 12 hours 	<ul style="list-style-type: none"> Generally, the first 2 hours: 134%; the following 2 hours or above: 167% During rest days, overtime exceeds 8 hours: 267% During off days, overtime per hour: 200%

Annual Leave and Sick Leave

Country/Region	Annual Leave	Sick Leave
Hong Kong	<ul style="list-style-type: none"> Increases progressively from 7 days to a maximum of 14 days according to the length of service 	<ul style="list-style-type: none"> 2 days accumulated for each completed month during the first 12 months, and 4 days for each completed month of employment thereafter Capped at 120 days
Macau	<ul style="list-style-type: none"> A minimum of 6 working days of annual leave during the second year of service 	<ul style="list-style-type: none"> An employee who has completed the probationary period is entitled to 6 days of paid absence for sickness or accident in each calendar year
Japan	<ul style="list-style-type: none"> Increases progressively from 10 days to a maximum of 20 days according to the length of service 	N/A
South Korea	<ul style="list-style-type: none"> 1 to 11 days leave in less than 1st year of work 15 days leave in the 2nd year The leave entitlement increases every two years from 3rd year until a maximum of 25 days 	N/A
Taiwan	<ul style="list-style-type: none"> 6 months to less than a year: 3 days 1 year ≤ 2 years: 7 days 2 years ≤ 3 years: 10 days 3 years ≤ 5 years: 14 days 5 years ≤ 10 years: 15 days After 10 years of service, one additional day of leave is given, capped at 30 days 	<ul style="list-style-type: none"> 30 days for non-hospitalisation leave in a year Maximum 1 year for hospitalisation leave in 2 years The total number of sick leave taken shall not exceed one year

Key Challenges

Overtime in South Korea

In South Korea, there is a 52-hour rule. An employer shall, in addition to the ordinary wages, pay employees at least 50% thereof for extended work (overtime).

For employees who perform night work (referring to the work performed between 10 pm and 6 am of the next day), an employer shall, in addition to the ordinary wages, pay at least 50% to them.

For employees who perform work on a holiday, the employer shall pay them in addition to the ordinary wages for at least:

- Holiday work for up to eight hours: 50% of the ordinary wages
- Holiday work exceeding eight hours: 100% of ordinary wages

Overtime in Japan

- The maximum allowed is 45 hours per month and 360 hours per year.
- Companies are required to pay additional wages, as determined in the table below, to employees who:
 - (a) Work in excess of statutory working hours (8 hours a day)
 - (b) Work on statutory days off
 - (c) Work late at night (between 10 pm and 5 am)

No.	Items	Rate of Increase
1	Work in excess of statutory working hours	25%
2	Work in excess of statutory working hours exceeding 60 hours per month	50%
3	Work on statutory days off	35%
4	Work late at night between 10 pm and 5 am	25%
5	Excess of statutory working hours exceeding 60 hours per month	50%
6	Work late at night in excess of statutory working hours exceeding 60 hours per month	75%
7	Work late at night on statutory days off	60%



Overtime Management in Japan

- Implement “Article 36 Agreement” (Japan)
 - Companies whose employees work overtime on a regular basis must prepare and file the “Article 36 Agreement”, an agreement regarding overtime work between employees and employers to the Labour Standards Inspection Office.
- “Blank Wage System”
 - Including a certain number of overtime hours in the base salary. It must be clearly mentioned in the employment contract.
- Flexible working hours
- Compensatory time off in lieu of overtime pay
- Advanced OT application

Updates in Hong Kong's MPF System

eMPF Platform

Since its launch in December 2000, the Mandatory Provident Fund (MPF) System in Hong Kong has undergone a significant transformation, transitioning to a pivotal digital phase with the introduction of the [eMPF Platform](#), now live and operational.

This centralised and integrated electronic platform aims to standardise, streamline, and automate MPF scheme administration processes. By enhancing operational efficiency, reducing administrative costs, and offering a seamless user experience for scheme members and employers, the eMPF Platform marks a significant milestone in MPF evolution.

When the eMPF Platform is in place, all MPF administrative processes including enrolling in MPF schemes, making MPF contributions, consolidating MPF accounts, managing MPF portfolios, reviewing investment performance and more, will now be centralised and digitalised on the eMPF Platform to improve efficiency and accuracy.

The schedule for the MPF Scheme and Trustee Onboarding to the eMPF Platform is structured in four stages. The first batch of trustees has already been successfully onboarded to the eMPF Platform.

No.	MPF Scheme(s)	MPF Trustee	Onboarding Date
1	MASS Mandatory Provident Fund Scheme	YF Life Trustees Limited	26 June 2024
2	China Life MPF Master Trust Scheme	China Life Trustees Limited	29 July 2024
3	BCOM Joyful Retirement MPF Scheme	Bank of Communications Trustee Limited	3 September 2024
4	SHKP MPF Employer Sponsored Scheme	Standard Chartered Trustee (Hong Kong) Limited	2 October 2024
5	BEA (MPF) Value Scheme	Bank of East Asia (Trustees) Limited	29 October 2024
6	BEA (MPF) Industry Scheme BEA (MPF) Master Trust Scheme	Bank of East Asia (Trustees) Limited	Q1/Q2 2025 (Tentative)
7	Principal MPF - Simple Plan, Principal MPF - Smart Plan, Principal MPF Scheme Series 800	Principal Trust Company (Asia) Limited	Q1/Q2 2025 (Tentative)
8	BOC-Prudential Easy-Choice Mandatory Provident Fund Scheme, My Choice Mandatory Provident Fund Scheme	BOCI-Prudential Trustee Limited	Q1/Q2 2025 (Tentative)
9	AMTD MPF Scheme, BCT (MPF) Industry Choice, BCT (MPF) Pro Choice, BCT Strategic MPF Scheme, Manulife RetireChoice (MPF) Scheme	Bank Consortium Trust Company Limited	Q1/Q2 2025 (Tentative)
10	AIA MPF - Prime Value Choice	AIA Company (Trustee) Limited	Q2/Q3 2025 (Tentative)

No.	MPF Scheme(s)	MPF Trustee	Onboarding Date
11	Sun Life Rainbow MPF Scheme	Sun Life Trustee Company Limited	Q2/Q3 2025 (Tentative)
12	Manulife Global Select (MPF) Scheme	Manulife Provident Funds Trust Company Limited	Q3/Q4 2025 (Tentative)
13	Fidelity Retirement Master Trust, Haitong MPF Retirement Fund, Hang Seng Mandatory Provident Fund - SuperTrust Plus, HSBC Mandatory Provident Fund - SuperTrust Plus	HSBC Provident Fund Trustee (Hong Kong) Limited	Q3/Q4 2025 (Tentative)

BIPO's HR Management System (HRMS) now features API integration with the eMPF Platform, enabling direct submission of remittance statements for contributions and employee data for enrolment and termination.

Reach out to us today to explore further details and ensure a seamless integration process to the eMPF Platform.

Contact Information

If you would like to understand more about employment compliance in North Asia, please reach out to our representatives:

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Around the World with BIPO

At BIPO, we are committed to facilitating international business growth. Here's a quick look at how we foster discussions with the business community, sharing our expertise at local events across the region!

To find out more about our events, follow us on [LinkedIn!](#)

Singapore

1 Oct
SID Directors Conference
2024



7 Oct
Thriving Together: Innovative Solutions
for People and Business Success



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AN INITIATIVE BY
Enterprise Singapore SINGAPORE BUSINESS FEDERATION

16 – 17 Oct
Accounting & Business Show
Asia 2024

**ACCOUNTING
BUSINESS SHOW ASIA**

25 Oct
Strategy Planning & Technology
for Better Governance



Shanghai

18 Oct
BIPO Global Voices 2024



About BIPO

Established in 2010 and headquartered in Singapore, BIPO is a trusted provider of payroll and people solutions in **over 160 global markets**.

Our comprehensive HR offerings include **Human Capital Management solutions**, **Global Payroll Outsourcing**, and **Employer of Record services**, powered by our award-winning HR Management System and Athena BI (Business Intelligence) platform.

At BIPO, we deliver customised services and scalable tech-enabled solutions that automate processes, simplify workflows, and generate actionable insights.

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