



## ● About the National Pension Scheme

- ▶ The National Pension Scheme is a Social Security System implemented by the Government to ensure the stable livelihood by collecting contributions and paying pension benefits for the insured or their dependents, to prepare for retirement or unexpected calamities such as disability and death.

## ● Compulsory Coverage of the National Pension Scheme

- ▶ Foreigners aged between 18 and 60 residing in Korea are subject to the compulsory coverage of the National Pension Scheme, the same as Korean nationals. Foreigners whose countries don't cover Korean nationals under their public pension schemes, however, are excluded from coverage under the NPS.
- ▶ Despite the above provisions, if there are relevant provisions under the Social Security Agreement between Korea and any foreign countries, those provisions will be applied.

### ※ Countries exempted from the National Pension (20 Countries)

South Africa, Nepal, The Maldives, Myanmar, Bangladesh, Vietnam, Saudi Arabia, Singapore, East Timor, Armenia, Ethiopia, Iran (under the social security agreement), Egypt, Tonga, Pakistan, Fiji, Cambodia, Belarus, Mongolia, Uzbekistan

## ● Payment Contributions

- ▶ For workers in the workplace, the employees and their employers should make contributions for the employees amounting to 4.5% of the standard monthly income respectively, based on the employees' earned income.
- ▶ The Individually Insured Persons should make contributions amounting to 9% of their reported standard monthly income.
  - ※ There is no discrimination in terms of the contribution rate between foreigners and Koreans. The payment should be made no later than the 10th day of the following month.

## ● Benefits

- ▶ If foreign insured persons are entitled to an Old-age, Disability, or Survivor Pension, they will receive pension benefits the same as Korean nationals.
- ▶ Old-age Pension
  - The Old-age Pension is paid monthly to those whose insured period is 10 years or more and are over 60 years old. The pensionable age will increase by 1 year every five years, starting from the year 2013, until it reaches 65 in 2033.
- ▶ Disability Pension
  - The Disability Pension is paid to those with a disability after the treatment of diseases or injuries incurred during the insured period, according to the degree of their disability.



Annuities will be paid to those with 1st, 2nd and 3rd degree disabilities and lump-sum benefits will be paid to those with 4th degree disabilities.

### ▶ Survivor Pension

- If currently insured persons or pensioners are deceased, a Survivor Pension will be paid every month to their surviving dependents whose livelihood was supported by the deceased person.

### ▶ Lump-sum Refund

- In principle, a lump-sum refund is not paid to foreigners, however, in the case of foreigners falling under any of the following items, when they leave Korea, reach the age of 60, a lump-sum refund equivalent to the amount of contributions paid plus the fixed interest is paid to them, or to their survivors if they should die.

- ① A foreigner whose home country has concluded a social security agreement with Korea to secure benefit rights by combining the insured period in each country.
- ② A foreigner whose country grants Koreans a benefit corresponding to a lump-sum refund. (on the principle of reciprocity, Article 102-2 of the National Pension Act)
- ③ A foreign worker whose stay visa falls under E-8, (Employment for Training) E-9 (Non-professional Employment, or H-2 (Visiting Employment).

### ※ Countries provided lump-sum refunds (34 Countries)

Belize, Grenada, Nigeria, Barbados, Saint Vincent and Grenadine, Zimbabwe, Cameroon, Congo, Thailand, Togo, Venezuela, Ghana, Malaysia, Vanuatu, Bermuda, Sudan, Sri Lanka, Switzerland, El Salvador, Jordan, India, Indonesia, Kazakhstan, Kenya, Trinidad and Tobago, The Philippines, Hong Kong, Turkey, Columbia, Germany, U.S., Canada, Hungary, France, Australia

## ● Application for the Lump-sum Refund

### ▶ Required documents

- Applying in Korea (before departing Korea):
  - Application form, a copy of your ID card (passport, Alien Registration Card), a copy of your bankbook, a copy of your plane ticket, etc.
- Applying overseas (after departing Korea):
  - ① Application form (notarized from a notary agency of the country in which you reside and attested to by the Korean Consulate or Embassy)
  - ② A copy of your passport
  - ③ A copy of your bankbook
  - ※ When you apply for a lump-sum refund through an agent in Korea, the application must be submitted only by mail in order to avoid extra administration fees and incorrect or false applications.

- ▶ Contact Place: Regional offices of the National Pension Service  
([www.nps.or.kr](http://www.nps.or.kr) ⇒ Regional Offices)