

## Labor Union Act

### Chapter I General Provisions

#### Article 1

The Labor Union Act (here-in-after referred to as the Act) is enacted in order to promote solidarity of workers, enhance their status and improve their livelihood.

#### Article 2

A labor union is a juristic person.

#### Article 3

The term “competent authority” referred to in the Act shall be the Ministry of Labor at the central level, the municipal government at the municipal level, and the county (city) government at the county (city) level.

#### Article 4

All workers shall have the right to organize and join labor unions.

Military personnel in service and employees in the munitions industry, which is affiliated with and supervised by the Ministry of National Defense, shall not organize labor unions. The scope of munitions industry shall be determined by the Central Competent Authority together with the Ministry of National Defense.

Teachers may organize and join labor unions in accordance with the Act.

Association and organization of civil servants at all levels of governments and public schools shall be governed by other applicable statutes.

#### Article 5

The tasks of a labor union are as follows:

1. Conclusion, amendment and abolishment of a collective bargaining agreement,
2. Settling of labor-management disputes,
3. Improvement of labor conditions, occupational safety and health and welfare of its members,
4. Promotion of the formulation and amendment of labor policies and labor statutes and regulations,
5. Provision of labor education,
6. Provision of employment services for its members,
7. Provision of recreational activities for its members,
8. Facilitating and settling of disputes between the labor union and its members,
9. Undertaking of business in accordance with statutes and regulations,
10. Surveying of workers’ family livelihood and compilation of labor statistics, and
11. Undertaking other matters that are pursuant to the objectives of Article 1 of the Act and as prescribed by related statutes.

### Chapter II Organizations

#### Article 6

Labor unions can be classified into the following three types; however, teachers can only organize and join the labor unions referred to in Subparagraphs 2 and 3:

1. Corporate union: a labor union organized by employees of the same factory or workplace, of the same business entity, of enterprises with controlling and subordinate relationship between each other in accordance with the Company Act, or of a financial holding company and its subsidiaries in accordance with the Financial Holding Company Act,
2. Industrial union: a labor union organized by workers in the industry, and.
3. Professional union: a labor union organized by workers with the same professional skills.

Organizational district of a professional union in accordance with Subparagraph 3 of the preceding paragraph shall be limited in the municipal city or county (city) where it locates.

#### Article 7

Employees shall join the corporate union organized in accordance with Subparagraph 1, Paragraph 2 to the preceding article.

#### Article 8

Labor unions may organize a confederated labor union. The name, level, district and type of the confederated labor union shall be prescribed in its union charter.

A confederated labor union shall have full-time personnel to handle its union affairs. In case a confederated labor union is organized on a nation basis, the number of labor unions proposing to organize it shall reach over one-third of the total amount of labor unions of the same type, and the labor unions proposing shall spread in no less than one half of municipal cities, counties (cities) of the whole nation.

#### Article 9

The number of corporate union of the same scope organized in accordance with Subparagraph 1 of Paragraph 1 to Article 6 of the Act shall be no more than one.

The number of professional union of the identical type organized in the same municipal city or county (city) shall be no more than one.

#### Article 10

The name of a labor union shall not be identical to any other labor unions.

#### Article 11

A labor union shall be organized by the signatures of no less than thirty workers. A preparatory committee shall be set up to openly recruit members, draft union charter, and convene the inaugural general meeting.

The preparatory committee referred to in the preceding paragraph shall, within thirty days following the convention of the inaugural general meeting, submit the union charter and name lists of its members, members of the board of director and

members of the board of supervisors, to the competent authority of the municipal city or county (city) where the labor union is located, to apply for a registration certificate. However, a confederated labor union organized on a nation basis in accordance with Article 8 of the Act shall register with the Central Competent Authority and apply for a registration certificate.

#### Article 12

A union charter shall contain the following subparagraphs:

1. Name,
2. Objectives,
3. Organizational district,
4. Address,
5. Tasks,
6. Organization,
7. Initiation, withdraw, suspension and expulsion of members,
8. Rights and obligations of members,
9. Number, authority, election, removal and suspension of members' representatives, directors and supervisors; if standing members of the board of directors, standing members of the board of supervisors and deputy chairperson of the board of directors are elected, they shall be also recorded,
10. The appointment and dismissal of secretary-general or chief of staff, if any,
11. The authority, election, dismissal and suspension of chairpersons of the board of directors and the board of the supervisors,
12. Meetings,
13. Budget and accounting,
14. Establishment and management of funds,
15. Disposal of property,
16. Amendment of union charter, and
17. Other matters that shall be prescribed in accordance with related statutes and regulations.

#### Article 13

The adoption of a union charter shall be agreed upon by no less than two-thirds of members or members' representatives who presented at the inaugural general meeting which is attended by one half of members or members' representatives.

### Chapter III Members

#### Article 14

Supervisory employees who represent employer in exercising managerial authority may not join the labor union in that business entity, except where the union charter prescribes otherwise.

#### Article 15

In case the number of members of a labor union is more than one hundred, member representatives may be elected in accordance with the union charter.

The term of service of member representatives shall not exceed four years each term. The term of service for those member representatives elected starts with the date when the first member representatives' meeting is convened.

#### Article 16

The general meeting of members of a labor union shall be the body with supreme authority of the union. However, in case a labor union has a general meeting of member representatives, the authority of the general meeting of members shall be exercised by the general meeting of member representatives.

### Chapter IV Directors and Supervisors

#### Article 17

A labor union shall have directors and supervisors, and their number shall be as follows:

1. In case a labor union has members less than five hundred, it shall have five to nine directors; in case its members are more than five hundred, it can have two more directors for every additional five hundred of members. However, the total number of directors shall not exceed twenty-seven in any event.
2. The total number of directors of a confederated labor union shall not exceed fifty-one.
3. The number of supervisors of a labor union shall not exceed one-third that of its directors.

In case the number of directors or supervisors prescribed in the preceding paragraph is three or more, a labor union may elect standing directors or supervisors in accordance with its union charter and their number shall not exceed one-third of its directors or supervisors. A labor union may have alternate directors or supervisors and their number shall not exceed one half of its directors or supervisors.

A labor union shall have one chairperson of the board of directors to represent it officially in external affairs, it may also have a deputy chairperson if required.

Chairperson and deputy chairperson shall be directors of the labor union.

In case a labor union has three or more supervisors, it shall have a board of supervisors and a chairperson of the board. The chairperson of the board of supervisor shall execute the resolutions of the board and attend without voting rights in the meeting of the board of directors.

#### Article 18

During the adjournment of the general meeting of members or member representatives, the board of directors shall handle all matters of the labor union.

Supervisors of a labor union shall review the accounting book of the labor union, audit all kinds of business undertaken by it and matters prescribed in the union charter. They may assume aforesaid tasks jointly with related professionals. The authority of supervisors shall be exercised by the board of supervisors in case a labor union has such a board.

#### Article 19

A member of a labor union who is twenty years of age or over may be elected as a director or supervisor of the labor union.

A member of a labor union who also has joined an industrial or commercial organization shall not be elected as a director, a supervisor, a standing director, a standing supervisor, the deputy chairperson, the chairperson of board of directors or the chairperson of board of supervisors.

#### Article 20

The term of service of directors, supervisors, standing directors, standing supervisors, deputy chairperson and chairperson of board of directors and chairperson of board of supervisors of a labor union shall be no more than four years.

The chairperson of board of directors of a labor union shall be re-elected for a consecutive term.

#### Article 21

A labor union shall be jointly and severally liable for any damage inflicted on the third party by any of its directors, supervisors, standing directors, standing supervisors, deputy chairperson and chairperson of board of directors, chairperson of board of supervisors and their substitutes in the course of exercising their duties.

### Chapter V Meetings

#### Article 22

When a labor union convenes a meeting, and the notice of meeting shall list the following sub-paragraphs:

1. Reasons and subjects of the meeting,
2. Date and time,
3. Location, and
4. Other matters.

#### Article 23

The general meeting of members or member representatives of a labor union is classified into two types: the regular meeting and the extraordinary meeting. Both of them shall be convened by the chairperson of board of directors.

The regular meeting shall be convened at least once each year and the notice of such a meeting shall be received by members or member representatives no later than fifteen days prior to the scheduled meeting date.

The extraordinary meeting shall be convened by the chairperson of board of directors of a labor union by the resolution of the board of directors, or upon request of over one-fifth of total members or over one-third of total member representatives, or upon request of the board of supervisors. The notice of such a meeting shall be received by members or member representatives no less than three days prior to the scheduled meeting date. However, in case an extraordinary meeting is convened due to an emergency reason, the notice of such a meeting may be received by members or member representatives no later than one day prior to the scheduled meeting date.

#### Article 24

The meeting of board of directors of a labor union is classified into two types: the regular meeting and the extraordinary meeting. Both of them shall be convened by the chairperson of board of directors.

The regular meeting shall be convened at least once each three months and the notice of such a meeting shall be received by the directors no later than seven days prior to the scheduled meeting date.

The extraordinary meeting shall be convened by the chairperson of board of directors upon request of over one-third of the directors. The notice of such a meeting shall be received by the director no later than one day prior to the scheduled meeting date. The chairperson of board of directors may also convene such a meeting when he or she deems it as necessary.

Directors shall attend the meetings in person.

In case a labor union has a board of supervisors, its regular or extraordinary meeting shall be convened, mutatis mutandis, the preceding four paragraphs. The meeting shall be convened by the chairperson of board of supervisors.

Supervisors may attend the meetings of the board of directors to state their opinions.

#### Article 25

In case the regular meeting referred to in the preceding two articles cannot be convened in accordance with related statutes or the union charter, the competent authority may designate one of the directors or supervisors to convene the meeting. In case the extraordinary meeting referred to in the preceding two articles cannot be convened by the chairperson of board of directors or the chairperson of board of supervisors within ten days on the date when the request was made, the person or persons who make the request may apply to the competent authority to designate a person concerned to convene the meeting.

#### Article 26

The following matters shall be resolved by the general meeting of members or

member representatives:

1. Amendment of the union charter.
2. Disposal of property.
3. Confederation, merging, splitting or dissolution of the labor union.
4. Election, dismissal and suspension of member representatives, directors, supervisors, standing directors, standing supervisors, deputy chairperson, chairperson of board of directors and chairperson of board of supervisors.
5. Suspension and expulsion of members.
6. Standards for collecting various fees, budget, standards for payment and methods of payment and auditing for the labor union.
7. Approval of business reports and annual financial settlement.
8. Utilization and disposal of funds.
9. Establishment of businesses for members.
10. Maintenance and alternation of labor conditions for members.
11. Other important matters concerning members' rights and obligations.

In case matters referred to in Subparagraph 4 of the preceding paragraph are resolved by the meeting, it shall not be restricted by the Civil Organizations Act and other related statutes and regulations.

For suspension or expulsion of a member, the member shall be given the opportunity to give a statement prior to the resolution to be made at the meeting of members or the meeting of member representatives.

#### Article 27

A general meeting of members or member representatives shall not be convened without the attendance of over one half of the total members or member representatives and a resolution shall not be reached without the approval of over one half of members or member representatives present. However, matters referred to in Sub-paragraphs 1 to 5, Paragraph 1 to the preceding article shall not be resolved without the approval of two-thirds of members or member representatives present. In case a member or a member representative cannot attend the meeting, he or she may designate in writing another member or member representative to attend the meeting on his or her behalf. Each member representative may only designate one proxy and the total number of proxies shall not exceed one-third of member representatives who attend the meeting in person. Methods of designation, conditions, counting of the number of such designation and other matters that need to be observed shall be prescribed by the Central Competent Authority.

In case a member representative of a confederated labor union designates a proxy to attend the meeting, the designation shall not only follow the requirements referred to in the preceding paragraph, but shall also limit to other member representative of

the same labor union or the same profession or industry affiliated with.

## Chapter VI Finance

### Article 28

Sources of expenditures of a labor union are as follows:

1. Initiation fees,
2. Regular membership dues,
3. Funds and interests derived thereof,
4. Profits from business undertaken,
5. Revenues from consignments,
6. Donations,
7. Government subsidies, and
8. Other revenues.

Initiation fees referred to in the preceding paragraph for every member shall not be less than a member's one-day wage at time of admission. Regular membership fees shall not be less than 0.5% of the member's monthly wage.

When a corporate union receives the consent of its members, the employer shall check off union dues from members' wage on the date when they formally become union members and transfer the dues to the labor union.

Membership fees of a member union paid to its confederated labor union shall be calculated in accordance with the number of its members reported to the confederated labor union; unless the union charter of the confederated labor union has provided otherwise.

The maximal amount of membership fees referred to in the preceding paragraph shall not exceed thirty percent of the total membership fees paid by members of the member unions, and the minimal amount of them shall not be less than five percent; unless the union charter of the confederated labor union has provided otherwise.

### Article 29

A labor union shall submit a written report concerning its financial situations to its general meeting of members or member representatives annually. After the signature of no less than one-tenth of total members or no less than one-third of member representatives, members or member representatives concerned may elect representatives to accompany supervisors to audit financial situations of the labor union.

### Article 30

A labor union shall set up financial operation and auditing mechanisms respectively. The standards for subparagraphs of handling financial matters, accounting reports, compiling of budget and annual financial settlement, management of property, auditing of financial situations and other related matters that need to be abided by

labor unions shall be prescribed by the Central Competent Authority.

## Chapter VII Supervision

### Article 31

A labor union shall report the following matters to the competent authority for review and record within thirty days after submitting annual financial settlement:

1. Name lists of its directors, supervisors, standing directors, standing supervisors, deputy chairperson of the board of directors, chairperson of the board of directors and chairperson of the board of supervisors,
2. Name lists of members admitted and withdrawn,
3. Name lists of member unions of a confederated labor union,
4. Financial reports, and
5. Situations of union affairs and business undertaken.

When a labor union does not comply with the preceding paragraph or the competent authority that deems it as necessary may order the labor union to submit the report within a given period or send personnel to inspect and examine the labor union.

### Article 32

A labor union shall report to the competent authority for review and record after the amendment of its union charter and the changes of its directors, supervisors, standing directors, standing supervisors, deputy chairperson of the board of directors, chairperson of the board of directors and/or chairperson of the board of supervisors.

### Article 33

In case that the procedures for convening a general meeting of members or member representatives, or the methods of adopting resolutions at such a meeting violate statutes, regulations or union charter, a member or member representative attended may file a suit to a court to abolish the resolution within thirty days after the adoption of such a resolution, provided that, if the member or member representative attended has not raised any opposition during the meeting, the member or member representative is not allowed to file the suit.

In case that the court deems the violation is insignificant and has no effect on the resolution, it may dismiss the suit for abolishing the resolution referred to in the preceding paragraph.

### Article 34

The contents of a resolution adopted at a general meeting of members or member representatives violate statutes, regulations or union charter, such a resolution shall be null and void.

## Chapter VIII Protections

### Article 35

An employer or supervisory employees who represent the employer in exercising the managerial authority shall not have the following practices:

1. Refusing to hire, dismiss, demote, reduce the wage of, or render other unfair treatment to an employee who organizes or joins a labor union, participates in activities held by a labor union, or assumes the office of a labor union,
2. Requiring an employee or job applicant not to join a labor union or assume the office of a labor union as a condition of hiring preceding paragraph,
3. Refusing to hire, dismiss, demote, reduce the wage of, or render other unfair treatment to an employee who requests collective bargaining or participates in related activities concerning collective bargaining,
4. Dismiss, demote, reduce the wage of, or render other unfair treatment to an employee who participates in or supports industrial action, and
5. Improperly influence, impede or restrict the establishment, organization or activities of labor union.

Any dismissal, demotion, reduction of wage made by the employer or supervisory employees who represent the employer in exercising the managerial authority as prescribed in the preceding paragraph shall be null and void.

#### Article 36

In case that it is necessary for the directors or supervisors of a labor union to handle union affairs during their working hours, the labor union may reach an agreement with their employer to provide them with a certain number of hours as official leave. In case that a corporate union and the employer do not reach such an agreement as prescribed in the preceding paragraph, its chairperson of the board of directors may be entitled to have an official leave for half a day or a whole day, and other directors or supervisors may have an official leave for up to fifty hours per month to handle union affairs.

In case that a director or supervisor of a corporate union assumes the chairperson of board of directors of a national confederated labor union and the corporate union does not reach such an agreement as prescribed in Paragraph 1 to the article, the director or supervisor may have an official leave for half a day or a whole day to handle union affairs.

### Chapter IX Dissolution and Change of Organization

#### Article 37

A labor union may by itself declare dissolution by a resolution adopted at a general meeting of members or member representatives for any of the following reasons:

1. Bankruptcy,
2. Inadequacy in number of members,
3. Merging or spitting, and

4. Other reasons as deemed necessary by the general meeting of members or member representatives.

In case that a labor union cannot declare dissolution by itself in accordance with Sub-paragraphs 1 to 3 of the preceding paragraph or cannot operate in accordance with the union charter, the court may dissolve the labor union upon the request of the competent authority, public prosecutor or interested third party.

#### Article 38

In case that a labor union has made a resolution for merging or spitting, it shall complete the merging and spitting within one year from the date when the resolution is made.

When a corporate union is merging as a result of the amalgamation of plant sites or business units, the merging shall be completed within one year after the amalgamation standard date is set. In case that the merging has not completed upon the expiration of the said period, the competent authority may order it to merge within a given period, and if the merging cannot be achieved, the labor union shall be ordered to restructure.

When a labor union has merged or spitted in accordance with the preceding two paragraphs, it shall within thirty days after the completion of merging and spitting report the processes, union charter, name lists of directors or supervisors to the competent authority for review and record.

In case that an administrative district has changed, a labor union may maintain its original name after the resolution of a general meeting of members or member representatives. However, when the name of a labor union has changed, it shall submit the minute of the meeting to the competent authority for review and record within ninety days after the change of the administrative district. When the labor union has changed its name, which cannot be identical with that already registered by other labor union.

In case that a labor union has resolved in accordance with the preceding paragraph, the counting of its sequence shall be resolved by its general meeting of members or member representatives.

#### Article 39

The surviving or newly established labor union after the merging shall generally assume the rights and obligations of the labor union which is ceased to exist after the merging.

For the labor union which is established after the splitting, the portion of rights and obligations the labor union succeeds shall be concurrently decided by the time when the general meeting of members or member representatives of the original labor union has resolved to spit.

#### Article 40

In case that a labor union by itself declares to dissolve, it shall submit the reason and time of dissolution to the competent authority for review and record within fifteen days of the dissolution.

#### Article 41

Unless the dissolution of a labor union is due to bankruptcy, merging or change of organization, otherwise its property shall be liquidated.

#### Article 42

Upon the dissolution of a labor union, its residual property shall, except for paying debts, be processed in accordance with union charter or the resolution adopted by the general meeting of members or member representatives. However, the residual property shall not be transferred to individuals or for-profit organizations.

In case that a labor union cannot process its residual property in accordance with the preceding paragraph, the property shall be transferred to the local autonomous organization where the labor union is located.

#### Chapter X Penal Provisions

#### Article 43

In case that a labor union violates statutes, regulations or union charter, the competent authority may issue a warning or order it to improve within a given period. The competent authority may also order the labor union to suspend part or all of its businesses before making any improvement within a given period if it deems it as necessary.

In case that a labor union seriously violates statutes, regulations or union charter, or has not made any improvement after the expiration of the given period, the competent authority may remove its directors, supervisors, chairperson of the board of directors or chairperson of the board of supervisors.

#### Article 44

When the competent authority sends personnel to examine and audit a labor union in accordance with Paragraph 2 to Article 31 of the Act, or requests the labor union to submit the documents prescribed in Paragraph 1 to the same Article within a given period, if the labor union avoids, impedes, refuses to abide, or has not submitted the documents within the given period, for the person who commits such actions shall be fined no less than N.T.\$ 30,000 but not exceeding N.T.\$ 150,000.

#### Article 45

When an employer or supervisory employees who represent the employer in exercising the managerial authority violate Paragraph 1 to Article 35 of the Act, and the decision of such violation has been rendered in accordance with the Settlement of Labor-Management Disputes Act, the Central Competent Authority shall impose a

fine of no less than N.T.\$ 30,000 but not exceeding N.T.\$ 150,000 on the employer. When an employer or supervisory employees who represent the employer in exercising the managerial authority violate Sub-paragraphs 1, 3 or 4 of Paragraph 1 to Article 35 of the Act, and has not undertaken any action or inaction within the period as prescribed in the decision rendered in accordance with the preceding paragraph, the Central Competent Authority shall impose a fine of no less than N.T.\$ 60,000 but not exceeding N.T.\$ 300,000 on the employer.

When an employer or supervisory employees who represent the employer in exercising the managerial authority violate Sub-paragraphs 2 to 5 of Paragraph 1 to Article 35 of the Act, and has not undertaken any action or inaction within the period as prescribed in the decision rendered in accordance with Paragraph 1 to the Article, the Central Competent Authority shall impose a fine of no less than N.T.\$ 60,000 but not exceeding N.T.\$ 300,000 on the employer, and also order the employer to correct within a given period. If the employer fails to take corrective action within a given period, the fine may be imposed consecutively.

#### Article 46

When an employer does not give the official leave in accordance with Paragraph 2 to Article 36 of the Act, a fine of no less than N.T.\$ 20,000 but not exceeding N.T.\$ 100,000 shall be imposed.

#### Chapter XI Supplementary Provisions

#### Article 47

For labor unions that were organized before the implementation of the Act, if their names, union charters, numbers or terms of services of their director or supervisors are not consistent with the provisions of the Act, those inconsistencies shall be corrected when the most recent general meeting of members or member representatives is convened.

#### Article 48

The enforcement rules of the Act shall be prescribed by the Central Competent Authority.

#### Article 49

The date of enforcing the Act shall be determined by the Executive Yuan.