

Guide to the National Pension for Foreigners

About the National Pension Scheme

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

Compulsory Coverage of the National Pension Scheme

- Like Korean nationals, foreigners aged between 18 and 60 who reside in Korea are subject to the compulsory coverage of the National Pension Scheme. Foreigners whose countries do not 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 country, those provisions will be applied.

Payment Contributions

- For workers, the employees and their employers should each make contributions for the employees amounting to 4.5% of the standard monthly income respectively, based on the employees' earned income, for a total contributions of 9% of the employee's monthly income.
- 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 according to the same standards 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.

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Benefits

■ Lump-sum Refund

- In principle, a lump-sum refund is not paid to foreigners. However, in the case of foreigners meeting any any of the following criteria, when they leave Korea or 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.
- ③ A foreign worker whose visa is either E-8, (Employment for Training) E-9 (Non-professional Employment), or H-2 (Visiting Employment).

※ Countries eligible for lump-sum refunds (44 Countries)

Via Reciprocity : 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, Tunisia, Uganda, Bhutan

By Agreement : Germany, U.S., Canada, Hungary, France, Australia, Czech Rep. Belgium, Poland, Slovakia, Bulgaria, Romania, Austria

Application for the Lump-sum Refund

■ Required documents

- Applying in Korea (before departing Korea):

Application form, a copy of ID card (passport, Alien Registration Card), bankbook, plane ticket.

- Applying overseas (after departing Korea):

- ① Application form (notarized by a notary agency of the country in which you reside and attested to by the Korean Consulate or Embassy)
- ② A copy of passport
- ③ A copy of 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.

APPLICATION FOR LUMP-SUM REFUND AT THE AIRPORT

※ Who can apply : Any foreigner who is scheduled to depart for his own country through Incheon International Airport within a month of his/her application

- Airport Payment is applicable only if the flight's departure time is during the week between 11:00 and 24:00.

- After applying for the Lump-sum Refund at an NPS regional branch, get a "Directions for Payment of Lump-sum Refund" form from the Incheon Airport Office on the date of departure. (09:00~17:00)

- Get a "Receipt of Currency Exchange" from Shinhan Bank(1F) Incheon International Branch after handing in "the Directions for Payment of Lump-sum Refund" form at Shinhan Bank (arrive before 17:00)

- You will be eligible to receive the Lump-sum Refund in cash (except Korean currency) at "the currency exchange booth" (3F) after going through the immigration departure procedure (arrive before 21:00).