

Korean Labor Law: Expected Changes in 2026

Below we list significant changes to Korean employment & labor law that are scheduled to occur in 2026, and additional changes which we anticipate are likely to occur during 2026.

With local elections scheduled for June 3, 2026, changes in the political landscape may affect the timing or substance of certain labor-related bills currently under discussion. Accordingly, it will be important to continue monitoring legislative developments in light of the broader political calendar.

You can find our most recent regular legal update [here](#). We have also published newsletters on other significant recent developments, including:

- *Korea's New Pro-Union Yellow Envelope Act Passes*, available at [this link](#)

For additional updates in Korean, please see our recent Korean-language newsletter available at [this link](#).

Scheduled Changes

Change	Effective Date	Importance
1. Minimum wage set at KRW 10,320/hour for 2026 The Minimum Wage Council under the Ministry of Employment and Labor (MOEL) has set the 2026 minimum wage at KRW 10,320 per hour. Based on the standard monthly calculation of 209 working hours, the monthly equivalent is KRW 2,156,880.	January 1, 2026	Low
2. Social insurance rate hikes The contribution rates have been increased for the National Pension (9.0% to 9.5%) and National Health Insurance (7.09% to 7.19%). Employer and employee are each responsible for 50% of the total contribution.	January 1, 2026	Medium
3. Increase in working-hours reduction benefits (childcare period) For the first 10 hours of reduced hours per week, the monthly base ceiling increases from KRW 2.2 million to KRW 2.5 million. For the remaining hours, the ceiling increases from KRW 1.5 million to KRW 1.6 million.	January 1, 2026	Low

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Change	Effective Date	Importance
4. Support for “10 AM Start” childcare policies Monthly support of KRW 300,000 per employee to SMEs that reduce hours to 15–35 hours/week without reducing pay.	January 1, 2026	Low
5. Increase in the maximum amount of unemployment insurance job-seeking benefits The maximum daily wage used as the basis for calculating job-seeking benefits will be increased from KRW 110,000 to KRW 113,500 (increasing the maximum daily benefit amount from KRW 66,000 to KRW 68,100).	January 1, 2026	Low
6. Enhancement of replacement-worker subsidies The government will expand subsidies for eligible SMEs that need to replace or cover for employees on childcare leave by extending coverage periods, paying subsidies in full upfront, and increasing monthly caps.	January 1, 2026	Low
7. Yellow Envelope Act becomes effective Major changes to Korea’s union law will take effect. For details, see our newsletter, <i>Korea’s New Pro-Union Yellow Envelope Act Passes</i> , available at this link .	March 10, 2026	High

Anticipated Changes

Change	Anticipated Timing	Importance
1. Retirement age increase The government proposes to raise the minimum mandatory retirement age employers can establish from 60 to 65. Debate on legislative specifics continues, but we expect that legislation implementing a phased increase is likely to pass during 2026.	Legislation likely in 2026	High
2. Average-wage litigation Cases involving the proper way to handle certain kinds of performance bonuses when calculating employees’ “average wage” remain pending at the Korean Supreme Court. The “average wage” is the base rate for calculating legal entitlements like mandatory severance benefits, and the Court’s decision could have a major financial impact on companies operating in Korea. There is no deadline, but many expect the Court to issue its decisions during 2026.	Decision anticipated in 2026	High

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Change	Anticipated Timing	Importance
3. Working hours reduction <p>There is ongoing debate about the government's goal of reducing working hours. Labor groups have been advocating for reducing the statutory working-hours limit. But the government and business community have not adopted this position. Some expect that the government may instead look to make working-hours tracking mandatory.</p>	Uncertain	High
4. Establishing an income-based standard for unemployment insurance <p>Legislation to shift the standard for unemployment-insurance eligibility from working-hours-based to income-based is being debated at the National Assembly. The amendment would make eligibility income-dependent, regardless of working hours, and is intended to bring ultra-short-hours workers within the system.</p>	Final legislation anticipated in 2026	Medium

Related Areas

Labor & Employment

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