

■ Case Highlights ■

Successful representation on behalf of company in claiming for bonuses for 500 employees who were hired from contractor

The plaintiffs were the employees who were hired by the company while working for a contractor to the company. The plaintiffs argued that the provisions of the rules on the bonus, which provided for the bonus to be calculated by the number of days of the actual employment since the start of the employment (the “Clauses on Actual Number of Days”) as to the employees having started the employment within one year, were either invalid or inapplicable to the plaintiffs. The plaintiffs further filed a complaint to the Seoul Central District Court against the company seeking a part of the bonus which was reduced. The plaintiffs argued that (1) the Clauses on Actual Number of Days were invalid as they were either exceeding the scope of the collective agreements or against the nature of the bonus which was not in consideration of the employment, (2) the plaintiffs were recognized to have a certain number of years of experience by the special agreement reached between the labor union and the management, and therefore, not under one year since the start of employment, and (3) the plaintiffs were the employees practically dispatched to the company while being employed by the contractor, and therefore, deemed to be employed by the company under the Act on the Protection, Etc. of Temporary Agency Workers.

However, the Seoul Central District Court determined that (1) the company’s rules on the bonus were valid as supplementing the collective agreements; (2) the number of years of experience recognized by the special agreement between the union and the company was intended for the purpose of giving recognition to the experience for certain partial payments specified under the above-mentioned agreement without any relations to the number of days of the actual employment; and (3) the arguments for the employees’ relationships as temporary workers may not be accepted as they were

not in accordance with the agreement to withhold from any legal actions which the plaintiffs agreed to at the time of the employment. The Seoul Central District Court therefore dismissed all the claims of the plaintiffs.

Jipyong represented the company and strongly argued the effectiveness of the Provisions on the Actual Number of Days and the applicable criteria, the circumstances surrounding the employment, as well as the purpose and legitimacy of the particular employment to bring about successful results.

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