

PANORAMIC

LABOUR & EMPLOYMENT DISPUTES

South Korea

 LEXOLOGY

Labour & Employment Disputes

Contributing Editor

Naeema Choudry

Eversheds Sutherland

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Contributors

South Korea

JIPYONG LLC

 JIPYONG LLC

Young Hwan Kwon

yhkwon@jipyong.com

Marc Kyuha Baek

khbaek@jipyong.com

Bada Kang

bdkang@jipyong.com

PRE-ACTION CONSIDERATIONS

Key Requirements

Are there any pre-action requirements for employment claims? If so, what are the consequences of non-compliance?

In South Korea, there are generally no mandatory pre-action procedures that must be exhausted before bringing an employment-related claim to court. However, in certain cases, particularly those concerning unfair dismissal or unfair labour practices, employees are encouraged to first seek redress through the Labour Relations Commission (LRC), a quasi-judicial administrative body established to handle labour disputes efficiently and cost-effectively. Although initiating a claim with the LRC is not a strict legal prerequisite, it serves as a critical gatekeeping function for unfair dismissal and unfair labour practice cases.

Additionally, parties may consider several non-mandatory but useful steps, such as internal grievance procedures, voluntary dispute resolution via labour-management councils, and mediation services offered by the Ministry of Employment and Labour. While these informal mechanisms are not legally binding, they can help resolve issues quickly, with lower litigation costs.

Law stated - 25 7 2025

Third-party funding

Are there any rules or restrictions on third parties funding the costs of litigation or agreeing to pay adverse costs?

Third-party litigation funding as a form of investment is not expressly regulated under Korean law yet, and is rare in employment-related disputes. The Korean legal system does not recognise doctrines such as champerty or maintenance as in common law jurisdictions. Funding arrangements that improperly assign litigation rights or promote frivolous lawsuits could potentially be deemed against social order and therefore unenforceable under article 103 of the Civil Act. Further, sharing profits arising from litigation funding could violate the Attorney-at-Law Act, which prohibits gaining benefits by introducing a litigation case to an attorney.

However, third-party funding as a form of aid is not generally restricted. In practical terms, most individual employment litigants rely either on personal funds or legal aid services, including support from the Korea Legal Aid Corporation, which provides representation and financial assistance to qualifying low-income individuals. But if a company funds its director or employee for litigation, it could be deemed a breach of trust, thus violating article 356 of the Criminal Act, unless funding the litigation is beneficial to the company.

Law stated - 25 7 2025

Contingency fee arrangements

Can lawyers act on a contingency fee basis? What options are available? What issues should be considered before entering into a contingency fee arrangement?

Contingency fee arrangements are legally permitted in South Korea and are commonly used in employment litigation. These agreements are especially attractive to employees who may lack the resources to pay upfront legal fees, and are often used in disputes over unpaid wages, severance pay or unfair dismissal.

There is no statutory ceiling on the amount recoverable under a contingency fee arrangement, but courts have the authority to reduce fees they deem excessive or unfair. A typical structure involves a modest base fee combined with a success fee calculated as a percentage of the amount awarded by the court.

However, for criminal cases, the Supreme Court's 2015 decision rendered any contingency fee agreement void, as it is considered to be against the social order under article 103 of the Civil Act.

Law stated - 25 7 2025

ISSUING A CLAIM

Forum

What is the appropriate forum for complaints concerning individual employment rights?

Employment-related claims in South Korea may be pursued through several forums, depending on the nature of the dispute. The Labour Relations Commission (LRC) has jurisdiction over claims involving unfair dismissal, unfair labour practices, and certain disputes relating to collective bargaining such as labour mediation. The LRC operates under an inquisitorial model and is typically more expedient than the formal court process. But if either party appeals to the LRC's decision, the Administrative Court reviews whether the decision was appropriate.

Civil courts handle claims for unpaid wages, severance, bonuses, unjust dismissal, damages due to breach of employment contracts, or tortious acts in the workplace such as defamation or harassment. Where the claim value is less than 30 million won, the case is decided in the Small Claims Division, which offers simplified procedures and expedited rulings. In disputes involving public employees or governmental agencies, the Administrative Court is the appropriate forum.

Law stated - 25 7 2025

Territorial jurisdiction

Are there any limitations on territorial jurisdiction?

Territorial jurisdiction in South Korea, governed by the Civil Procedure Act, generally lies with the court having authority over the defendant's residence or the place where the obligation

(eg, wage payment or the provision of work) was to be carried out. In employment disputes, this often means the employee's everyday workplace.

Cross-border or expatriate arrangements may raise jurisdictional questions, particularly when the employment contract is silent on jurisdiction. Where work is habitually performed in Korea or the employer has a business presence or address in Korea, jurisdiction for the Korean court is approved when an employee wishes to file an employment lawsuit against the employer in Korea. When an employer attempts to file a lawsuit against the employee, the employer can only do so in Korea if the employee lives in Korea or habitually provides work in Korea. Any agreement over international territorial jurisdiction is allowed only when a dispute has already occurred or when the agreement allows the employee to file a lawsuit in other countries.

Law stated - 25 7 2025

Standing

Who can bring a claim?

In general, standing is granted to any individual or legal entity whose rights or obligations are directly affected by the employment relationship. This includes full-time, part-time, fixed-term, and dispatched workers. Interns, probationary workers and independent contractors may also have standing if they can demonstrate that the substance of their work arrangement meets the criteria of de facto employment under Korean labour jurisprudence.

Because "employee" under the Labour Standards Act (LSA) and "worker" under the Labour Union Act have different definitions, a worker may also bring a claim regarding labour union issues even though he or she is not necessarily considered as "an employee".

Labour unions have derivative standing to bring claims on behalf of their members in relation to unfair labour practices or breaches of collective bargaining agreements. In cases of mass layoffs or group claims involving collective issues, class-based procedural mechanisms are limited, but joint litigation is allowed where claims share a common factual and legal basis.

Courts interpret standing broadly in employment matters to ensure access to justice, especially for workers in vulnerable or asymmetrical power relationships.

Law stated - 25 7 2025

Commencing claims

How are claims commenced?

A claim is commenced by submitting a written complaint to the relevant court or the LRC, depending on the type of dispute. The complaint must include basic identifying information of the parties, a statement of relevant facts, the legal grounds supporting the claim, and a specific claim for relief.

Electronic litigation is now the standard in civil courts and is strongly encouraged by the judiciary. South Korea's e-litigation platform enables parties and their counsel to file pleadings, monitor case progress and receive documents electronically.

Fees

Are fees payable for the issuing of a claim?

Filing with the court incurs certain fees, but court fees in South Korea are modest by international standards and are calculated based on the amount in dispute. For example, in wage claims or severance disputes, the claimant pays a filing fee proportional to the amount claimed, in addition to a fixed amount for service charges.

In contrast, proceedings before the LRC are free of charge. This fee structure reflects the LRC's role in promoting swift and accessible resolution of labour disputes. Parties may, however, incur additional costs for legal representation, expert opinions or translation and interpretation services where necessary.

In addition, it is common for the courts to order the losing party to pay for the litigation costs.

Law stated - 25 7 2025

Service

Is any qualifying service required?

There is no requirement for a minimum period of employment to bring a claim unless specified by a particular statute. For instance, some protections under the LSA require three months of continuous service, but wage or contract-based claims may be filed regardless of the length of the service.

Law stated - 25 7 2025

Defendants and legal personality

Against whom can a claim be brought? Can claims be brought against natural persons as well as corporations?

Under Korean labour law, a proper defendant must qualify as the statutory "employer", meaning the person or entity that exercises actual control, supervision and direction over the employee's work. In most cases, it is the corporate entity that has entered into the employment contract and governs the employment relationship in practice. A claim could be brought against a natural person if such a person has employed the employee.

Individual claims may be brought personally against executives, supervisors or HR personnel in cases involving defamation, assault or sexual and workplace harassment, where the claim does not require its defendant to be an employer.

In the public sector, the appropriate government agency or administrative office should be specified as the defendant.

Law stated - 25 7 2025

Types of claims

What types of claims can be brought?

Common claims include demands for unjust dismissal/disciplinary measures, unpaid wages and severance pay, which are protected under the Labour Standards Act and relevant collective agreements.

Dismissal and disciplinary measure-related claims take up a significant proportion of employment litigation. These may involve challenges to disciplinary terminations, non-renewal of fixed-term contracts or dismissals during probation. Employees may allege that the termination was procedurally unfair, substantively unjust or based on discrimination.

Other claim types include allegations of workplace harassment, sexual harassment, discrimination based on gender, age or disability, as well as violations of working hours regulations and annual leave. Claims may also arise from breaches of employment contracts, and misclassification of independent contractors (recognition of employee status).

In addition, claims regarding unfair labour practices – such as discriminatory treatment against union members, refusal to engage in collective bargaining or unlawful employer interference with union activities – are also frequently litigated before the LRC and the courts.

Law stated - 25 7 2025

Time limits

What are the time limits for bringing employment claims?

Statutory limitation periods apply to most employment-related claims in South Korea. Under the LSA, claims for unpaid wages, severance pay and annual leave must be filed within three years. This period may be interrupted by initiating legal proceedings.

Claims for unfair dismissal must be submitted to the LRC within three months of the date of dismissal. For tort cases, such as those involving harassment or mental distress, the Civil Act prescribes a limitation period of three years from the date the claimant becomes aware of the harm and the responsible party, or 10 years from the date the wrongful act took place, whichever is earlier.

Law stated - 25 7 2025

Counterclaims

Can any counterclaims be brought by an employer?

Employers may bring counterclaims against employees in the same proceeding where the subject matter is sufficiently related to the original claim. Typical counterclaims include demands for repayment of overpaid wages, indemnification for company property damage or restitution for unauthorised absences.

Law stated - 25 7 2025

CASE MANAGEMENT

Procedure

What is the typical sequence of procedural steps in an employment dispute?

The procedural flow of employment litigation in South Korea follows a structured sequence, although the exact proceedings may vary depending on the forum – whether a civil court, administrative tribunal or the Labour Relations Commission (LRC). In civil courts, the process typically begins with the submission of the complaint and supporting evidence. Once the submission is completed, the defendant is allowed to respond by filing a written answer; an exchange of briefs with evidence and legal arguments follows.

After initial pleadings, the court may hold one or more hearings to review the issues, check the evidence and examine witnesses when necessary. Depending on the complexity of the case, multiple hearings may be held before the court declares the close of hearings and moves to judgment. Hearings may be held in person or, increasingly, through video conference, in accordance with digital court protocols.

In the LRC, case management is more expedited than in civil courts, and the commission adopts an inquisitorial approach. Although the LRC also requires written briefs like the courts, oral proceedings are central to the process, with the commission directly questioning the parties and witnesses to establish the facts. While legal representation is not required, parties commonly seek assistance from legal professionals such as attorneys. Hearings are typically held once or twice, and written rulings are issued within a month of the final session.

Notably, while South Korea does not operate a dedicated labour court, the LRC system functions as a quasi-judicial mechanism with a two-stage structure: the regional LRC and the central LRC. If a party is still dissatisfied with the outcome at the central LRC, it may then file a lawsuit at the administrative court, which follows a three-instance structure – district court, high court and the Supreme Court. As a result, certain employment disputes – particularly those involving unfair dismissal or unfair labour practices – could go through up to five separate stages of review before a final, binding decision is rendered. Partly in response to this structure, the current administration has announced plans to introduce a dedicated labour court, targeted for 2027, although the enabling legislation is still pending.

Law stated - 25 7 2025

Rules

What rules apply to case management?

The rules applicable to case management in employment litigation derive primarily from the Civil Procedure Act for civil cases, the Administrative Litigation Act for disputes involving public authorities, and the Labour Relations Commission Act for cases before the LRC. These statutory frameworks set out procedural timelines, evidentiary rules and the authority of judges or commissioners to manage proceedings.

In addition to statutory law, courts may issue standing orders or procedural guidelines governing submissions, witness scheduling, and adjournments. Judges possess broad

discretion to consolidate or bifurcate issues or require supplemental briefing. In practice, Korean courts favour efficiency and may encourage parties to narrow down the issue and explore mediation at early stages.

At the LRC, proceedings are governed by administrative efficiency and, while formal rules of evidence under the Civil Procedure Act do not strictly apply, parties are expected to cooperate fully and submit documents within prescribed time frames. The LRC may even take initiative in gathering evidence or directing investigative inquiries.

Law stated - 25 7 2025

Amendments to claims

Under what circumstances can amendments to claims be made?

Amendments to claims are generally permitted unless they do not fundamentally alter the nature of the original claim or cause undue delay or prejudice to the opposing party. In civil court proceedings, claimants may seek to amend their complaint prior to the close of arguments by filing a motion.

The court typically allows such amendments where they clarify factual allegations, add legal grounds already implied in the original pleadings, or revise the amount of damages claimed based on new evidence discovered during the litigation. However, attempts to introduce entirely new causes of action or parties at a late stage may be rejected on grounds of procedural unfairness.

Law stated - 25 7 2025

Adding parties to proceedings

Can additional parties be brought into a case after commencement?

Under the Civil Procedure Act, additional parties may be joined to an existing case if their legal interests are sufficiently connected to the subject matter of the litigation. Joinder is generally permitted, particularly where multiple employees assert claims based on the employer's common policies or practices.

The process requires court approval, and the initiating party must file a motion detailing the reasons for the joinder along with any necessary amendments to the complaint. The added party must be properly served and provided an opportunity to respond.

Law stated - 25 7 2025

Consolidating proceedings

Can proceedings be consolidated?

South Korean courts have the discretion to consolidate two or more proceedings where they involve the same questions regarding fact or law. Consolidation is particularly useful in employment litigation involving multiple claimants asserting the same rights – such as

unpaid wage claims from a number of employees against the same company – or where counterclaims and original claims are separately filed but closely interrelated.

To consolidate, a party must file a motion detailing the related cases and justifying why a unified proceeding would promote judicial efficiency and prevent inconsistent outcomes. The court may also initiate consolidation *sua sponte*. Once granted, the cases proceed as a single case, with shared evidence, unified scheduling and a single judgment.

Consolidation may also occur before the LRC when multiple cases involve the same employer and substantially identical facts.

Law stated - 25 7 2025

Class and collective actions – special considerations

Are there any special considerations for class actions, multi-party or group litigation?

South Korea does not maintain a certified class action framework for employment disputes like the United States. However, the Civil Procedure Act permits joint litigation where multiple plaintiffs assert rights arising from the same transaction or legal basis. These proceedings are managed collectively but adjudicated based on each individual's specific claim.

In employment litigation, this form of collective action is commonly used by groups of employees alleging similar violations – such as unpaid overtime or discriminatory practices. While these claims are joined procedurally, the court must make individualised findings for each claimant.

Law stated - 25 7 2025

Evidence

How is witness, documentary and expert evidence dealt with?

Evidence in employment litigation may take the form of written documents, oral testimony, audio-visual recordings, expert reports and electronic communications.

It is common for a party to submit witness statements to supplement their arguments. Either party may request oral testimony for a witness, but the court may not grant it if deemed unnecessary. Once an oral testimony is approved, the other party is guaranteed to have an opportunity for a cross-examination.

Documentary evidence – such as payslips, employment contracts, work schedules and internal HR communications – often plays a pivotal role. In Korean employment litigation, courts take into account the structural imbalance between employers and employees with respect to access to evidence. As such, where facts are primarily within the employer's control – such as working hours, wage payments or grounds for dismissal – sometimes the burden of proof may, in practice, seem to shift to the employer. The courts may also draw adverse inferences from an employer's failure to submit relevant documents without a justifiable reason, pursuant to the Civil Procedure Act.

Where technical issues arise (eg, occupational health assessments), expert evidence may be allowed.

Although the rules of evidence are more relaxed at the LRC, parties are still expected to support their assertions with credible proof. The commission may also request additional evidence on its own initiative.

Law stated - 25 7 2025

Witnesses

Can a witness be compelled to give evidence? Can a witness give evidence from abroad?

Yes. Witnesses may be compelled to give evidence if requested by either party and deemed necessary by the court. The court may issue a subpoena to enforce attendance. Failure to appear without just cause may lead to penalties.

Testimony from abroad is also permitted under the Civil Procedure Act, which allows the examination of witnesses via video or online transmission systems when the court finds it appropriate and after consulting both parties. This is typically considered in situations where the witness resides far from the court, is ill or faces other legitimate difficulties attending in person.

Law stated - 25 7 2025

Witnesses

Is cross examination of a witness permitted?

Yes. Cross-examination is permitted under the Civil Procedure Act. A witness is first examined by the party who requested the witness, followed by cross-examination by the opposing party. The presiding judge may also examine the witness at any time and may, if necessary, adjust the order of questioning or restrict repetitive or irrelevant questions to ensure procedural efficiency.

Law stated - 25 7 2025

Tactical considerations

What steps can a party take during proceedings to achieve tactical advantage in a case?

Parties may employ various procedural tools. One such tool is a motion for dismissal on procedural grounds, such as lack of standing, jurisdictional defects or expiry of the statute of limitations.

While Korean law does not provide for summary judgment in the same manner as common law jurisdictions, certain simplified procedures – such as small claims proceedings or payment orders – may serve a similar function in clear-cut cases.

Parties may also seek a settlement by requesting a mediation session to close the litigation as early as possible. The courts also often prefer closing the case by mediation.

Law stated - 25 7 2025

INTERIM RELIEF

Availability

Can interim relief be sought in employment disputes? If so, in what types of claims?

Interim relief is available in South Korean employment litigation. Interim injunctions may be sought to suspend dismissals, preserve employment status or prevent enforcement of disciplinary measures during the litigation proceedings. For example, an employee may apply for an injunction to suspend the effect of disciplinary actions such as dismissal, demotion or wage reduction until a final judgment is rendered.

On the other hand, employers may also seek interim relief in the form of injunctions to prevent obstruction of business operations, especially in cases involving collective actions such as strikes and sit-ins, and confidential information or trade secrets. These injunctions against interference with business are often pursued alongside compensation claims or criminal complaints, depending on the nature and the severity of the disruption.

Law stated - 25 7 2025

Requirements

Are there any particular requirements relating to applications for interim relief?

To obtain interim relief, the applicant must show probable grounds and that it is necessary to avoid significant harm. Courts assess whether the measure is appropriate and urgent, and may require the applicant to provide a security deposit under the Civil Execution Act. Documentary evidence is essential to support the application. Interim measures generally remain effective until a final judgment or settlement.

Law stated - 25 7 2025

TRIAL

Hearings – conduct and typical time frames

How is a final hearing conducted for common types of employment disputes? How long does a hearing typically last?

Final hearings in civil courts are conducted before a panel or a single judge, depending on the case. Hearings in employment cases typically last from a few months to a year.

Hearings before the Labour Relations Commission (LRC) are generally quicker and may be resolved within one to two months. A notable feature of LRC hearings is the active questioning by the panel members, who often intervene directly to clarify facts.

Law stated - 25 7 2025

Confidentiality and public access

How is confidentiality treated? Can all evidence be publicly accessed? How are sensitive employment issues dealt with? Is public access granted to the courts?

Civil hearings are generally open to the public, but parties may request closed sessions to protect trade secrets, personal data or reputational interests. Written submissions and evidence can be accessed by all parties in the litigation unless reasonable grounds not to disclose are sufficiently proved.

In practice, courts often accept requests for confidentiality in disputes involving sensitive interpersonal matters, such as workplace harassment, medical conditions or internal disciplinary actions.

Law stated - 25 7 2025

Media reporting

How is media interest dealt with? Are there any restrictions on media reporting?

There are no special rules for media in employment cases. Standard defamation, privacy and contempt of court rules apply. Courts may prohibit media coverage to protect sensitive information or individuals involved in the case, especially in high-profile or harassment-related claims.

Law stated - 25 7 2025

Elements of successful claims and burden of proof

How does a court decide if the claims or allegations are proven? What are the elements required to find in favour, and what is the burden of proof?

The claimant must prove the essential elements of the claim. For example, in dismissal cases, once the employee proves the existence of dismissal, the burden shifts to the employer to prove the just cause. In practice, South Korean courts often demand that the employer provide necessary evidence, considering their exclusive control over relevant documents or internal information.

A successful claim typically depends on well-documented evidence such as employment contracts, pay statements and internal communications. Where claims involve mental distress or bullying, corroborative witness statements or medical records can significantly strengthen the case.

Law stated - 25 7 2025

ALTERNATIVE DISPUTE RESOLUTION

Available types

What types of alternative dispute resolution (ADR) are available for employment disputes in your jurisdiction?

ADR in employment disputes includes voluntary mediation, conciliation and arbitration. The Labour Relations Commission (LRC) offers structured mediation services before escalating to adjudication. Civil courts may refer parties to court-annexed mediation councils, either upon the parties' request or on the court's own initiative.

Law stated - 25 7 2025

Requirements and expectations

Are the parties required or expected to engage in ADR at the pre-action stage or later in the case? What are the consequences of failing to engage in ADR?

ADR is not mandatory but encouraged. Under South Korean law, parties are not penalised for refusing mediation recommended by the court. If mediation fails, the case proceeds to trial. The LRC and the courts increasingly promote mediation.

Law stated - 25 7 2025

Enforcement

How are ADR decisions and awards enforced for employment disputes in your jurisdiction?

Settlements reached through mediation are enforceable as judicial decisions. Although arbitration is not commonly used in employment disputes, arbitration awards are enforceable under the Arbitration Act.

Law stated - 25 7 2025

COLLECTIVE EMPLOYMENT AND LABOUR RIGHTS

Enforcement of collective rights

How are collective employment rights enforced?

Collective labour rights in South Korea are protected by the Constitution and the Trade Union and Labour Relations Adjustment Act (TLA). These rights encompass the freedom of association, the right to organise and join unions, the right to bargain collectively, and the right to take industrial action. Enforcement of such rights typically involves oversight by the

Labour Relations Commission (LRC), which has the jurisdiction to hear cases concerning unfair labour practices, including employer interference with union activities, refusal to bargain in good faith, or discriminatory treatment against union members. Notably, under the amended TLA, effective March 2026, "employer" for these purposes extends to any person who substantially and specifically controls or determines working conditions even without a direct employment contract, so bargaining duties may now reach principal companies in relation to their subcontractors' workers.

If the LRC finds that the employer has committed an unfair labour practice, it may issue a corrective order requiring the employer to cease the offending conduct, reinstate workers dismissed in retaliation for union activities, or post public notices acknowledging the violation. These orders are binding but may be contested through administrative litigation.

In addition to LRC proceedings, civil courts may play a supplementary role in enforcing collective agreements. If an employer violates the collective bargaining agreement, such as work hours, wage scales, or grievance procedures, the affected union members may bring claims for breach of contract.

A lawful strike must be preceded by a majority vote of union members and may not be undertaken during the period of obligatory mediation. Unlawful strikes may expose union executives and members to civil or even criminal liability, including damages claims for economic loss. As a result, unions are advised to ensure full procedural compliance before engaging in industrial action. However, under the amended TLA, courts must now apportion damages arising from industrial action or other union activities individually, according to each person's responsibility and degree of contribution, rather than holding all participants jointly and severally liable. In practice, this makes wholesale recovery of strike-related losses harder for employers.

The Ministry of Employment and Labour also monitors compliance with collective rights. Government inspectors may intervene to mediate disputes or enforce labour laws where systemic violations are suspected.

Law stated - 25 7 2025

Standing

Who can bring a claim in relation to collective employment rights?

The standing to enforce collective labour rights lies primarily with trade unions, which are recognised legal entities under the TLA. They may act in their own name to protect their organisational interests or to represent individual members in disputes concerning union-related matters.

Individual workers may also bring claims where their personal rights arising from a collective agreement or as a trade union member are infringed. In such cases, the individual's standing is grounded in their membership of the union and their status as a party to the employment relationship.

Law stated - 25 7 2025

REMEDIES AND ENFORCEMENT

Available remedies

What remedies are available?

South Korean employment law provides a range of remedies aimed at compensating damaged employees. These include reinstatement for unfair dismissal, back pay for lost wages, and compensation for damages resulting from breach of contract or statutory violations.

Reinstatement accompanied by back pay is the primary remedy in cases of unfair dismissal handled by the Labour Relations Commission (LRC). Civil courts also handle monetary claims for unjust dismissal, unpaid wages, bonuses, severance pay and overtime. In certain cases, particularly involving harassment or discrimination, compensation for mental suffering may also be awarded.

Corrective orders may be issued in LRC proceedings, requiring employers to cease unfair labour practices or comply with statutory obligations. Punitive damages are not available, but administrative fines may be imposed for such breaches.

Law stated - 25 7 2025

Assessing compensation

How is any compensation assessed?

Compensation is assessed based on actual financial loss. Courts and the LRC will examine payslips, employment contracts and other documentation to calculate amounts owed. In dismissal cases, back pay is calculated from the dismissal date to the date of judgment, while excluding any income earned in the meantime.

In addition to civil remedies, South Korean labour law imposes criminal liability on employers for certain violations, such as unpaid wages, unfair labour practices and breaches of occupational safety regulations. In such cases, company representatives may face criminal penalties.

Law stated - 25 7 2025

Enforcement mechanisms

How can any judgment be enforced?

Once a judgment is final, it may be enforced through the Civil Execution Act. This includes seizure of assets, garnishment of wages or freezing of bank accounts. The LRC enforces its decision through the order for implementation and criminal prosecution.

Law stated - 25 7 2025

APPEALS

Appeal procedure and time frames

How and when can judgments be appealed? How many stages of appeal are there and how long do appeals tend to last?

In South Korea, most employment-related judgments may be appealed. For civil cases, an appeal to the High Court and the Supreme Court must be filed within two weeks of receiving the lower court's written decision.

The Labour Relations Commission's (LRC) decision may also be appealed. The decision by the Regional LRC may be appealed to the Central LRC, and the Central LRC's decision could further be challenged through the Administrative Court. Subsequent appeals to the High Court and the Supreme Court are also permitted. As a result, the full process may involve up to five stages of review, making it substantially longer and more layered than ordinary civil litigation. Appeal proceedings typically take several months, and courts may request additional written submissions or evidence during the process.

Law stated - 25 7 2025

Other means of challenge

Can a judgment be challenged other than through the appeal process?

Apart from standard appeals, limited opportunities exist to challenge decisions through reconsideration. These include correction of clerical errors and retrial requests in exceptional circumstances. Retrial may be sought where serious procedural violations or newly discovered decisive evidence come to light after the final judgment has been rendered. It serves as an extraordinary remedy and must be filed separately before the court that issued the original judgment. Such procedures are strictly interpreted and rarely granted.

Law stated - 25 7 2025

UPDATE AND TRENDS

Recent cases and developments

What are the key cases, decisions, judgments and policy and legislative developments of the past year?

The most significant legislative development is the enactment of the long-debated "Yellow Envelope Law" – amendments to articles 2 and 3 of the Trade Union and Labour Relations Adjustment Act (TLA). The amendments took effect on 10 March 2026. The amendments expand the definition of "employer" to any person in a position to substantially and specifically control or determine working conditions, even without a direct employment contract – thereby allowing unions of subcontracted workers to demand collective bargaining directly with principal companies. They also broaden the scope of lawful industrial disputes and require courts to apportion damages liability for industrial action individually, according to each party's responsibility and degree of contribution. In the first month alone, over 1,000 subcontractor unions demanded bargaining with principal companies.

In addition, recent court rulings have broadened the scope of "employee" under the Labour Standards Act, especially in industries involving freelance-type arrangements, platform work

and the sports sector. This trend has led to a noticeable increase in claims such as severance pay, annual leave and unpaid wages, as more individuals formerly regarded as independent contractors are now recognised as employees. Courts are increasingly willing to look beyond contractual forms to determine the substance of the relationship. In the platform economy, for example, building on the Supreme Court's landmark *Tada* ruling, which recognised a driver engaged through a ride-hailing platform as an employee and established a platform-specific framework for assessing employee status, the Seoul High Court recently became the first court to recognise a delivery rider working through a delivery platform app as an employee under the Labour Standards Act, finding that the platform's app-based direction and control created a subordinate relationship and that the unilateral termination of the rider's contract constituted a dismissal. This shift reflects a substantive approach that prioritises the actual nature of the working relationship over its formal designation.

The same approach is visible in the area of in-house subcontracting, where outcomes increasingly turn on the specific features of each arrangement. In one case, the Supreme Court ruled in favour of Celltrion, a biopharmaceutical company, confirming that a subcontractor's compliance with standard operating procedures mandated by GMP regulations does not in itself evidence the direction and control required for a finding of illegal dispatch, while in other configurations it found illegal dispatch – notably where a principal company's electronic work-management systems and service manuals functioned as instruments of direction over subcontracted workers. Employers relying on in-house subcontracting should therefore expect close, fact-specific scrutiny of how work is actually directed.

Law stated - 25 7 2025

Technology developments

What impact is technology having on employment litigation in your jurisdiction?

South Korea introduced a comprehensive electronic litigation system in 2011, and today nearly all civil cases, including employment-related disputes, are filed, managed and accessed electronically through the court's online platform. Attorneys routinely use the system for submitting briefs, receiving court notices and reviewing case records. Criminal proceedings have also been digitalised: a criminal e-litigation system launched in October 2025 now covers the entire criminal process, from investigation records to trial, with pre-existing cases continuing on paper during a transition period. While fully paperless trials are not yet standard, digital procedures are firmly established in everyday practice.

Remote hearings and video testimony have become increasingly common in civil proceedings since the covid-19 pandemic. Courts continue to expand the use of video conferencing technology, particularly for procedural hearings or when parties are unable to appear in person.

Law stated - 25 7 2025

Other issues

Are there any other special considerations to be taken into account when defending an employment claim in your jurisdiction?

It is notable that employee rights are expanding rapidly.

One year into his term, President Lee Jae-myung's "labour-respecting" agenda is materialising into concrete legislation and policy. Beyond the Yellow Envelope Law, which took effect in March 2026, the government is pursuing a statutory ban on "comprehensive wage" arrangements (under which fixed overtime allowances are paid regardless of hours actually worked) together with mandatory recording of working hours, a pilot programme for a 4.5-day workweek, and the phased extension of the Labour Standards Act to workplaces with fewer than five employees. A bill to raise the statutory retirement age from 60 to 65 in stages is also pending before the National Assembly, alongside measures to facilitate the accompanying wage-system reform.

Labour-management relations are shifting as well. Performance-based bonuses have emerged as a major flashpoint in collective bargaining at large conglomerates: riding on record semiconductor profits, unions have demanded that profit-sharing bonuses be institutionalised as a fixed percentage of operating profit, and at Samsung Electronics the dispute escalated to the brink of the first full-scale strike in the company's history before a last-minute settlement in May 2026. Employers should expect bonus schemes – their size, calculation basis, and legal characterisation – to become an increasing source of both collective disputes and individual wage litigation.

Finally, a development of general significance for litigation and investigations practice: Korea has codified the attorney–client privilege for the first time. An amendment to the Attorney-at-Law Act promulgated in February 2026 grants clients a statutory right to refuse disclosure of confidential communications with counsel, and although the amendment takes effect in February 2027, it will also apply to communications and materials created before that date. The Supreme Court has already moved in the same direction, holding that legal advice documents exchanged between counsel and a suspect are in principle immune from seizure.

Against this backdrop, employers should thoroughly review their HR policies and closely monitor policy developments to pre-empt potential labour disputes. Proactive compliance strategies will be essential to mitigate legal and reputational risk in what is shaping up to be a more assertively regulated labour environment.

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