HEADQUARTERS, UNITED STATES FORCES, KOREA
UNIT #15237
APO AP 96205-0010

REPLY TO
ATTENTION OF:

EAGA-CP-CC

27 OCT 2003

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Implementation of Wage and Fringe Benefits Out-of-Cycle Adjustments for Korean Employees

1. References:

a. USFK Regulation 690-1, 4 October 1994, Civilian Personnel Regulations and Procedures - Korean Nationals, as changed.

b. Memorandum, HQ USFK, EAGA-CP-CC, 27 June 2003, subject: Implementation of Wage and Fringe Benefits Adjustments for Korean Employees.

2. The following non-US citizen employee wage and fringe benefits provisions are announced for implementation.

a. Applicability. Wage increases resulting from the enclosed wage schedules and other compensation plans authorized by reference 1a apply to Korean employees of all appropriated and nonappropriated fund activities, invited contractors, Korea Support Activity, AAFES, and the members of the Korean Service Corps. Schedules also apply to any other non-US citizen (third country national) employees who are hired locally.

b. Schedule Application. Application of the new wage schedules will be on a step-for-step, grade-for-grade basis, except as provided in reference 1a for employees on saved rates. The effective date for the new wage schedule is 1 November 2003. The new wage schedule will remain in effect until the next wage adjustment.

3. The following fringe benefits are changed:

a. Allowance for Payments-in-Kind (PIK). All employees will be paid an allowance in lieu of payments-in-kind normally provided by Korean companies and government agencies. The allowance will be 825 won per hour for all paid hours, exclusive of overtime hours worked.

b. Tuition Assistance. Effective with the 2004 school year, the total amount of school expenses payment authorized will be changed not to exceed 5,020,000 won per student for undergraduate college with the following restrictions: The tuition assistance is limited to four years of undergraduate studies for students at age 28 or below. Effective with the

2003 school year, tuition assistance for eligible dependent middle school, high school, and college students abroad is the amount applicable to in-country students. There are no quarterly limits for middle school and high school on the amounts to be paid.

c. Paid Days Off for Family Events . Effective 1 July 2003, the paid days off for Family Events is revised as follow:

(1) Employee's marriage – six days.

(2) Marriage of employee's child – two days.

(3) Funeral of employee's parents – six days.

(4) Funeral of employee's spouse – six days.

(5) Funeral of employee's child – four days.

(6) Funeral of employee's spouse's parents – five days.

(7) 60th birthday of employee's parents – one day.

d. Priority Group for Invited Contractor Employees: Effective 1 August 2003, employees of invited contractors will be moved from Priority Group 5 (current employees) to Priority Group 9 (all other qualified applicants), for recruitment purposes. Any job offer made before 1 August 2003 to an invited contractor employee who applied for a United States Forces Korea (USFK) position under Priority Group 5 will be considered valid. Invited contractor employees applying for USFK positions on or after 1 August 2003 will be considered under Priority Group 9.

e. One-year Pilot Program for Installation Management Agency, Korea Region Office (KORO), Morale, Welfare, and Recreation (MWR): Effective 1 August 2003 until 31 July 2004 on a trial basis, KORO MWR may establish a pilot program in which a newly hired employee will serve no less than one year in the position to which he/she is initially hired before he/she can voluntarily move to any other position. Reassignment will be allowed if the employee's move is due to a management-directed action under reduction in force procedures, or if management and the employee mutually agree and the Director of KORO, or his designee, approves release of the employee. The Korean Employees Union and management at the end of the one-year test period will make a review and

determine whether to continue or terminate the program. Interim data on the results of this program will be provided to JLAC members at their next scheduled meeting. The USFK Joint Labor Affairs Committee has the final authority at the end of the test period to approve/disapprove continuation of the program.

4. The following fringe benefits are unchanged:

a. Occupational Premium (OP). All employees occupying KGS-12 and KGS-13 positions as medical doctors will be paid an occupational premium of 30 percent of base pay for all paid hours. The occupational premium will not be included in computing premium pay.

b. Remote Area Allowance. An allowance will be paid to employees required to work at locations designated as remote areas. The amount of the remote area allowance will be 30,440 won per month for those employees paid on a monthly basis. For those employees paid on a four-week basis, the amount will be 28,000 won. For payment of less than a full month, the allowance will be at an adjusted increment of 7,000 won per week with payment for less than full week treated as one week. This allowance will not be paid to employees who are furnished, at no cost, daily commuting transportation to and from the work-site or who are provided both meals and lodging at no expense at the work-site.

c. Benefits Allowance (BA). All employees will be paid an allowance to compensate for various fringe benefits provided by Korean companies and government agencies, but not authorized or authorized at a lower level for US Forces employees. The allowance is 5.8 percent of base pay for all paid hours, exclusive of overtime hours worked.

d. Bonuses:

(1) Employees will be paid the following bonuses:

(a) Lunar New Year: A two-month Lunar New Year bonus will be paid to eligible employees on the rolls as of 30 November, with payment to be made before the Lunar New Year holiday.

(b) Spring Bonus: A one-month spring bonus will be paid to eligible employees on the rolls as of 31 January, with payment to be made in the month of March.

(c) Summer Bonus: A one-month summer bonus will be paid to eligible employees on the rolls as of 30 April, with payment to be made in the month of June.

(d) Chusok Bonus: A two-month Chusok bonus will be paid to eligible employees on the rolls as of 31 July, with payment to be made before the Chusok holiday.

(e) Year-end Bonus: A two-month year-end bonus will be paid to eligible employees on the rolls as of 31 October, with payment to be made in the month of December.

(2) For Korean National employees serviced by the 175th Finance Command in connection with the change to the monthly pay cycle from the four-week pay period, the bonus payment schedules are as follows:

January	One month's pay will be paid to personnel employed as of 30 Nov.
March	One month's pay will be paid to personnel employed as of 31 Jan.
May	One month's pay will be paid to personnel employed as of 31 Mar.
July	One month's pay will be paid to personnel employed as of 31 May
September	Two months' pay will be paid to personnel employed as of 31 Jul.
November	Two months' pay will be paid to personnel employed as of 30 Sep.

(3) Computation:

(a) For four-week pay period: The one-month bonuses are computed by multiplying the scheduled (base) hourly rate by the normally scheduled work hours per four-week pay period with the product multiplied by 1.083; for the two-month bonuses, the product is multiplied by 2.167.

(b) For monthly pay period: The one-month bonuses are computed by multiplying the scheduled (base) hourly rate by the median number of hours for the last three pay periods, including the pay period that contains the bonus eligibility date; for the two-month bonuses, the product multiplied by two.

h. Allowable school expenses are authorized up to a maximum of two students in middle school, high school, or college.

i. Condolence Payment. A condolence payment of 2,000,000 won is authorized for families of deceased employees.

5. Reference 1b is rescinded.

2 Encls
1. Manual Wage Schedule
2. Nonmanual Wage Schedule

TIMOTHY SPANN
MAJ, GS
Acting Deputy Assistant Chief of Staff, G1
(Civilian Personnel)

DISTRIBUTION:
B
Less Publications Stocking Activities

SPECIAL DISTRIBUTION:
20 - ACofS, G1, ATTN: EAGA-CP, APO AP 96205-0009
5 - ACofS, RM, ATTN: EARM, APO AP 96205-0009
20 - Cdr, 51st MSS/DPC, APO AP 96278-2097
5 - Cdr, 8th MSS/DPC, APO AP 96264-2102
5 - Cdr, NAVFORK, APO AP 96205-0023
2 - Cdr, USAAA-KFO, APO AP 96205-0431
10 - Cdr, USACA, APO AP 96205-0062
2 - AMEMB, Seoul, APO AP 96205-0001
2 - AAFES-PACRIM REGION (HR), APO AP 96378-5163
2 - AAFES, Korea FA, APO AP 96205-0003
5 - Capital Exchange, APO AP 96205-0003
5 - Northern Exchange, APO AP 96258-0003
5 - Central Exchange, APO AP 96278-0003
5 - Southern Exchange, APO AP 96218-0003
2 - Dragon Hill Lodge, APO AP 96205-0083
5 - Cdr, 19th TSC, ATTN: EANC-CPOC, APO AP 96218-0171
5 - Cdr, Area I Spt Act, ATTN: EANC-AI-CPAC, APO AP 96258-0707
5 - Cdr, 34th Spt Gp, Area II, ATTN: EANC-SA-CPAC, APO AP 96205-0177
5 - Cdr, US Army Spt Gp, Area III, ATTN: EANC-HG-CPAC, APO AP 96271-0716
5 - Cdr, 20th Spt Gp Area IV, ATTN: EANC-T-CPAC, APO AP 96218-0562
5 - Cdr, Fleet Activities, Chinhae, FPO AP 96267-1100

KOREA - NON-MANUAL SCHEDULE
KGS HOURLY RATES
LOCALLY HIRED, NON-U.S. CITIZEN EMPLOYEES

U.S. FORCES WAGE SCHEDULE

HOURLY RATES (KOREAN WON)

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	CAP*
1	2353	2465	2577	2689	2801	2913	3025	3137	3249	3361	3473	3585	3697	761
2	3161	3311	3462	3612	3763	3914	4064	4215	4365	4516	4666	4817	4967	986
3	3945	4132	4320	4508	4696	4884	5072	5260	5447	5635	5823	6011	6199	1203
4	4708	4932	5157	5381	5605	5829	6053	6278	6502	6726	6950	7174	7399	1416
5	5452	5712	5972	6231	6491	6751	7010	7270	7530	7789	8049	8308	8568	1623
6	6187	6481	6776	7070	7365	7660	7954	8249	8543	8838	9133	9427	9722	1827
7	6909	7238	7567	7896	8225	8554	8883	9212	9541	9870	10199	10528	10857	2027
8	7614	7976	8339	8701	9064	9427	9789	10152	10514	10877	11239	11602	11964	2223
9	8300	8695	9091	9486	9881	10276	10671	11067	11462	11857	12252	12648	13043	2414
10	8972	9399	9827	10254	10681	11108	11535	11963	12390	12817	13244	13672	14099	2601
11	9626	10084	10542	11001	11459	11917	12376	12834	13292	13751	14209	14668	15126	2783
12	10262	10751	11240	11728	12217	12706	13194	13683	14172	14660	15149	15638	16126	2960
13	10888	11407	11925	12444	12962	13480	13999	14517	15036	15554	16073	16591	17110	3133

* Consolidated Allowance Payment
Effective Date: 1 November 2003

KOREA - MANUAL SCHEDULE
KWB HOURLY RATES
LOCALLY HIRED, NON-U.S. CITIZEN EMPLOYEES

U.S. FORCES WAGE SCHEDULE

HOURLY RATES (KOREAN WON)

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	CAP*
1	3344	3503	3663	3822	3981	4140	4299	4459	4618	4777	4936	5096	5255	1026
2	3761	3940	4119	4298	4477	4656	4835	5014	5193	5372	5551	5731	5910	1140
3	4164	4362	4560	4759	4957	5155	5354	5552	5750	5948	6147	6345	6543	1251
4	4549	4765	4982	5198	5415	5632	5848	6065	6281	6498	6715	6931	7148	1357
5	4870	5102	5334	5566	5798	6030	6262	6494	6726	6958	7190	7421	7653	1445
6	5166	5412	5658	5904	6150	6396	6642	6888	7134	7380	7626	7872	8118	1526
7	5464	5724	5985	6245	6505	6765	7025	7286	7546	7806	8066	8326	8587	1608
8	5757	6032	6306	6580	6854	7128	7402	7676	7951	8225	8499	8773	9047	1689
9	6059	6347	6636	6924	7213	7502	7790	8079	8367	8656	8944	9233	9521	1772
10	6333	6634	6936	7237	7539	7841	8142	8444	8745	9047	9348	9650	9951	1847
11	6608	6923	7238	7552	7867	8182	8496	8811	9126	9440	9755	10070	10384	1923
12	6880	7208	7536	7863	8191	8519	8846	9174	9502	9829	10157	10484	10812	1998
13	7144	7484	7825	8165	8505	8845	9185	9526	9866	10206	10546	10886	11227	2070

* Consolidated Allowance Payment
Effective Date: 1 November 2003