

STATUTORY AND RECORDED WAGE & MONETARY INCOME LEVELS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (TWD)
Legal Minimum Wage	<ul style="list-style-type: none"> The minimum wage is set nationally every year by the National Minimum Wage Board in Ministry of Labor. It was 19,273 before July 1, 2015. It has been increased to 20,008 since then. FLA compensation data from Taiwan were collected before July 1, 2015, so the old legal minimum applies. 	<u>Ministry of Labor</u>	19,273 before July 1, 2015; 20,008 afterwards
Industry/sector Wage Comparator National Statistics Garment Worker Average Wage 2014	<ul style="list-style-type: none"> 25085 Taiwanese Dollar (TWD) is the average monthly wage for garment and accessories manufacturing workers (see Table 3, page 3 of the report). This figure includes base wage, incentive bonuses, and overtime pay, and is before taxes and other legal deductions such as social insurance. There was deflation in Taiwan from 2014 to 2015. Rather than adjusting the value downwards, we use the 2014 figure. 	<u>Directorate General of Budget, Accounting and Statistics, Executive Yuan</u>	25,085

INCOME AND POVERTY BENCHMARKS

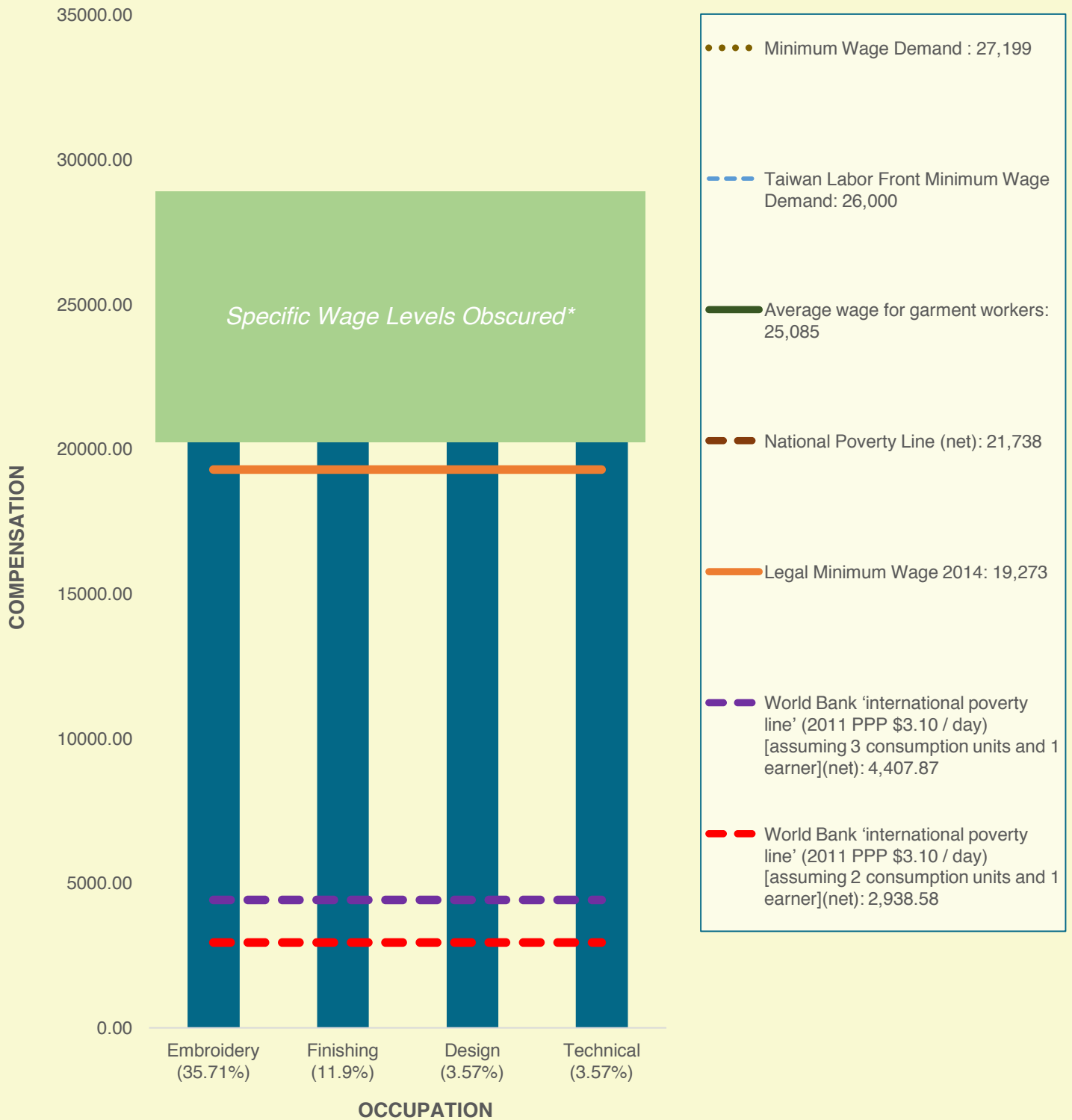
BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (TWD)
National Poverty Lines (2 adults, 1 earner)	<ul style="list-style-type: none"> The lowest living expenses (poverty level) published by Ministry of Health and Welfare in Taiwan were TWD14,794 per person in Taipei, TWD11,832 per person in New Taipei City, TWD10,869 per person in Taiwan Province, and TWD 11,890 per person in Kaohsiung City for 2014. We use the figure for Taiwan Province as most factories in the garment industry locate in smaller cities and counties of Taiwan Province, rather than larger cities such as Taipei and Kaohsiung. Assume two consumption units per household: $10869 \times 2 = 21738$ 	<u>Ministry of Health and Welfare 2015</u>	21,738
World Bank 'international extreme poverty line' (2011 PPP\$ 1.90 / day)	<ul style="list-style-type: none"> Poverty is measured by the World Bank at PPP\$3.10/day. The \$3.10 equivalent is $(15.60 \times 3.1) = \text{TWD } 48.35$ On a monthly basis, this is $(\text{TWD } 48.35 \times (365/12)) = \text{TWD } 1470.76$. Adjusted for inflation since 2014, $103.87 (\text{CPI } 2015)/103.97 (\text{CPI } 2014) \times \text{TWD } 1470.76 = \text{TWD } 1469.29$ The household equivalent assuming two consumption units and one earner is TWD 2938.58. 	<u>WB 2011 ICP</u>	2,938.58
	<ul style="list-style-type: none"> The household equivalent assuming three consumption units and one earner is TWD 4407.87. 		4,407.87

INCOME AND POVERTY BENCHMARKS

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Union Wage Demand Labor Minimum Wage Demand (3.21 members family, 1.46 earners)	<p>The labor of demand of 26,000 is based on two living wage figures 25,997 and 24,934 (based on two formulae):</p> <p>(1) TAIWAN LABOR FRONT 'S 1ST FORMULA: Based on 2013 household income and expenditure survey, the average population per household was 3.21, and the average employed population per household was 1.46, that is, the average dependent population was 1.75 Employment to dependency ratio = $1 + (\text{dependents} / \text{employed population}) = 1 + 1.75 / 1.46 = 2.20$</p> <ul style="list-style-type: none"> Basic wage = the minimum cost of living adjusted by the national proportion of the population (labor the Ministry of estimate) * employment to dependency ratio = $11,817 * 2.20 = 25,997$ <p>(2) TAIWAN LABOR FRONT'S 2ND FORMULA: Based on 2013 survey from Comptroller General Office, the labor force is 1130 million and employed population is 1083.4 million labor force to the employed population ratio = $10,834,000 / 11,300,000 = 0.96$</p> <ul style="list-style-type: none"> Average labor force per household = employed population/labor force = $1.46 / 0.96 = 1.52$ Labor to dependency ratio = $1 + (\text{dependent population} / \text{labor force}) = 1 + (1.69 / 1.52) = 2.11$ Basic wage = $11,817 * 2.11 = 24,934$ 	<u>Taiwan Labor Front</u>	26,000
Minimum Wage Demand (3.21 members family, 1.46 earners)	<ul style="list-style-type: none"> Value calculated by economist and professor Kenneth Shang-Kai Lin (National Taiwan University) using the following formula: Based on official statistics of 2014, the average number of persons per household is 3.21, and the average number of income earners is 1.46. Thus the average dependents per household is $3.21 - 1.46 = 1.75$, and the ratio of employment to dependency per household is $1 + (1.75 / 1.46) = 2.20$. The official statistics of 2014 also indicate that the minimum cost of living on average per person is 12363. Therefore, the minimum wage should be: The minimum cost of living $12,363 * 2.2$ (adult equivalent) = TWD 27,199 	<u>Lin 2015</u>	27,199

MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

TAIWAN Currency: New Taiwan Dollar (TWD)



Basic Contracted Wage

Cash Benefit

In-Kind Benefit

Incentives

* Specific wage levels have been obscured in an abundance of caution to avoid the potential disclosure of information that may be competitively sensitive.