

## Regulations Governing Programs for Early Retirement

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The regulations hereof are being established as mandated by paragraph 1, Article 11 of the Chunghwa Post Co., Ltd. Establishment Act (hereinafter called this Act).

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The regulations hereof are applicable to those incumbent employees under the employ of Directorate General of Posts and its subordinate organizations in the Ministry of Transportation and Communications (MOTC) before the implementation of this Act who have applied for voluntary retirement or dismissal with severance pay, which becomes effective within 6 months after January 1, 2003.

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The term "Incumbent employees" as mentioned in the preceding article refers to:

1. Postal employees: employees under the employ of Directorate General of Posts and its subordinate organizations in the MOTC hired in accordance with the Appointment Regulations of the Employees Working in the Enterprises of the MOTC.
2. Auxiliary employees: non-ranking clerks and mailmen, drivers and mechanics under the employ of Directorate General of Posts and its subordinate organizations in the MOTC.
3. Contract-based Employees: employees hired in accordance with the Postal Contract Workers Management Guidelines.

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Employees who apply for voluntary retirement or dismissal with severance pay shall have the following qualifications:

1. Retirement:

Postal employees and contract-based employees: have been working in the enterprises of the MOTC for 5 years or more and are over 60 years old, or have been working in the enterprises of the MOTC for 25 years or more.

Auxiliary employees: have been working in the enterprises of the MOTC for 15 years or more and are over 55 years old, or have been working in the enterprises of the MOTC for 25 years or more.

2. Dismissal with severance pay:

Have been working in the enterprises of the MOTC for 15 years or more and are over 40 years old.

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For those who apply for voluntary retirement or dismissal with severance pay in accordance with the regulations hereof, their years of service shall be computed in accordance with applicable regulations governing retirement and dismissal with

severance pay; years for which they have collected pensions, retirement payment for the armed services, severance pay, withdrawal payments, or years of service allowance shall be deducted.

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For those who apply for voluntary retirement or dismissal with severance pay in accordance with the regulations hereof, the payments they receive shall be based on the following guidelines:

1. Basic payment:

(1) Retirement:

(i) Postal employees: postal employees' pensions shall be in accordance with the standards laid out in the Act Governing the Retirement of and Posthumous Relief for Employees of Postal and Communications Enterprises under the MOTC, or they may choose to receive their pensions in accordance with the standards laid out in the Labor Standards Act. For those who choose to collect their pensions in accordance with the Labor Standards Act, in the event that they receive less than the lump sum pension payable in accordance with the Act Governing the Retirement of and Posthumous Relief for Employees of Postal and Communications Enterprises under the MOTC, Chunghwa Post Co., Ltd. (hereinafter called Chunghwa Post) shall make up the difference.

(ii) Auxiliary employees: auxiliary employees' pensions shall be in accordance with the standards laid out in the Labor Standards Act, or they may choose to collect their pensions in accordance with the standards laid out in the Act Governing the Retirement of and Posthumous Relief for Employees of Postal and Communications Enterprises under the MOTC.

(iii) Contract-based Employees: same as postal employees.

(2) Dismissal with Severance Pay:

In accordance with the Guidelines Governing the Dismissal with Severance Pay for Postal Organization Employees.

2. Allowance:

(1) Incumbent employees who apply for early retirement incentives or dismissal with severance pay within six months of the establishment of Chunghwa Post may receive a maximum lump sum of one month's advance notice period pay (a type of payment usually granted in lieu of advance notice of employment termination) plus six months' salary; one month's salary pay shall be deducted for each month of delay in filing applications, starting from the date of the establishment of Chunghwa Post. For employees who have reached retirement age, the total of the aforementioned allowance due them shall be based upon the number of months they have retired early. Days less than a month shall not be calculated.

(2) Employees who applied for early retirement incentives or dismissal with severance pay in February or March of 2003 shall have their cases reported to the MOTC before being passed on to the Executive Yuan for approval; and they shall receive six months' salary. For employees who applied for early retirement incentives or dismissal with severance pay in April or May of 2003, the regulations hereof shall apply.

(3) The advance notice period pay as mentioned in the first item hereof shall be calculated in accordance with the average wage of the six months before the retirement or dismissal with severance pay. The total of the wages as mentioned in the first item hereof shall be based on the total of the employees' rank pay and position pay for those who receive their monthly pension in accordance with the Act Governing the Retirement of and Posthumous Relief for Employees of Postal and Communications Enterprises under the MOTC; or in accordance with the average wage of the six months before the retirement or dismissal with severance pay for those who choose to receive their pension payments based on the Labor Standards Act or their severance pay based on Guidelines Governing the Dismissal with Severance Pay for Postal Organization Employees.

(4) Those who fill another post in other civil service entities within six months of retirement or dismissal with severance pay shall hand over the allowance received (whether for retirement or dismissal with severance pay, after deducting the allowances for those months between leaving the old job and filling the new post) to the new civil service entities who will in turn return the money to Chunghwa Post.

(5) When receiving the allowance, an employee shall submit an affidavit in which the aforementioned regulations are noted.

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Employees covered under the two preceding articles who withdraw from labor insurance, apart from those who are eligible for labor insurance old-age benefits, shall receive a compensation payment for the years of labor insurance they lost in accordance with the standards laid out in Article 59 of the Labor Insurance Act. Those who receive a compensation payment in accordance with the preceding paragraph, when re-enrolling in labor insurance and receiving old-age benefits later, shall return the compensation payment to Chunghwa Post. In the case that the old-age benefits received is lower than the compensation payment, the employees only have to return the portion that is equal to the old-age benefits.

When receiving a compensation payment as mentioned in the first paragraph, the recipient shall submit an affidavit in which the aforementioned regulations are noted. Chunghwa Post shall send a letter to the insurer in which it explains the reasons and the amount of compensation payments for the insurer to keep on file. When the insured re-enrolls for labor insurance and receives old-age benefits later, the insurer

shall notify the insured's original employment unit to take back the compensation payment paid.

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Pension, severance pay and allowance paid in accordance with the regulations hereof shall be paid within 30 days of the retirement or dismissal with severance pay.

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The regulations hereof shall become effective on January 1, 2003.