

National Pension Act

Chapter 1 General Principles

Article 1

This Act is stipulated to ensure the basic economic safety for citizens not being able to be adequately covered by related social insurances when they become old, maternity and / or mentally / physically disability as well as the stability of the lives of their surviving family.

Article 2

The Insurance contingencies of the National Pension Insurance (hereinafter referred to as “the Insurance”) include old age, maternity, mentally / physically disability and death. Payments to the insured people during the validation of the insurance when contingencies happen include old age pension payment, maternity payment, mentally / physically disability pension payment, death payment and surviving family pension payment.

Article 3

Competent authorities of this act include: central social welfare competent authorities for the central government; municipal city government for the municipality; county government for the county.

Article 4

Operations of the Insurance will be carried out by the Bureau of Labor Insurance which is entrusted by the competent authorities in the central government. The Bureau of Labor Insurance will also act as the insurer.

Article 5

In order to supervise operations of the Insurance and examine the insurance issues by central competent authority, there will be a committee comprised of representatives from the related government institutions, the insured persons and experts with each party basically occupies 1/3 of the seats. Supervision will be conducted under the collegiate system of this committee.

The insured citizen and the beneficiary should file for examination within 60 days, starting from the next day of receiving notifying documents, if they have arguments about cases previously approved by the insurer. According to the related laws, petitions and administrative litigations can then be filed if they disagree with the examination

result.

The examination boundary of the issues stipulated in the previous paragraph, the deadline and process to apply for examination or modification, the examination operation and rules on other related issues will all be stipulated by the competent authorities in the central government.

Article 6

Definition of the terms in this Act includes:

1. Related social insurances meaning civil servant and teacher insurance (original civil servant insurance and original teacher and staff insurance for private schools), labor insurance, military personnel insurance and farmer's health insurance.
2. Old age pension payment from related social insurance meaning pension payment from civil servant and teacher insurance (including original civil servant insurance pension payment and original private school teacher and staff insurance pension payment), old age benefit of the labor insurance and discharge payment from military personnel insurance.
3. Social welfare allowance meaning living allowance for low-income senior citizens, living allowance for middle or low income senior citizens, living allowance for mentally/physically challenged citizens, senior farmer welfare allowance and living allowance for veterans.
4. Period of insurance meaning the total period of the insured citizen's paying for the premium according to the Act; the actual paying period will be calculated proportionately on the basis of twelve months per year if the paying period is less than one year, and it is calculated proportionally on the basis of 30 days per month if the period of paying is less than a full month.
5. Beneficiary people legally qualified for filing for insurance payment when the insured citizen dies.
6. Imprisonment meaning personal freedom was deprived of or limited to due to the execution of sentences of detention, custody, observatory rehabilitation, compulsory rehabilitation, rehabilitative measures or correctional measures in specific locations. But people under the execution of protective correction were wanted but not yet arrested, or under medication after being bailed out, or currently under probation are not included.

Chapter 2 The insured person and the effect of insurance

Article 7

Citizens under 65 with their household registered in ROC and are qualified for one of

the followings should, except for those should participate or have already participated in other related social insurances, take part in the Insurance and become the insured persons

1. Aged 25 or above and non-recipient of old age benefit of related social insurances.
2. Before the implementation of this act, recipient of old age benefit of other related social insurances with insurance period less than 15 years, or lump sum payment of old age benefit of other related social insurances less than NT\$ 500,000, except for insurance period or lump sum payment of the old age benefit of the labor insurance.
3. Within 15 years of the implementation of this act, recipient of old age benefit of other related social insurances with insurance period less than 15 years, or lump sum payment of old age benefit of the labor insurance and other related social insurances totally less than NT\$ 500,000. But for recipients of old age benefit of the labor insurance before the implementation of the pension scheme of the labor insurance, the insurance period or payment for old age benefit of the labor insurance is not calculated.

Article 8

For the insured persons qualified for previous article, the effect of insurance will start from zero hour of the day of qualifying for the Insurance.

The insurance effect from previous paragraph will terminate at 24:00 one day before the insured persons lose their qualification. For the case of death, the effect will terminate at the same day of death.

Article 9

The insurance periods should be combined for calculation when the insured persons participate in the Insurance again after previous withdrawing.

Chapter 3 The Premium

Article 10

The premium rate for the Insurance will be 6.5% for the first year of the implementation of this act. The rate will be increased by 0.5% on the third year and another increase of 0.5% for every 2 years thereafter until it reaches the limit of 12%. But no increase will be implemented if the balance of the insurance fund is enough to pay for the pension payment for the next 20 years.

Article 11

The monthly insurance amount for the first year of the implementation of this act will be decided according to the first grade on the insured salary grading table of labor

insurance. From the 2nd year on, adjustments will be made according to the accumulated growth rate for consumer price index published by the central Budget, Accounting and Statistics institutions is reaches 5%.

Article 12

The burden of premium for the Insurance will follow the rules stipulated below:

1 For low-income and middle-low-income insured persons qualified for the Social Aid Law living in the municipality area:

- (1) For low-income insured persons, the premium will be fully paid by the municipality competent authorities ; in county (city) areas, the central competent authority will pay for 35% of the premium and the county(city) competent authorities will pay for the rest 65%.
- (2) For middle-low-income insured persons, the insured persons will have to pay for 30% of the premium and the municipality competent authorities will pay for the balance of 70% of the premium in the municipality area; as for county (city) areas, the central competent authority will pay for 35% of the premium and the county (city) competent authorities will pay for the remaining 35% of the premium.

2 For the insured persons whose incomes fail to reach certain standards:

- (1) When the monthly income per person, the amount of total family income divided by the number of the family, for the insured persons fails to reach 1.5 times of the lowest living expense of that specific year and does not exceed 1 time of the average monthly consumption per person in Taiwan area, the insured persons will have to pay for 30% of the premium and the municipality competent authorities will pay for the balance of 70% of the premium in the municipality area; as for county (city) areas, the central competent authority will pay for 35% of the premium and the county(city) competent authorities will pay for the remaining 35% of the premium.
- (2) When the monthly income per person, the amount of total family income divided by the number of the family, for the insured persons does not reach the 2 times of the lowest living expense of that specific year and does not exceed 1.5 times of the average monthly consumption per person in Taiwan area, the insured persons will have to pay for 45% of the premium and the municipality competent authorities will pay for the balance of 55% of the premium in the municipality area; as for county (city) areas, the central competent authority will pay for 27.5% of the premium and the county(city) competent authorities will pay for the remaining 27.5% of the premium.

3. The insured persons qualify for the legally stipulated mentally/physically challenged and with proof:

- (1) The central competent authority will pay full amount of the premium for extremely severe or severe mentally/physically challenged insured persons.
- (2) The medium mentally/physically challenged insured persons pay 30% of the premium and the central competent authority will pay the remaining 70% of the premium.
- (3) The mild mentally/physically challenged insured persons pay 45% of the premium and the central competent authority will pay 27.5% of the premium. Competent authorities of the municipality, county, or city governments will pay for the remaining 27.5% of the premium.
4. Other insured persons will have to pay 60% of the Premium and the central competent authority will pay for the remaining 40%.

Article 13

Calculation of premium will start from the specific date when the insurance takes effect for the insured person until the specific date of stoppage or termination of the effect. If the actual insured days of the specific month when the insurance comes into effect, stops or terminates are less than a full month, it is calculated proportionally by the actual insured days (on the basis of 30 days per month).

The insurer will calculate the premium paid by the insured persons on a bi-month basis. Written notice of premium bill will then be sent by the end of the third month requesting the insured persons to pay their premium, through the transfer of account by financial institutions or other methods designated by the insurer, by the end of the fourth month. In case the insured persons for joining the insurance less than a full month, the insurer is entitled to calculate their monthly premium with their next premium, but the notice of premium bill should be sent at least once a year.

The insured person is eligible for paying the premium in advance. The prepaid period is limited to one year.

Premium paid by the insured person during the validation of the insurance is non-refundable. But premium over-paid or paid by mistakes which cannot be blamed on the insured person is not included.

The insurer is entitled to calculate the premiums paid by government of all levels under this Act by the end of May and November respectively. Besides the previous 6 months premium paid by the insured person and the premium is eligible for fully paid by the government of all levels, a addition of 15% of unpaid premium by the insured person should also be calculated. Deadlines for premiums paid by government of all levels are the end of June and December respectively, and the stipulations of this paragraph is traces back to October 1st, 2008. Before the implementation of amendments to this Act amended on June 13, 2011, the difference between premiums paid by government of

all levels and premium calculated by the insured person who had paid will be deemed as prepaid premium for government of all levels.

The insurer is entitled to report various governments' failure in paying their share of premiums under this act to the central competent authority which will then request the Executive Yuan to deduct the amount payable from the subsidy to each specific institution.

Article 13-1

The insurer will send the written premium bill of December 2011 by the end of the January 2012 requesting the insured persons to pay before March 2012 the premium of December 2011, excluding the limits in stipulations of preceding article.

Article 14

For the insured person and government of all levels fail to pay the premium before the deadlines as stipulated in the previous 2 articles, interests based on the one-year CD (Certificate of Deposit) interest rate of the Post Office savings account on Jan. 1st of that specific year will be imposed on a daily basis for every single day delayed starting from the next day of deadlines to the day before actual payment.

Interests based on the preceding paragraph under specific amount may be exempted from paying; the amount will be stipulated by the central competent authority.

Article 15

The insured person who's unable to pay the premium and the interests at lump sum is entitled to apply to the insurer requesting for payments in installments or postponement of the payments. The conditions of application, examination process, deadlines for payments in installments or postponement, and the regulations for other affairs to be followed will be drawn by the insurer which will then report these regulations to the central competent authority for verification and announcement.

The insured person and his or her spouse are jointly responsible for the unpaid premium and interests of the Insurance. The insurer is therefore entitled to send written notices requesting spouse's payments within deadline if the insured person fails to pay the premium and interest under the act.

Article 16

The insurer is entitled to suspend pension payment before the insured person pays the premium and interests. But payments in installments or delayed payments approved by the insurer according to the previous article is not included.

Premium for the period of temporary payment suspension will still be calculated and

collected.

In case the insurer issues the payments, the premium that should be paid by the insured persons and has not been overdue, and the interest imposed for overdue payment of premium should be deducted from the payments, and be calculated into the insurance periods.

Article 17

The insurance periods will not be calculated if the insured person fails to pay the premium and interests payable within deadline under Article 13 and Article 14. The insured person is not entitled to request for paying the premium and interests if the delay is over 10 years. However, the insured person is still entitled to request for paying the premium and interests and calculating his or her insurance periods if the cause of delay cannot be blamed on the insured person.

Chapter 4 Insurance Payment

Section 1 General Provisions

Article 18

The insured person or the beneficiary is not allowed to request payments unless the contingencies happen after the insurance takes effect and before the ending or termination of the insurance. However, requests for old age pension payments or guaranteed basic pension payments for mentally/physically disability are not included.

Article 18-1

The insurance benefits under this Act, except applications for old age pension payments will be issued monthly starting from the month of meeting the qualifications to the month when the insured person dies, other pension payments will be issued monthly starting from the month of the application approved to the month of pension termination or death of insured person.

The beneficiary of survivor's pension don't submit application on the month they qualify for the benefits, the insurer should compensate the benefits retroactively to those who are entitled to trace back to five years before they submitted the application. However, for the part which has been claimed by other beneficiary is not included.

Article 19

Payments of the Insurance will be calculated based on the monthly insured amount of the specific month when contingencies happen.

Calculation basis for pension payment will be adjusted when there are adjustments for

the monthly insured amount.

Article 20

Same payments from the same contingencies cannot be requested repeatedly.

Article 21

The insured person is entitled to request for one payment only if he or she qualifies with the pension payment for the mentally/physically disability, basic guaranteed pension payment for mentally/physically disability, old age pension payment, old age basic guaranteed pension payment and surviving family pension payment at the same time.

Article 22

The insurer is entitled to request the insured person, beneficiary or medical institutions to provide documents related to the Insurance when examining requests for insurance payments or when the central competent authorities consider necessary when examining controversial cases. The insured person, beneficiary or the medical institutions are not entitled to refuse such requests.

Article 23

The insured person or the beneficiary should present related information and proving documents when requesting for insurance payments. The insurer is entitled to request for modification or supplements if no such presentation is made.

Article 24

The insurer is entitled to verify the pension payment requests made by the insured person or his or her surviving family and to suspend payment during the verification period. Once requests are verified and approved, payment during the suspension period should be compensated and regular payments should resume.

Recipients not qualified for receiving payments or when they die, himself or herself or the heir at law should present related documents and notify the insurer within 30 days of the happening of the legal facts. Payments will be terminated from the next month of the happening of the legal facts.

When pension payment receiver dies and the payable pension payment is not yet wired into the receiver's account, the heir at law is entitled to present the registration of death and household certificate transcript for the applicant and the household certificate transcript for the heir at law to apply for the receiving of payment. When there are more than 2 people for the heir at law, they'll have to present power of joint-attorney and a declaration entrusting one of them to apply for the receiving of the payment.

When over payment resulted from receiver's failure or the failure of heir at law to notify the insurer according to the Paragraph 1 and 2, the insurer should send written notices to the receiver of the over payment requesting repayment within 30 days. The insurer is also entitled to deduct the over payment from the account used in receiving the pension payments.

Article 25

The insured person is entitled to apply for decrease of insurance payment. Such application is limited to once a year.

The period of decreased insurance payment from the previous paragraph should be at least one year and any subsequent request for compensation is not allowed once the application for decreased payment is filed. Regulations of decreased insurance payment will be drawn by the insurer. The insurer will then forward these regulations to the central competent authorities for approval and announcement.

Article 26

The insurer will not pay for the insurance payment except for the funeral expense if the insured person, the beneficiary or other stakeholders deliberately caused the contingencies to happen.

Insurance payment will not be paid, except for the beneficiary not involved in the misconduct, if the happening of contingencies was caused by deliberate crime behaviors of the insured person, his or her parent, sons and daughters, and spouse.

Insurance payment will not be paid if the contingencies were caused by war or social unrest.

Article 27

The insurer should cancel the qualification of the insured person if he or she is not qualified to participate in the Insurance and refund all premiums paid. The insurer should send written notices to the insured person requesting refund of the insurance payment within deadline if he or she has already received it.

For people not qualified to apply for insurance payment but over received or received by mistake of such payment, the insurer should send written notices requesting the return of such payment within deadline.

Article 28

The right to apply for insurance payment will extinguish after 5 years of non-exercise of such right starting from the first day when the right is ready to be asserted.

Section 2 old age Pension Payment and maternity payment

Article 29

The insured person or the one who participated in the Insurance before will be entitled to apply for old age pension payment when he or she aged 65 or above.

Article 30

Old age pension payment will be calculated based on the most advantageous method of the below:

1. Monthly insured amount times insurance period times 0.65% and then added NT3,000 dollars to the result.
2. The amount of monthly insured amount times insurance period times 1.3%.

Calculation in the subparagraph 1 of the previous paragraph is forbidden if one of the following conditions is met:

1. Period of unpaid premium is not included in the insurance period.
2. Recipient of related social welfare allowances
3. Recipient of old age benefit of related social insurances. But the insured person under Article 7, subparagraph 2 and subparagraph 3 receives the following payment is not included.

(1) The insured person receives only old age benefit of the labor insurance.

(2) The insured person receives discharge payments of military personnel insurance or old age insurance benefits of Civil Servant and Teacher Insurance, the amount of NT\$3,000 monthly base will be accumulated from the month in which the insured person reaches the age of 65 years until the month in which the amount equals to his (her) total original old age insurance benefits.

In case an insured person has not paid insurance premiums or interests of the insurance within one year before the happening of contingency, the insurer is entitled to send written notices requesting him (her) to pay the bill within deadline. If the insured person fails to pay in full before the deadline, the issuer is entitled to calculate his (her) old age pension payments for the first three months according to 1st paragraph subparagraph 2. The central competent authority will assume the differences between the old age pension payment calculated under the 1st paragraph, subparagraph 1 and the one calculated from subparagraph 2.

The old age pension payment will be paid monthly starting from the month of meeting the qualifications to the month when the insured person dies.

Applicants of the mentally/physically disability pension payment under Article 33 are entitled to switch to application of old age pension payment at the age of 65 years old. Their insurance period before the application of the mentally/physically disability pension payment are entitled to be calculated with the insurance period of this Article.

Article 31

Citizens will be deemed as the insured persons of the Insurance if they aged 65 or above at the time of the implementation of this act with household registered in ROC and live in ROC for more than 183 days per year for latest 3 years and are not qualified for any one of the following subparagraphs. The insured persons are entitled to apply for old age basic guarantee pension payment of NT3,000 dollars monthly until they die. But they are not applicable to the regulations regarding insurance payment as stipulated from Sec. 3 to Sec. 5 of this Chapter. Nor are they applicable to regulations of the insured persons and insurance effect in Chapter 2 and premium in Chapter 3.

1. Recipient of government's full amount subsidy in accommodation.
2. Recipient of military personnel retirement pay (lifetime living subsidy), or government affair personnel, civil servant and teachers, and state-run enterprises employee receiving monthly retirement pay or lump sum retirement pay. But those who have one of the following conditions are not included.
 - (1) Recipient of military personnel retirement lump-sum pay, or government affair personnel, civil servant and teachers, and state-run enterprises employee receiving lump sum retirement pay without applying Preferential treatment deposits, nor receiving old age insurance benefits of Civil Servant and Teacher Insurance or discharge payments of Military Personnel Insurance; or if the person has received old age insurance benefits of Civil Servant and Teacher Insurance or discharge payments of Military Personnel Insurance, the amount of NT\$3,000 monthly base will be accumulated from the month in which the insured person reaches the age of 65 years until the month in which the amount equals to the total original pension payment.
 - (2) aboriginals receiving lump sum retirement pay.
3. Recipient of social welfare allowances.
4. The total amount of every category income of personal consolidated income tax for the declaring year approved by the Revenue Service Office exceeds NT500,000 dollars.
5. The total value of personal land and houses exceeds NT\$5,000,000 dollars.
6. Current serving sentences in the prison, or, being detained or kept in custody because of criminal cases.

The land value in the item 5 of previous paragraph will be calculated based on the announced land current value; as for the value of house, it will be calculated based on the appraised prices. However, deductions will be applied under the following conditions

1. The zoning code of part or all of the lands have been set legally as the land reservation

for public facility. Additionally, these lands are not yet expropriated or compensated because of government financial problems or other causes which are not the landowner's responsibility.

2. The house is the only one personally owned and actually lived. But the total deductible amount for the announced land current value together with the appraised house price is limited to NT4,000,000 dollars.

3. Lands Reserved for aboriginals without generating economic benefits

The applicants whose accumulated amount equals to the total original payment according to Paragraph 1, Subparagraph 2, Item 1 of this Act before the implementation of the amended Act on June 13rd 2011 cannot claim for a back payment of old age basic guarantee pension.

From January 1, 2012 onwards, those who have received old age basic guarantee pension still qualified for paragraph 1, subparagraph 1 to subparagraph 4 and subparagraph 6, after local governments adjust the announced land current value, and their land and houses have not increased, will not be restricted by the stipulations of paragraph 1, subparagraph 5. The same rule shall be applied for the mentally/physically disability basic guaranteed pension payments and aboriginal benefits specified in Article 53.

Article 32

The insured persons, once qualified for the Insurance and the old age benefit of the labor insurance, are entitled to apply for insurance payments to any one of the insurers at the same time. The insurer accepting the application shall calculate the payments based on respective insurance periods. Payments calculated respectively will then be combined and paid to the applicant according to the rules. As for payments to be shared by other insurer, they will be repaid by the respective insurer.

Under the circumstances that insurance period from the previous paragraph do not meet the limits of applying for old age pension payments but qualify for such application if calculated in combination with other insurance period, the applicants are still entitled to apply for old age pension payments. The insured persons under Article 7, Subparagraph 1 and Subparagraph 3, are forbidden to choose payment methods stipulated in Article 30, Paragraph 1, Subparagraph 1 when applying for the old age pension payment of the Insurance if they have already received senior pension payments from other insurances.

Rules of the granting of combined old age pension payments, the repayments of respective shares among insurers and other related affairs as stipulated in Paragraph 1 will be drawn jointly by the central competent authority and the central competent authority of labor insurance.

Article 32-1

Maternity payments of the insured person are payable according to the following provisions:

1. In case of childbirth or prematurity of an insured person, she shall receive, a lump sum maternity payments equivalent to two monthly insurance amount.
2. In case of a plural birth resulting from childbirth or prematurity, maternity benefit shall be increased proportionately.

The insured person should choose one to apply when they're qualified for other maternity benefits or subsidy conditions of related social insurance.

The insured person should choose one payment to apply when the maternity contingency is qualified for some maternity benefits or subsidy conditions of the Insurance and related social insurances. The insured person applies for maternity payment, and has been paying installments or delayed payments of premium and interests according to the proviso regulations of article 16 of this Act, the amount of the premium and interests which have been paid should not be less than half of the total amount of maternity payment.

Section 3 Pension Payment for Mentally / Physically Disability

Article 33

Insured persons qualify for one of the followings are entitled to apply for mentally/physically disability pension payment according to the rules

1. The insured persons were harmed or had suffered from disease before but with current symptoms remain stable after the termination of treatment. No improvement is expected even continue the treatment. Additionally, the insured persons have to be diagnosed as severe mentally/physically disability without capability to work by qualified hospitals evaluated by central health care competent authority.
2. The insured persons still not yet recovered from the disease or harm suffered during the Insurance period after more than one years of treatment. The after effect of suffering from severe mentally/physically disability was diagnosed as never to be recovered and no capability to work by qualified hospitals.

The insured persons, after being diagnosed as severe mentally/physically disability with no capability to work, can only pick one to apply for payments if they also qualify for related social insurance regulations.

The regulations for relative stipulate such as valuation standards of the types, items, status, and treatment period for the insured persons diagnosed as severe mentally/physically disability with no capability to work as stipulated in Paragraph 1 and documents needed to apply for mentally/physically disability pension payments

will be drawn jointly by the central competent authority and the central competent authority in charge of health care .

Article 34

mentally/physically disability pension payments will be calculated based on the insurance period of the insured persons. Monthly payment will be 1.3% of the monthly insured amount for every insurance year.

Monthly basic guaranteed amount will be issued until the insured person die if the amount calculated from the previous paragraph is lower than the basic guaranteed amount of NT4,000 dollars and none of the followings applied:

1. The period of unpaid premium is not included in the insurance period.
2. Recipient of related social welfare allowances.

In case an insured person has not paid insurance premiums or interests of the insurance within one year before the happening of contingency, the insurer is entitled to send written notices requesting him (her) to pay the bill within deadline. If the insured person fails to pay in full before the deadline, the insurer is entitled to calculate his (her) mentally/physically disability pension for the first three months according to paragraph 1, the preceding basic guaranteed pension payment NT\$4,000 is not applicable.

Under the circumstances of applying for basic guaranteed amount according the previous paragraph, the difference between the amount calculated from Paragraph 1 and basic guaranteed amount will be assumed by the central competent authority.

The labor insurance period of the insured persons can be combined with the insurance years from Paragraph 1. The amount needed will be repaid by the insurer of labor insurance.

Article 35

Before participating the Insurance, the insured persons were diagnosed as severe mentally/physically disability with no capability to work as stipulated in Article 33 and has lived in ROC more than 183 days per year for three consecutive years before applying for mentally/physically disability basic guaranteed pension payments are entitled to, during the validation of the Insurance, apply for mentally/physically disability basic guaranteed pension payments of NT4,000 dollars per month per person if none of the followings applied:

1. Recipient of pension or lump sum payments of related social insurance for severe mentally/physically disability.
2. Qualified for one of the items stipulated in Article 31, Paragraph 1, Subparagraph 1, 3,4,5,6.

The insured persons are not entitled to apply for mentally/physically disability pension

payments if they have already applied for mentally/physically disability basic guaranteed pension payments according to the rule of previous paragraph. However, they're entitled to switch to apply for old age pension payments if they aged 65 or above.

Article 36

The fund needed for both the mentally/physically disability basic guaranteed pension payments from the previous Article, Paragraph 1 and the old age basic guaranteed pension payments from Article 31, Paragraph 1 will be budgeted and paid on a yearly basis by central competent authority.

Article 37

The insurers are entitled to examine the extent of mentally/physically disability on recipients of the mentally/physically disability pension payments or the mentally/physically challenged basic guaranteed pension payments every 5 years except for those exempted from such examination after being evaluated. The insurers are also entitled to ask for presentation of proof of mentally/physically disability diagnosis when necessary. The expense needed for such diagnosis will be paid by the insurance fund of the Insurance.

Pension payments should be suspended if the insured persons fail to present related documents to the insurers for examination as stipulated in the previous paragraph.

Under the circumstances the extent of mentally/physically disability eases to disqualify the insured persons for stipulation of Article 33 after the they received mentally/physically disability pension payments or the mentally/physically disability basic guaranteed pension payments, the pension payments will be terminated from the next month of the mentally/physically disability date written on the diagnosis documents presented by qualified hospitals.

Article 38

During the examination of mentally/physically disability pension payments or the mentally/physically disability basic guaranteed pension payments, the insured persons or the central competent authority are entitled to assign other hospitals or doctors to re-examine insurance related issues when necessary. The re-examination expense will be paid by the insurance fund of the Insurance.

Section 4 Funeral Payment

Article 39

Funeral payment will be the lump sum of 5 times the monthly insured amount when the insured persons die.

The funeral payment from the previous paragraph will be received by the one who actually paid for such expense. Recipient of this payment is limited to one person only. If there are other applications for such payment before the insurer's approval of previous application, the insurer should advise each applicant to make an agreement of allowing only one of them to apply for such expense. The insurer should distribute the expense equally among the applicants if the applicants fail to make such an agreement.

Section 5 Surviving Family Pension Payment

Article 40

When the insured persons die, or the insured persons are entitled to apply for old age pension payment under Article 29 but die before claiming benefit, or the recipients of mentally/physically disability pension payments or old age pension payments die, their surviving family, such as spouses, sons & daughters, parents, grandparents, grandchildren, brothers or sisters are entitled to apply for surviving family pension payments.

Conditions for the surviving family pension payments of previous Article are:

1. Spouse should be aged 55 or above and their marriage relationship lasts more than one year. However, the following conditions are not included
 - (1) no capability to work.
 - (2) raising children as stipulated on Subparagraph 3.
2. Spouse should be aged 45 or above with marriage relationship lasts more than one year. Monthly income of the spouse does not exceed minimum wage when receiving the surviving family pension payments.
3. For children, they should qualify for one the following conditions. As for adopted children, the adoption relationship should last for more than 6 months:
 - (1) not an adult person;
 - (2) no capability to work;
 - (3) under the age of 25 and still goes to school with monthly work income not exceeding minimum wage when receiving surviving family pension payments.
4. Both the parents and the grandparents should aged 55 or above with monthly work income not exceeding minimum wage when receiving surviving family pension payments.
5. Grandchildren should be raised by the insured persons and qualify for one the followings:
 - (1) not an adult;
 - (2) no capability to work;
 - (3) under the age of 25 and still goes to school with monthly work income not exceeding minimum wage when receiving surviving family pension payments.

6. Brothers, sisters should be raised by the insured persons and qualify for one of the followings

- (1) not an adult;
- (2) no capability to work;
- (3) aged 55 or above with monthly work income not exceeding minimum wage when receiving surviving family pension payments.

The applied boundary, examine standard and the regulation of other matters for “no capability to work” as stipulated in the previous paragraph will be decided by the central competent authority.

Article 41

Order of recipients of surviving family pension payment according the previous Article is

1. spouse and children;
2. parents;
3. grandparents;
4. grandchildren;
5. brothers and sisters.

Surviving families listed on the rear order as stipulated in the previous Paragraph are not entitled to apply for surviving family pension payment if surviving families listed on the front still exist. The same applies when the surviving family die after applying or become disqualified for applying.

Article 42

Standards for granting surviving family pension payments

1. In case the insured persons die, monthly payments are 1.3% of the monthly insured amount for every insurance year of the insured persons.
2. In case of death during the period of receiving the mentally/physically disability pension payments or old age pension, monthly payments are 50% payment of the mentally/physically disability pension payments or old age pension payments of the insured persons.
3. In case the insured persons entitled to apply for old age pension payment under Article 29 but die before claiming the benefit, a monthly payment is half of payments of 1.3% of the monthly insured for every insurance year of the insured person.

Monthly payment of NT3,000 dollars will be granted if the pension amount calculated from the previous Paragraph is less than NT3,000 dollars.

When there are more than two survivors listed on the same order, 25% more of the standard surviving family pension payment will be granted for every extra survivor.

The maximum extra payment will be 50% of the standard payment.

Under the circumstances of receiving NT3,000 dollars surviving family pension payment based on Paragraph 2, the difference between the original amount calculated based on Paragraph 1 and the actual amount received will be assumed by the central competent authority.

Article 43

Surviving families should pick one to apply when they're qualified for more than 2 types of pension payments.

Article 39, Paragraph 2 will be resorted if there are more than 2 surviving families listed on the same order in receiving surviving family pension payment.

Article 44

Surviving family pension payments should be suspended if surviving families qualify for one of the followings during the receiving period

1. Spouse getting married again.
2. Spouse less than 55 years old raising children not qualified for the application conditions stipulated in Article 40.
3. Spouse, children, parents, grandparents, grandchildren, brothers and sisters don't qualify for the application conditions stipulated in Article 40.
4. Serving sentences in prison, detained or in custody because of criminal cases.
5. Disappearance.

Chapter 5 Insurance fund and Expense

Article 45

Government should install National Pension Insurance Fund (hereinafter referred to as "the Fund") for the Insurance. Sources for the Fund are

1. Lump sum appropriation from the central government when installing.
2. Income from the premium.
3. Share assumed by the central competent authority according to the laws and the responsibility reserve from the central government.
4. Income from interest and fine.
5. Revenue from the interest and utilization of the Fund.
6. Other incomes.

Article 46

The central government will assume, up to 3.5% of the total premium of that specific year, the overhead and administrative costs incurred from the insurer's operation of the

Insurance.

Article 47

In addition to the basic guaranteed pension payment which will be budgeted and paid on a yearly basis by central competent authority as stipulated in Article 36, the funding for the subsidized premium and related expenses which should be assumed by the central competent authority according to the act will be in the following orders. Surplus, if any, will be listed as the central government's responsibility reserve for subsequent year.

1. Surplus from Public Welfare Lottery for the national pension payment.
2. Increase the levying rate for business tax by 1%. The scope and period of implementation will be decided by administrative orders issued by the Executive Yuan.

The raising of Public Welfare Lottery surplus and business tax as stipulated in the previous Paragraph will be carried out, by the Fund, through direct appropriation from the premium, the assumed share of funding by the central competent authority according to the laws, and the central government's responsibility reserves. This appropriation will also serve as the financial tools for the funding as stipulated in Article 45, Item 1.

If the central competent authority subsidized premium and funding are still insufficient after the funding as stipulated in Paragraph 1, the central competent authority should budget to compensate for this shortage if it cannot be supported by the central government's responsibility reserves.

Article 48

In addition to the utilizations stipulated in the act, the utilization of the Fund is restricted to investment only and cannot be appropriated or disposed otherwise. Regulations of managing, utilizing and supervising of the Fund will be drawn by the central competent authority which will then report to the Executive Yuan for approval.

Once approved by the central competent authority, the insurer is entitled to entrust financial institutions on the utilization of Fund. Regulations of the entrusted utilization, scope, funding and other affairs to be followed will be drawn by the insurer which will then report to the central competent authority for approval and announcement.

Details on the income/expense and utilization of Fund and the accumulated amount will be reported, by the insurer, to the central competent authority for annual announcement.

Article 49

The government will assume the ultimate paying responsibility from the Insurance's

finance.

Chapter 6 Penal Provisions

Article 50

Any person's receiving of insurance payments from fraud or other inappropriate behaviors will have to repay all amounts received. Additionally, there will be a fine of twice the amount received.

A fine of NT3,000 to NT15,000 dollars will be imposed to the insured's spouse jointly responsible for paying the premium if he (she) failed to pay the premium and interest according to Article 15 , Paragraph 2 without reasonable causes and still failed to do so after insurer's written request to pay by deadline.

The extent of "reasonable causes" stipulated in the preceding paragraph will be decided by the central competent authority.

Article 51

Fines stipulated in the act will be imposed by the insurers.

Chapter 7 Supplement

Article 52

(Deleted)

Article 53

Aboriginals aged 55 or above with household registration in ROC and not qualified for any one of the followings will be entitled to apply for monthly payment of NT\$3,000 until the month before they become 65 years old after the implementation of the amended Act on June 13rd 2011 . Funding will be budgeted and paid on a yearly basis by the central competent authority in charge of aboriginal affairs:

1. Military personnel, civil servants, and personnel of state-run or private enterprises currently on the posts, but those with work salary not exceeding the first grade on the insured salary grading table of labor insurance are not included.
2. Recipient of monthly retirement pay of Government employee, civil servants, teachers, and state-run enterprise employee. Recipients of military retirement pay (lifetime living subsidy) are also included.
3. Recipients of mentally/physically disability living subsidy or allowance of veteran accommodations.
4. Applicants qualified for one of the conditions stipulated in Article 31, Paragraph 1, Subparagraph 1,4,5,6., but the Lands Reserved for aboriginals without generating

economic benefits are not included in the total value of land under Article 31 , Paragraph 1, Subparagraph 5.

The age limits on individual's application of NT3,000 dollars per month according to the previous paragraph should be adjusted, after the implementation of the laws, to increase gradually to the minimum year of application of 65 years old according to the ever decreasing gap of the average residual life span between aboriginals and the whole citizens. The adjustment of minimum applying age policy will be examined every 5 years by the central competent authority in charge of aboriginal affairs which will then report to the Executive Yuan for approval.

Article 54

(Deleted)

Article 54-1

From January 1, 2012 onwards, the addition amount to the old age pension payment, the old age basic guaranteed pension payment, and the amount specified in Paragraphs 2 and 4 of Article 42 and in Article 53 are adjusted to NT\$3,500; the basic guaranteed amount of the mental/physical disability pension payment and the basic guaranteed pension payment for mental/physical disability are adjusted to NT\$4,700. These are to be reviewed and adjusted every four years thereafter by the central competent authority with reference to the growth rate of the most recent year's consumer price index as announced by the central Budget, Accounting and Statistics institutions against the consumer price index of the year prior to the last adjustment and the adjustment is to be announced. However, no adjustment will be made when the growth rate of the consumer price index is zero or negative .

Article 55

Rights of receiving related payments under this Act are not allowed to be the objects of mortgage, assignment, offset or security. However, the insurer is entitled to deduct from the cash payments or the returned premium of the insured person's over received payments or payments received by mistake.

Applicants of pension payments under this Act or payment specified in Article 53, is eligible for opening a specific account in a financial institution with the proving documents provided by the insurer. The specific account is exclusively for depositing payments under this Act.

The deposit in the specific account described in the previous paragraph shall not be the objects of offset, mortgage, security or compulsory execution.

Article 56

Competent authorities of household registration and immigration/emigration should forward monthly information of changes in household or immigration/emigration for citizens aged over 65 to the insurer prior to the third working day of the next month.

Competent authorities of municipality, county(city) should forward monthly information of government fully subsidized accommodation, lists of recipients of low income senior living allowance, middle to low income senior living allowance, mentally/physically disability allowance and information of other changes to the insurer prior to the third working day of the next month.

Central competent authority or the insurers are entitled to file for providing necessary information needed for the insurer on the operation of the Insurance. All institutions are not allowed to reject such requests.

Information acquired by the insurers according to the act should be kept under the attention obligation of an administrator with good will. The insurers should also ensure the safety check on the operation of information. All keeping, processing and utilization of the such information should follow the stipulations of the Computer-Processed Personal Data Protection Law.

Article 57

All accounting books, receipts and business expenditures related to the Insurance are tax-free.

Article 58

Enforcement Rules of the act will be stipulated by the central competent authority.

Article 59

This Act will be implemented starting from October 1st, 2008.

The implementation date of amendments to this Act shall take effect since the date of promulgation, except Article 7 subparagraph 2, subparagraph 3, and Article 30 paragraph 2 subparagraph 3, which were amended on June 13, 2011, shall take effect from October 1st, 2008. As to Article 6 item 4, Article 13 paragraph 1 and 3, the implementation date of them shall be determined by Executive Yuan.