

## Japan

Exchange rate: US\$1.00 equals 105.52 yen.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1941 (employees' pension insurance).

**Current laws:** 1954 (employees' pension insurance); and 1959 (national pension), with 1985 amendment.

**Type of program:** Social insurance system.

Note: The social insurance system involves a flat-rate benefit for all residents under the national pension program and earnings-related benefits under the employees' pension insurance program or other employment-related program.

#### Coverage

**National pension program:** Persons residing in Japan aged 20 to 59; voluntary coverage for persons residing in Japan aged 60 to 64 and for citizens residing abroad (aged 20 to 64; age 69 in special cases).

**Employees' pension insurance:** Employees of covered firms in industry and commerce, including seamen.

#### Source of Funds

##### Insured person

**National pension program:** The contribution is included in the insured person's contribution to the employees' pension insurance or other employment-related program. A proportionate amount is transferred to the national pension program.

All other insured persons contribute 14,410 yen a month. Contributions for low-income spouses of workers insured under the employment-related program are voluntary.

**Employees' pension insurance:** 7.675% (September 2008) of monthly wage class earnings (salary and bonuses before tax), according to 30 wage classes; miners and seamen contribute 8.1% (September 2008) of monthly earnings (salary and bonuses before tax).

If the employer has contracted-out, the contribution is between 5.47% and 5.77% of monthly earnings (salary and bonuses before tax).

The minimum monthly earnings for contribution calculation purposes are 98,000 yen.

The maximum monthly earnings for contribution calculation purposes are 620,000 yen.

The minimum and maximum earnings levels are adjusted on an ad hoc basis according to the increase in the national average wage.

##### Self-employed person

**National pension program:** 14,410 yen a month.

**Employees' pension insurance:** Not applicable.

##### Employer

**National pension program:** The contribution is included in the employer's contribution to the employees' pension insurance or other employment-related program. A proportionate amount is transferred to the national pension program.

**Employees' pension insurance:** 7.675% (September 2008) of monthly payroll (salary and bonuses before tax), according to 30 wage classes; contributions for miners and seamen, 8.1% (September 2008) of payroll (salary and bonuses before tax).

If the employer is contracted-out, the contribution is between 5.47% and 5.77% of monthly earnings (salary and bonuses before tax).

The minimum monthly earnings for contribution calculation purposes are 98,000 yen.

The maximum monthly earnings for contribution calculation purposes are 620,000 yen.

The minimum and maximum earnings levels are adjusted on an ad hoc basis according to the increase in the national average wage.

##### Government

**National pension program:** 36.53% (increasing to 50% by the end of fiscal year 2009) of the cost of benefits and 100% of administrative costs are financed by the national tax.

**Employees' pension insurance:** The total cost of administration is financed by the national tax.

#### Qualifying Conditions

##### Old-age pension

**National pension program:** Age 65 with at least 25 years of contributions (the coverage period can include years of coverage under any employment-related program belonging to the insured's dependent or common-law spouse). There is no requirement to cease employment, and the pension is not earnings-tested.

**Early pension:** An early pension is paid between ages 60 and 64.

**Deferred pension:** The insured must satisfy the qualifying conditions for the old-age national pension at age 65 and must not claim the pension before age 66.

**Dependent's supplement:** No supplements are normally paid for a spouse or children. (If the insured receives a supplement for a spouse under the employees' pension insur-

ance scheme, when the spouse reaches age 65 and starts to receive the old-age national pension, he or she will receive an additional pension.)

*Employees' pension insurance:* Age 60 (age 57 for seamen and miners) with at least 25 years of coverage. There is no requirement to cease employment. The pension is reduced if the pension and salary combined exceed a certain limit. The reduction is greater for those aged 60 to 64 than for those aged 65 to 69.

The retirement age for the employee's pension insurance is rising gradually to age 65 by 2025 (men) and 2030 (women).

Dependent's supplement: Paid for a dependent spouse younger than age 65. When the spouse reaches age 65, and receives a pension in his or her own right under the national pension program, the supplement ceases. Paid for children up to the end of the fiscal year in which they reach age 18 (age 20 if disabled).

### Disability pension

*National pension program:* Must be assessed with a total disability requiring constant attendance (Group I) or a degree of disability that severely restricts the person's ability to live independently (Group II). The insured must satisfy the qualifying conditions for the old-age national pension when the disability began or have paid or credited contributions during 2/3 of the period between age 20 and when the disability began. Credited contributions may be awarded to low-income or disabled persons or to those receiving public assistance.

Dependent's supplement: Paid for children up to the end of the fiscal year in which they reach age 18 (age 20 if disabled).

*Employees' pension insurance:* Must be assessed with a total disability requiring constant attendance (Group I), a degree of disability that severely restricts the person's ability to live independently (Group II), or a degree of disability that severely restricts the person's ability to work (Group III). The insured must satisfy the qualifying conditions for the old-age national pension when the disability began or have paid or credited contributions during 2/3 of the period between age 20 and the onset of disability. Credited contributions may be awarded to low-income or disabled persons or to those receiving public assistance.

Dependent's supplement: Paid to persons with a Group I or II disability for a dependent spouse younger than age 65. When the spouse reaches age 65 and receives a pension in his or her own right under the national pension program, the supplement ceases.

*Disability grant (employees' pension insurance):* Paid for a degree of disability assessed as less severe than Group III. Contributions must have been paid or credited during 2/3 of the period between age 20 and when the disability began.

Credited contributions may be awarded to low-income or disabled persons or for those receiving public aid.

### Survivor pension

*National pension program:* The deceased was an old-age or disability pensioner or was insured at the time of death with contributions paid or credited during 2/3 of the period between age 20 and the date of death.

Widow's supplement: Paid to a widow without children, based on age.

Eligible survivors include the widow living with and caring for the deceased's children up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled), and the deceased's children up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

Dependent's supplement: Paid for children up to the end of the fiscal year in which they reach age 18 (age 20 if disabled).

*Childless widow's pension (national pension program):* Paid to a childless, dependent widow between ages 60 and 65 who was married to the deceased for at least 10 years provided the deceased was not an old-age pensioner at the time of death and had paid at least 25 years of contributions.

*Death grant (national pension program):* The deceased was not an old-age or disability pensioner at the time of death and had paid at least 3 years of contributions.

*Employees' pension insurance:* The deceased satisfied the qualifying conditions for the old-age or disability (Group I or II) pension or was insured at the time of death with contributions paid or credited during 2/3 of the period between age 20 and the date of death.

Eligible survivors include a widow, a widower aged 55 or older, children or grandchildren up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled), and parents or grandparents older than age 55, if they were financially dependent on the deceased at the time of death. The pension is paid to the first eligible survivor in the following order of priority: spouse, children, parents, grandparents, and grandchildren.

Widow's supplement (employee's pension insurance): An additional benefit may be paid to a childless widow between ages 40 and 65 if she was aged 35 or older at the time of insured's death.

### Old-Age Benefits

**National pension program (old-age):** If fully insured (480 months of paid contributions), the pension is 792,100 yen a year. If not fully insured, a reduced pension is paid according to the number of contributions paid and credited. The pension is paid every 2 months.

Early pension: For those born on or after April 2, 1941, the reduction is 0.5% multiplied by the number of months between the date of application and age 65. For older

cohorts, the benefit is actuarially reduced by between 42% and 11%, depending on the age at which the pension is awarded between ages 60 and 64.

**Deferred pension:** For those born on or after April 2, 1941, the increase is 0.7% multiplied by the number of months between age 65 and the date of application. For older cohorts, the pension that is paid at age 65 is increased by between 12% and 88%, depending on the age at which the pension is awarded between ages 66 and 70. Different rates apply if the pension is deferred until age 71 or older.

**Dependent's supplement:** The supplement is paid directly to a qualifying spouse aged 65 or older. The supplement ranges from 15,300 yen to 227,900 yen a year, depending on the spouse's age.

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

**Employees' pension insurance (old-age):** The pension is calculated based on the insured's average monthly wage over the full career multiplied by a coefficient determined by the insured's date of birth multiplied by the number of months of coverage. The pension is paid every 2 months.

Pensioners between ages 60 and 64 receive an additional 1,676 yen a month for each month of coverage.

**Working pensioner (aged 60 to 64):** The full pension is paid for continued employment between ages 60 and 64 if the combined total of monthly earnings and the pension is no greater than 280,000 yen; if the combined total is greater than 280,000 yen a month, the pension is reduced by 50% of the value of the monthly earnings; if the wage exceeds 480,000 yen a month, the pension is reduced by the value of the monthly earnings.

**Working pensioner (aged 65 to 69):** If the combined total monthly earnings and pension exceeds 480,000 yen, the pension is reduced by 50% of the value of monthly earnings.

**Dependent's supplement:** 227,900 yen a year is paid for a spouse; 227,900 yen a year for each of the first two children and 75,900 yen a year for each subsequent child up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

### **Permanent Disability Benefits**

**National pension program (disability):** The pension is 990,100 yen a year for a Group I disability (total disability requiring constant attendance) or 792,100 yen a year for a Group II disability (a degree of disability that severely restricts the person's ability to live independently).

**Dependent's supplement:** 227,900 yen a year is paid for each of the first two children and 75,900 yen a year for each subsequent child up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

Benefits are paid every 2 months.

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

**Employees' pension insurance (disability):** For a Group I disability, the pension is equal to 125% of the old-age pension plus additional benefits for dependents; for Group II, 100% of the old-age pension plus additional benefits for dependents; and for Group III, 100% of the old-age pension. For persons with less than 300 months of coverage, the pension is calculated based on a contribution period of 300 months.

The minimum benefit is 594,200 yen a year.

**Dependent's supplement:** 227,900 yen a year for a spouse. Benefits are paid every 2 months.

**Disability grant:** A lump sum is paid equal to 200% of the old-age pension. The minimum lump sum is 1,168,000 yen.

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

### **Survivor Benefits**

#### **National pension program (survivors)**

**Widow's pension:** 792,100 yen a year is paid for a widow. (No benefit is paid for a widower.)

**Dependent's supplement:** 227,900 yen a year is paid for each of the first two children and 75,900 yen a year for each subsequent child up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

**Full orphan's pension:** The benefit is the same as for a widow plus dependent supplements and is split equally among all eligible full orphans.

**Childless widow's pension:** 75% of the deceased's unpaid old-age basic pension is paid.

Benefits are paid every 2 months.

**Death grant:** A lump sum of between 120,000 yen and 320,000 yen is paid, according to the length of the period of paid contributions between 3 and 35 years.

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

**Employees' pension insurance (survivors):** 75% of the old-age pension is paid to the first eligible survivor for the death of an insured worker.

**Widow's supplement:** An additional benefit of 594,200 yen a year may be paid to a childless widow between ages 40 and 65.

Benefits are paid every 2 months.

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

## Administrative Organization

Pension Bureau of the Ministry of Health, Labor and Welfare (<http://www.mhlw.go.jp>) designs both programs.

Social Insurance Agency (<http://www.sia.go.jp>) administers both programs nationally.

Regional Social Insurance Bureaus and Social Insurance Offices (part of the Social Insurance Agency) administer contributions and benefits for both programs locally.

## Sickness and Maternity

### Regulatory Framework

**First and current laws:** 1922 (employees' health insurance), implemented in 1927, with 2006 amendment; 1938 (national health insurance), with 2006 amendment; and 1982 (medical system for the elderly), implemented in 1983, with 2006 amendment.

**Type of program:** Social insurance system.

### Coverage

**National health insurance:** All persons residing in Japan not covered under the employees' health insurance program. Special national health insurance societies provide coverage for certain occupations.

### Employees' health insurance

**Society-managed health insurance:** Members of an occupational health insurance society.

**Government-managed health insurance:** Employees of firms in industry and commerce with five or more employees are covered by the government-managed program, unless the insured is a member of an occupational health insurance society.

Voluntary coverage for employees in private-sector workplaces with less than five workers and for agricultural, forestry, or fishery workers.

Special systems for seamen, private-school employees, and local and national government employees.

A health and medical services program operates for persons aged 75 or older.

### Source of Funds

#### Insured person

**National health insurance:** The contribution is fixed by the insurer but must not exceed 590,000 yen a year per household. (The average annual contribution in 2006 was 78,495 yen per insured person, or 144,870 yen per household.)

Contributions may be reduced for low-income persons.

**Employees' health insurance:** 4.1% of monthly payroll (salary and bonuses before tax), according to 47 wage classes

(government-managed program). The annual average contribution in 2004 was 3.74% of monthly payroll (salary and bonuses before tax), according to 47 wage classes (society-managed program).

The minimum monthly earnings for contribution calculation purposes are 58,000 yen.

The maximum monthly earnings for contribution calculation purposes are 1,210,000 yen.

The minimum and maximum earnings levels are adjusted according to any increase in the national average wage.

#### Self-employed person

**National health insurance:** The contribution is fixed by the insurer but must not exceed 590,000 yen a year per household. (The average annual contribution in 2006 was 78,495 yen per insured person, or 144,470 yen per household.)

Contributions may be reduced for low-income persons.

**Employees' health insurance:** Not applicable.

#### Employer

**National health insurance:** None.

**Employees' health insurance:** 4.1% of the monthly payroll (salary and bonuses before tax), according to 47 wage classes (government-managed program). The annual average contribution in 2004 was 3.74% of monthly payroll (salary and bonuses before tax), according to 47 wage classes (society-managed program).

The minimum monthly basic earnings for contribution calculation purposes are 58,000 yen.

The maximum monthly basic earnings for contribution calculation purposes are 1,210,000 yen.

The minimum and maximum earnings levels are adjusted based on any increase in the national average wage.

#### Government

**National health insurance:** A subsidy equal to 50% (43% from the national government and 7% from the prefecture) of the cost of medical care.

**Employees' health insurance:** 13% of benefit costs, 16.4% of the cost of health care for older people, the total cost of administration for the government-managed program, and part of the cost of administration for the society-managed program.

Also, 50% of the cost (excluding the cost covered by the insured) of medical care provided under the health and medical services program for older people.

### Qualifying Conditions

**National health insurance:** Must reside in Japan.

**Employees' health insurance:** Must be in covered employment. If an insured person leaves employment but was in



covered employment during the previous 2 months, the insured may be covered on a voluntary basis for up to 2 years.

Eligible dependents are spouses, parents, grandparents, younger sisters and brothers, children, and grandchildren whether or not residing with the insured person; and fathers- and mothers-in-law, uncles, aunts, nephews, nieces, and older brothers and sisters, provided they reside with the insured.

### **Sickness and Maternity Benefits**

**National health insurance:** Each insurer provides maternity and child care allowances and funeral grants, according to the municipality.

#### **Employees' health insurance**

**Sickness and injury allowance:** 66.67% of the average daily basic wage is paid, according to wage class. The benefit is paid after a 3-day waiting period for up to 18 months. Health insurance societies may provide more generous benefits. If the insured receives wages, benefits are suspended or partially reduced.

**Maternity allowance:** Approximately 66.67% of the average daily basic wage is paid, according to wage class, for 42 days before (98 days for expected multiple births) and 56 days after the expected date of childbirth. If the insured receives wages, benefits are suspended or partially reduced.

**Child care allowance:** A lump sum of 350,000 yen is paid to an insured person or the dependent of an insured person.

**Funeral grant:** A lump sum of 50,000 yen is paid to a dependent who organizes the funeral. If there is no dependent, the actual cost is paid to the person who organizes the funeral, up to 50,000 yen.

### **Workers' Medical Benefits**

**National health insurance:** Medical care and treatment is usually provided by clinics, hospitals, and pharmacists under contract with, and paid by, the insurer (some insurers provide services directly through their own clinics and hospitals). Benefits include medical treatment, surgery, hospitalization, nursing care, dental care, maternity care (only for a difficult childbirth), and medicines.

There is no limit to duration.

**Cost sharing:** The amount depends on the person's age: 20% of the cost for preschool children; 30% of the cost for persons up to age 69; 10% or 30% of the cost (depending on income) for persons aged 70 or older.

Hospitalized persons also pay a daily fee toward the cost of meals and other living expenses, depending on family income.

**Employees' health insurance:** Benefits include medical treatment, surgery, hospitalization, nursing care, dental

care, maternity care (only for a difficult childbirth), and medicines.

There is no limit to duration.

**Cost sharing:** The amount depends on the person's age: 20% of the cost for preschool children; 30% of the cost for persons up to age 69; 10% or 30% of the cost (depending on income) for persons aged 70 or older.

Hospitalized persons also pay a daily fee toward the cost of meals and other living expenses, depending on family income.

### **Dependents' Medical Benefits**

**National health insurance:** Not applicable.

**Employees' health insurance:** Benefits include medical treatment, surgery, hospitalization, nursing care, dental care, maternity care (only for a difficult childbirth), and medicines.

There is no limit to duration.

**Cost sharing:** The amount depends on the person's age: 20% of the cost for preschool children; 30% of the cost for persons up to age 69; 10% or 30% of the cost (depending on income) for persons aged 70 or older.

Hospitalized persons also pay a daily fee toward the cost of meals and other living expenses, depending on family income.

### **Administrative Organization**

Health Insurance Bureau of the Ministry of Health, Labor and Welfare (<http://www.mhlw.go.jp>) governs public health insurance programs.

Regional Social Insurance Bureaus, Social Insurance Offices, Regional Bureaus of Health and Welfare, and prefectures supervise the programs locally.

**National health insurance:** Municipalities administer the program.

**Employees' health insurance:** Social Insurance Agency (<http://www.sia.go.jp>) administers the government-managed program nationally and 1,561 health insurance societies administer the society-managed program nationwide.

Municipalities administer the health and medical services program for older people.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1911.

**Current law:** 1947 (workmen's accident compensation insurance), with 1980, 1986, 1995, 2000, and 2005 amendments.

**Type of program:** Social insurance system.

## Coverage

All employees of a workplace not included under voluntary coverage or special systems.

Voluntary coverage for employees in agricultural, forestry, and fishery establishments with less than five workers.

Special systems for seamen and civil servants.

## Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.45% to 11.8% of payroll, according to a 3-year accident rate.

**Government:** Provides subsidies, set within the limits of the national budget.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

## Temporary Disability Benefits

The benefit is equal to 60% of the insured's average daily wage in the preceding 3 months plus a temporary disability supplement equal to 20% of the insured's average daily wage. The benefit is paid after a 3-day waiting period until recovery (the employer pays 60% of the average daily wage for the first 3 days).

The minimum daily benefit is 4,080 yen.

The maximum daily benefit ranges from 13,464 yen to 24,295 yen, depending on the insured's age.

Benefit adjustment: Automatic quarterly adjustment for wage changes greater than 10% from the previous quarter.

From the 19th month, less severely disabled persons continue to receive the same level of benefit until recovery; more severely disabled persons receive the disease compensation pension (annual benefit is equal to 100% of the average daily wage in the preceding 3 months multiplied by between 245 and 313 days until recovery, according to the degree of disability), plus a special supplement based on the worker's annual salary bonus.

Benefits are paid every 2 months.

Benefit adjustment: Automatic annual adjustment for changes in wages.

## Permanent Disability Benefits

**Permanent disability pension:** Severely disabled persons (Grades 1 to 7) receive an annual pension of between 131 and 313 times their average daily wage in the preceding 3 months. The pension varies with the assessed degree of disability.

Less severely disabled persons (Grades 8 to 9) receive a lump-sum benefit of between 56 and 503 times their average daily wage in the preceding 3 months. The pension varies with the assessed degree of disability.

Constant-attendance allowance (Grades 1 and 2): Up to 104,960 yen a month if requiring full-time care (56,930 yen if the care is provided by family members); up to 52,480 yen a month if requiring part-time care (28,470 yen if the care is provided by family members).

Benefits are paid monthly.

Benefit adjustment: Automatic annual adjustment for changes in wages.

## Workers' Medical Benefits

Benefits include medical treatment, surgery, hospitalization, nursing, dental care, medicines, appliances, and transportation.

There is no limit on the duration of benefits.

## Survivor Benefits

**Survivor pension:** An annual pension is paid equal to the insured's average daily wage in the preceding 3 months multiplied by between 153 and 245 days, according to number of survivors.

Eligible survivors include a widow or widower (aged 60 or older), children and grandchildren (up to the end of the fiscal year in which the child reaches age 18), parents and grandparents (aged 60 or older), and dependent brothers and sisters up to the end of the fiscal year in which the child reaches age 18; or aged 60 or older.

Benefits are paid every 2 months.

Benefit adjustment: Automatic annual adjustment for changes in wages.

**Death grant (if no eligible survivors):** A lump sum equal to the insured's average daily wage in the preceding 3 months multiplied by 1,000 days is paid to a nondependent survivor.

**Funeral grant:** The grant is equal to 60 days of the insured's average daily wage in the 3 months preceding death or 315,000 yen plus 30 days' wages, whichever is greater.

## Administrative Organization

Ministry of Health, Labor and Welfare (<http://www.mhlw.go.jp>) provides general supervision and administration.

Work Injury Compensation Department within the Ministry of Health, Labor and Welfare's Bureau of Labor Standards administers the program through prefectural Labor Bureaus and local Labor Standards Inspection Offices.

## Unemployment

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### Regulatory Framework

**First law:** 1947.

**Current law:** 1974 (employment insurance), with 2007 amendment.

**Type of program:** Social insurance system.

### Coverage

Employees younger than age 65.

Voluntary coverage for employees in agricultural, forestry, and fishery establishments with less than five regular employees.

Exclusions: Seasonal workers whose term of employment is 4 months or less.

Special systems for daily workers, seamen, and civil servants.

### Source of Funds

**Insured person:** 0.6% of monthly earnings (salary and bonuses before tax); 0.7% for agricultural, forestry, fishery, or sake brewing industry workers.

**Self-employed person:** Not applicable.

**Employer:** 0.9% of payroll (salary and bonuses before tax); 1% for agricultural, forestry, fishery, or sake brewing industry workers; and 1.1% for construction workers.

**Government:** 13.8% of the cost of unemployment benefits and special allowances, 18.3% of the cost of benefits for daily workers, and 6.9% of the cost of benefits for insured persons on child care leave and for older workers.

### Qualifying Conditions

**Unemployment benefit:** Must have at least 12 months of insurance during the last 24 months before unemployment. Must be registered with the Public Employment Security Office and be capable of, and willing to, work. The unemployed person must report to the Public Employment Security Office once every 4 weeks. Unemployment must not be due to voluntary leaving, serious misconduct, refusal of a suitable job offer, or nonattendance at vocational training (otherwise, the benefit may be limited to 1 to 3 months).

Special daily or monthly allowances: The insured must have at least 3 years of coverage to receive education and training benefits and must take designated educational and training courses.

**Older worker benefit:** Paid to workers between ages 60 and 64 with more than 5 years of coverage whose wage has been reduced by 75% from the wage paid at age 60.

**Child care leave benefit:** Paid to insured persons who take child care leave to care for a newborn child up to age 1; up to age 18 months, subject to conditions.

**Nursing care leave benefit:** Paid to insured persons who take leave to provide nursing care for family members.

### Unemployment Benefits

The benefit is between 50% and 80% of the insured's average daily wage (higher percentages are awarded to lower-wage earners) in the 6 months before unemployment; 45% to 80% if between ages 60 and 64. The benefit is paid after a 7-day waiting period for between 90 and 150 days, according to the length of coverage, age, reasons for unemployment, and employment prospects. The benefit may be extended to between 90 days and 330 days if the insured becomes unemployed from an industry in recession, has a physical or mental illness, or is undergoing training.

The minimum daily benefit is 1,656 yen.

The maximum daily benefit is 7,775 yen.

Special daily or monthly allowances: Allowances are paid to cover the cost of vocational training, transportation for job search activities, moving, and lodging expenses while seeking employment in the wider area.

**Older worker benefit:** The maximum benefit is equal to 15% of the wage after age 60, depending on the percentage of wage reduction.

**Child care leave benefit:** A monthly benefit is paid equal to 40% of the insured's average daily wage in the 6 months before the leave period multiplied by 30.

**Nursing care leave benefit:** The benefit is equal to 40% of the insured's wage before the leave period.

### Administrative Organization

Ministry of Health, Labor and Welfare (<http://www.mhlw.go.jp>) provides general supervision and management.

Employment Security Bureau in the Ministry of Health, Labor and Welfare, the Employment Security Sections of prefectural Labor Bureaus, and Public Employment Security Offices are responsible for the national administration of the program and the collection of contributions.

### Family Allowances

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#### Regulatory Framework

**First and current law:** 1971 (children's allowance), implemented in 1972, with 1981, 1985, 1991, 1994, 2000, 2004, 2006, and 2007 amendments.

**Type of program:** Employer-liability and social assistance system.

**Coverage**

Residents with one or more children younger than age 12.

**Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer**

*Children's allowance:* 70% of the cost (about 0.13% of wages) for children younger than age 3.

*Special allowance:* 100% of the cost for children younger than age 3.

**Government**

*Children's allowance:* 10% of the cost for employees' children younger than age 3 from the National Treasury; 10% from the prefecture; and 10% from municipalities. 33.3% of the cost for employees' children between ages 3 and 12 from the National Treasury; 33.3% from the prefecture; and 33.3% from municipalities. 33.3% of the cost for self-employed and unemployed persons' children between ages 0 and 12 from the National Treasury; 33.3% from the prefecture; and 33.3% from municipalities.

*Special allowance:* 33.3% of the cost for employees' children between ages 3 and 12 from the National Treasury; 33.3% from the prefecture; and 33.3% from municipalities.

**Qualifying Conditions****Family allowances**

*Children's allowance:* For a family of four, the parent's income must have been less than 7,800,000 yen in the previous year. The allowance is paid for children younger than age 12.

*Special allowance:* For a family of four, allowances are provided for private- and public-sector employees with an income greater than 7,800,000 yen but less than 8,600,000 yen in the previous year.

**Family Allowance Benefits****Family allowances**

*Children's allowance:* 10,000 yen a month is paid for a child younger than age 3; 5,000 yen a month for each of the first two children age 3 and older; and 10,000 yen a month for each subsequent child.

*Special allowance:* 10,000 yen a month is paid for a child younger than age 3; 5,000 yen a month for each of the first two children age 3 and older; and 10,000 yen a month for each subsequent child.

Allowances are paid every 4 months (February, June, and October) based on eligibility in January, May, and September, respectively.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

**Administrative Organization**

Ministry of Health, Labor and Welfare (<http://www.mhlw.go.jp>) supervises the program through its Equal Employment, Children, and Families Bureau.

Insurance division of prefectural Welfare Department and Social Insurance Office collects contributions.

Municipalities pay allowances.