

## Japan

Exchange rate: US\$1.00 = 101.88 yen.

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**Current laws:** 1954 (employees' pension insurance) and 1959 (national pension).

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

Note: The social insurance system consists of a flat-rate benefit under the national pension program (NP) and an earnings-related benefit under the employees' pension insurance program (EPI). Employers with more than 1,000 employees may contract out a portion of the EPI if they provide more generous benefits.

#### Coverage

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

Self-employed persons who run an unincorporated business with up to four workers.

**Employees' pension insurance:** Employees younger than age 70 in covered firms in industry and commerce.

Exclusions: Most self-employed persons.

Special system for civil servants.

#### Source of Funds

##### Insured person

**National pension program:** No direct contributions to the national pension program; contributions from the employees' pension insurance or other employment-related program are transferred to the national pension program. The total amount transferred is based on the number of the insured persons under each program.

The employees' pension insurance or other employment-related programs pay contributions for low-income insured persons and dependent spouses of insured persons.

**Employees' pension insurance:** 8.737% (September 2014 to August 2015, gradually rising to 9.150% by September 2017) of monthly wage class earnings, according to 30 wage classes; miners and seamen contribute 8.844% (September 2014 to August 2015, gradually rising to 9.150% by September 2017) of monthly earnings.

The contributions of insured persons whose employers contract out a portion of the employees' pension insurance are reduced by 1.2% to 2.5% of monthly earnings.

The minimum monthly earnings used to calculate contributions are 98,000 yen.

The maximum monthly earnings used to calculate contributions 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:** 15,250 yen a month (April 2014 to March 2015, gradually rising to 16,900 yen a month by September 2017).

**Employees' pension insurance:** Generally not applicable.

##### Employer

**National pension program:** Contributions from the employees' pension insurance or other employment-related program are transferred to the national pension program (see Insured Person).

**Employees' pension insurance:** 8.737% (September 2014 to August 2015, gradually rising to 9.150% by September 2017) of monthly payroll, according to 30 wage classes; contributions for miners and seamen, 8.844% (September 2014 to August 2015, gradually rising to 9.150% by September 2017) of payroll.

The contributions of employers who contract out a portion of the employees' pension insurance are reduced by 1.2% to 2.5% of monthly earnings.

The minimum monthly earnings used to calculate contributions are 98,000 yen.

The maximum monthly earnings used to calculate contributions 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:** 50% of the cost of benefits and 100% of administrative costs are financed by the national tax system.

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

#### Qualifying Conditions

##### Old-age pension

**National pension program:** Age 65 with at least 25 years of contributions (including any periods exempt from contribution requirements such as low-income periods). The full pension is paid with 40 years of paid contributions.

The coverage period includes years of coverage under the employees' pension insurance and other employment-related programs as an insured's dependent spouse (including common-law spouse).

Retirement is not necessary. There is no earnings test.

Early pension: Aged 60 to 64 with at least 25 years of contributions.

Deferred pension: Age 66 with at least 25 years of contributions. The pension may be deferred until age 70.

Spousal supplement: If the insured receives a supplement for a spouse under the employees' pension insurance, the spouse will receive a supplement when he or she reaches age 65 and starts to receive the old-age national pension.

*Employees' pension insurance:* Age 60 (gradually rising to age 65 by 2025 (men) and 2030 (women)) or age 59 (seamen and miners) with at least 25 years of coverage (including any periods exempt from contribution requirements such as low-income periods). The insured may continue working beyond the normal retirement age.

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

### Disability pension

*National pension program:* Must be assessed with a Group I (total disability and requires constant attendance) or a Group II (severely restricted ability to live independently) disability. Must have been insured at the first medical exam and have paid contributions during 66.7% of the period from age 20 to two months before the month of the first medical exam (including any periods exempt from contribution requirements such as low-income periods). Alternatively, must have paid continuous contributions for one year from age 20 to two months before the month of the first medical exam (until March 2026).

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

*Employees' pension insurance:* Must be assessed with a Group I (total disability and requires constant attendance), Group II (severely restricted ability to live independently), or Group III (severely restricted ability to work) disability. Must have been insured at the first medical exam and have paid contributions during 66.7% of the period from age 20 to two months before the month of the first medical exam (including any periods exempt from contribution requirements such as low-income periods).

Dependent's supplement: Paid to persons with a Group I or II disability for a dependent spouse younger than age 65. The supplement ceases when the spouse reaches age 65 and

receives a pension in his or her own right under the national pension program.

*Disability grant (employees' pension insurance):* Paid for a Group I or Group II disability. Must have paid contributions during 66.7% of the period from age 20 to two months before the month of the first medical exam (including any periods exempt from contribution requirements such as low-income periods).

### Survivor pension

*National pension program:* The deceased was an old-age pensioner; was an insured person or a resident of Japan aged 60 to 64 with paid contributions during 66.7% of the period from age 20 to two months before the month of the death (including any periods exempt from contribution requirements such as low-income periods); or, if younger than age 65, has paid continuous contributions for one year before the two-month period before the month of the death.

Eligible survivors include a widow(er) living with and caring for the deceased's children up to the end of the fiscal year that the child reaches age 18 (age 19 if disabled), and the deceased's children up to the end of the fiscal year that they reach age 18 (age 19 if disabled).

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

*Childless widow's pension (national pension program):* Paid to a childless, dependent widow aged 60 to 64 and married to the deceased for at least 10 years. The deceased was not an old-age pensioner at the time of death and had at least 25 years of contributions (including any periods exempt from contribution requirements such as low-income periods).

*Death grant (national pension program):* The deceased was not an old-age or disability pensioner at the time of death and had at least three years of contributions (including any periods exempt from contribution requirements such as low-income periods).

*Employees' pension insurance:* The deceased received or was entitled to receive an old-age or disability (Group I or II) pension; or had paid contributions during 66.7% of the period from age 20 to two months before the month of the death (including any periods exempt from contribution requirements such as low-income periods).

Eligible survivors include a widow, a widower aged 55 or older at the time of the insured's death (from age 60 if he or she does not receive a pension in his or her own right under the national program), children or grandchildren up to the end of the fiscal year in which the child reaches age 18 (age 19 if disabled), and parents or grandparents older than age 55 at the time of the insured's death (benefits are paid from age 60), 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, grandchildren, and grandparents.

Widow's supplement (employee's pension insurance): An additional benefit may be paid to a childless widow aged 40 to 64 if she was aged 40 or older at the time of the insured's death.

### Old-Age Benefits

#### Old-age pension

*National pension program:* The full pension is 772,800 yen a year. A reduced pension is paid according to the number of contributions paid and credited. The pension is paid every two months.

Early pension: For those born on or after April 2, 1941, the reduction is 0.5% multiplied by the number of months between application and one month before age 65. For older cohorts, the pension is reduced by 42% to 11%, depending on the age at which the pension is awarded.

Deferred pension: For those born on or after April 2, 1941, the increase is 0.7% multiplied by the number of months between application and one month before age 65. For older cohorts, the pension paid at age 65 is increased by 12% to 88%, depending on the age at which the pension is awarded.

Dependent's supplement: Paid directly to a qualifying spouse aged 65 or older and ranges from 14,900 yen to 222,400 yen a year, depending on the spouse's age.

Benefit adjustment: Benefits are automatically adjusted annually according to changes in the cost of living and wages.

*Employees' pension insurance:* The pension is 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 two months. 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.

Pensioners aged 60 to 64 receive an additional 1,676 yen a month for each month of total coverage.

Working pensioner (aged 60 to 64): The full pension is paid for continued employment from age 60 to 64 if the combined total of monthly earnings and pension is no greater than 280,000 yen; if the combined monthly total is 280,000 yen to 460,000 yen, the pension is reduced by 50% of the amount exceeding 280,000 yen; if monthly earnings exceed 460,000 yen a month, the pension is further reduced.

Working pensioner (aged 65 to 69): If the combined monthly earnings and pension exceed 460,000 yen, the pension is reduced by 50% of the amount exceeding 280,000 yen.

Dependent's supplement: 222,400 yen a year is paid for a spouse; 222,400 yen a year for each of the first two children and 74,100 yen a year for each subsequent child.

Benefit adjustment: Benefits are automatically adjusted annually according to changes in the cost of living and wages.

### Permanent Disability Benefits

#### Disability pension

*National pension program:* 966,000 yen a year is paid for a Group I disability; 772,800 yen a year for a Group II disability.

Dependent's supplement: 222,400 yen a year is paid for each of the first two children and 74,100 yen a year for each subsequent child.

Benefits are paid every two months.

Benefit adjustment: Benefits are automatically adjusted annually according to changes in the cost of living and wages.

*Employees' pension insurance:* 125% of the old-age employees' pension plus additional benefits for dependents the insured received or was entitled to receive is paid for a Group I disability; 100% (plus additional benefits for dependents) for a Group II disability; or 100% for a Group III disability. 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 579,700 yen a year.

Dependent's supplement: 222,400 yen a year is paid for a spouse.

Benefits are paid every two months.

*Disability grant:* A lump sum of 200% of the old-age employees' pension the insured received or was entitled to receive is paid. The minimum lump sum is 1,153,800 yen.

Benefit adjustment: Benefits are automatically adjusted annually according to changes in the cost of living and wages.

### Survivor Benefits

#### Survivor pension

*National pension program:* 772,800 yen a year is paid to a widow(er).

Dependent's supplement: 222,400 yen a year is paid for each of the first two children and 74,100 yen a year for each subsequent child.

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

Childless widow's pension: 75% of the old-age pension the deceased received or was entitled to receive is paid.

Benefits are paid every two months.

Death grant: A lump sum of 120,000 yen to 320,000 yen is paid according to the number of paid contributions from three to 35 years.

Benefit adjustment: Benefits are automatically adjusted annually according to changes in the cost of living and wages.

*Employees' pension insurance:* 75% of the old-age pension is paid to the first eligible survivor.

Widow's supplement: 579,700 yen a year is paid.

Benefits are paid every two months.

Benefit adjustment: Benefits are automatically adjusted annually according to changes in the cost of living.

### Administrative Organization

Pension Bureau of the Ministry of Health, Labour and Welfare (<http://www.mhlw.go.jp>) supervises both the national and employees' pension programs.

Japan Pension Service (<http://www.nenkin.go.jp>), managed by the Ministry of Health, Labour and Welfare, administers both programs nationally.

Japan Pension Service collects contributions, provides consultation services, and pays benefits for both programs through their branch offices.

### Sickness and Maternity

#### Regulatory Framework

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

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

#### Coverage

**National health insurance:** All persons up to age 75 residing in Japan and not covered under the employees' health insurance program.

Special national health insurance societies provide coverage for certain occupations.

Exclusions: Disabled persons aged 65 to 74 are covered under the health and medical care program for older people.

#### Employees' health insurance

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

*Association-managed health insurance:* Employees of firms in industry and commerce with five or more employees who are not members of an occupational health insurance society.

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

Exclusions: Self-employed persons.

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

#### Health and medical care program for older people:

Persons aged 75 or older.

### Source of Funds

#### Insured person

*National health insurance:* Varies according to the insurer. (The average annual contribution in 2012 was 84,265 yen for each insured person, or 143,362 yen for each household.)

The maximum contribution is 670,000 yen a year for each household.

Contributions may be reduced for low-income persons.

The contributions (insured person, self-employed person, and employer) to the national health insurance program also finance about 40% of the cost (excluding the insured's copayment) of medical care provided under the health and medical care program for older people.

*Employees' health insurance:* 5% of monthly earnings, according to 47 wage classes (association-managed program). The annual average contribution in 2014 is 3.98% of monthly earnings, according to 47 wage classes (society-managed program).

The minimum monthly earnings used to calculate contributions are 58,000 yen.

The maximum monthly earnings used to calculate contributions 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:* Varies according to the insurer. (The average annual contribution in 2012 was 84,265 yen for each insured person, or 143,362 yen for each household.)

The maximum contribution is 670,000 yen a year for each household.

Contributions may be reduced for low-income persons.

The contributions (insured person, self-employed person, and employer) to the national health insurance program also finance about 40% of the cost (excluding the insured's copayment) of medical care provided under the health and medical care program for older people.

*Employees' health insurance:* Not applicable.

#### Employer

*National health insurance:* None.

*Employees' health insurance:* 5% of monthly payroll, according to 47 wage classes (association-managed program). The annual average contribution in 2014 is 4.76% of monthly payroll, according to 47 wage classes (society-managed program).

The minimum monthly basic earnings used to calculate contributions are 58,000 yen.

The maximum monthly basic earnings used to calculate contributions are 1,210,000 yen.

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

The contributions (insured person, self-employed person, and employer) to the national health insurance program also finance about 40% of the cost (excluding the insured's copayment) of medical care provided under the health and medical care program for older people.

### Government

*National health insurance:* 50% (41% from the national government and 9% from the prefecture) of the cost of medical care.

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

Also, about 50% of the cost (excluding the insured's copayment) of medical care provided under the health and medical care program for older people.

### Qualifying Conditions

**National health insurance and health and medical care program for older people:** A resident of Japan.

**Employees' health insurance:** Must be in covered employment. If an insured person leaves employment but was in covered employment during the previous two months, the insured may be covered on a voluntary basis for up to two years.

Eligible dependents include spouses, parents, grandparents, younger siblings, children, and grandchildren whether or not residing with the insured person; and fathers- and mothers-in-law, uncles, aunts, nephews, nieces, and older siblings if 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 three-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:* 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 420,000 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 pays for the funeral. If there is no dependent, the actual cost is paid to the person who pays for the funeral, up to 50,000 yen.

**Health and medical care program for older people:** Not applicable.

### Workers' Medical Benefits

**National health insurance and health and medical care program for older people:** Clinics, hospitals, and pharmacists under contract with and paid by the insurer usually provide medical care and treatment (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 medicine.

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; 20% or 30% of the cost (depending on income) for persons aged 70-74; and 10% or 30% of the cost (depending on income).

Hospitalized persons also pay a daily fee toward the cost of nonmedical 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 medicine.

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; 20% or 30% of the cost (depending on income) for persons aged 70-74; 10% or 30% of the cost (depending on income) for persons aged 75 or older.

Hospitalized persons also pay a daily fee toward the cost of nonmedical expenses, depending on family income.

### Dependents' Medical Benefits

**National health insurance and health and medical care program for older people:** Not applicable.

**Employees' health insurance:** Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

Health Insurance Bureau of the Ministry of Health, Labour and Welfare (<http://www.mhlw.go.jp>) oversees the National Health Insurance and Employee's Health Insurance programs.

Regional Bureaus of Health and Welfare and prefectures supervise the programs locally.

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

**Employees' health insurance:** Japan Health Insurance Association (<http://www.kyoukaikenpo.or.jp>) administers the association-managed program nationally and 1,447 health insurance societies administer the society-managed program nationwide.

**Health and medical care program for older people:** Municipalities administer the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1911.

**Current law:** 1947 (workmen's accident compensation insurance).

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

#### **Coverage**

Employees.

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

Some self-employed persons and entrepreneurs (such as business owners of small- and medium-sized enterprises) are covered.

Special systems for civil servants.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** 0.25% to 8.9% of declared earnings.

**Employer:** 0.25% to 8.9% of payroll, according to a three-year accident rate.

**Government:** Provides subsidies as needed.

#### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

60% of the basic daily benefit plus a temporary disability special supplement of 20% of the basic daily benefit is paid after a three-day waiting period until recovery (the employer pays 60% of the average daily wage for the first three days).

The basic daily benefit is calculated based on the last three months of wages before the injury occurred or disease began.

The minimum daily benefit is 3,930 yen.

The maximum daily benefit is 13,037 yen to 25,371 yen, depending on the insured's age.

**Benefit adjustment:** Benefits are automatically adjusted quarterly for wage changes greater than 10% from the previous quarter.

From the 19th month of disability, persons with less severe disabilities (Grades 1 to 8) continue to receive the same level of benefit until recovery.

**Injury and diseases pension:** Paid from the 19th month of disability to persons with more severe disabilities (Grades 1 to 7). The annual benefit is 100% of the basic daily benefits multiplied by 245 to 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 two months.

**Benefit adjustment:** Benefits are automatically adjusted annually for changes in wages.

### **Permanent Disability Benefits**

**Permanent disability pension:** The pension varies according to the assessed degree of disability.

An annual pension of 131 to 313 times the basic daily benefit before the disability began is paid to persons with more severe disabilities (Grades 1 to 7).

A lump sum of 56 to 503 times the basic daily benefit before the disability began is paid to persons with less severe disabilities (Grades 8 to 14).

The basic daily benefit is calculated based on the last three months of wages before the injury occurred or disease began.

**Constant attendance allowance (Grades 1 and 2):** Up to 104,290 yen a month is paid if the insured requires the constant attendance of others to perform daily functions (56,600 yen if family members provide care); up to 52,150 yen a month if the insured requires part-time care (28,300 yen if family members provide care).

Benefits are paid monthly.

**Benefit adjustment:** Benefits are automatically adjusted annually according to changes in wages.

## **Workers' Medical Benefits**

**Medical benefits:** Benefits include medical treatment, surgery, hospitalization, nursing, dental care, medicine, appliances, and transportation.

There is no limit to duration of benefits.

## **Survivor Benefits**

**Survivor pension:** An annual pension of the basic daily benefit multiplied by 153 to 245 days is paid according to the number of survivors.

The basic daily benefit is calculated based on the deceased's wages in the last three months before the death.

Eligible survivors include a widow(er) aged 60 or older, children and grandchildren (up to the end of the fiscal year that the child reaches age 18), parents and grandparents aged 60 or older, and brothers and sisters (up to the end of the fiscal year that the child reaches age 18; or aged 60 or older) who were dependent on the deceased worker at the time of death.

Benefits are paid every two months.

**Benefit adjustment:** Benefits are automatically adjusted annually according to changes in wages.

If there are no eligible survivors, a lump sum of the insured's average daily wage in the three months before the insured's death multiplied by 1,000 days is paid to a nondependent survivor.

**Funeral grant:** 60 days of the deceased's average daily wage in the three months before death or 315,000 yen plus 30 days of wages, whichever is greater, is paid.

## **Administrative Organization**

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

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

## **Unemployment**

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### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1974 (employment insurance).

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

### **Coverage**

Employees up to age 65.

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

**Exclusions:** Workers with less than 20 scheduled working hours a week and self-employed persons.

Special systems for daily workers and seasonal workers.

### **Source of Funds**

**Insured person:** 0.5% of monthly earnings; 0.6% for agricultural, forestry, fishery, or sake brewing industry workers.

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

**Employer:** 0.85% of payroll; 0.95% for agricultural, forestry, fishery, or sake brewing industry workers; and 1.05% 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 coverage during the last 24 months before unemployment (in case of unemployment due to insolvency or dismissal, at least six months of insurance during the last 12 months). 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 four 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 one to three months).

**Special daily or monthly allowances:** Must have at least three years (one year if receiving the benefit for the first time) of coverage to receive education and training benefits and must take designated educational and training courses.

**Older worker benefit:** Paid to workers aged 60 to 64 with more than five years of coverage whose wage was 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 under certain conditions.

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

### **Unemployment Benefits**

**Unemployment benefit:** 50% to 80% of the insured's average daily wage (higher percentages are awarded to lower-wage earners) in the six months before unemployment is paid; 45% to 80% if aged 60 to 64. The benefit is paid after a seven-day waiting period for 90 to 330 days, according to the length of coverage, age, and reasons for unemployment. The benefit may be extended for another 60 days for insured persons who are unemployed due to insolvency

or dismissal and are having difficulty finding a new job, taking into consideration age and regional circumstances (temporary measure until March 31, 2017).

The minimum daily benefit is 1,848 yen.

The maximum daily benefit is 7,830 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:** Up to 15% of the wage after age 60 is paid, depending on the percentage of wage reduction.

**Child care leave benefit:** 67% of the insured's average daily wage in the six months before the leave period multiplied by 30 is paid for the first six months; thereafter, 50%.

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

### **Administrative Organization**

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

Employment Security Bureau in the Ministry of Health, Labour and Welfare administers the national program through the Employment Insurance Divisions of prefectural Labour Bureaus and Public Employment Security Offices.

### **Family Allowances**

#### **Regulatory Framework**

**First and current laws:** 1971 (child allowance), implemented in 1972, and 2010 (payment of child allowance).

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

#### **Coverage**

Persons raising or fostering one or more children younger than the age of graduation from junior high school.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** 47% of the cost (about 0.15% of wages) for children up to age 3.

**Government:** For employees' children up to age 3: the National Treasury pays 36% of the cost; the prefecture, 9%; and municipalities, 9%. For employees' children aged 3 to 15 and the children of self-employed and unemployed persons: the National Treasury pays 67%; the prefecture, 17%; and municipalities, 17%.

### **Qualifying Conditions**

Must meet an income test of 9.6 million yen a year for parents with two children (June 2012).

### **Family Allowance Benefits**

15,000 yen a month is paid for each child younger than age 3; 10,000 yen a month for each of the first two children aged 3 up to graduation from elementary school (15,000 yen a month for each subsequent child); and 10,000 yen a month for each child in junior high school.

For persons who do not meet an income test, 5,000 yen a month is paid for each child up to graduation from junior high school.

The sum of allowances for the previous four months is normally paid every four months (February, June and October).

### **Administrative Organization**

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

Japan Pension Service Branch Offices collect contributions.

Municipalities pay allowances.