

Necessary labour-related reports and employer actions based on employee headcount

Agenda

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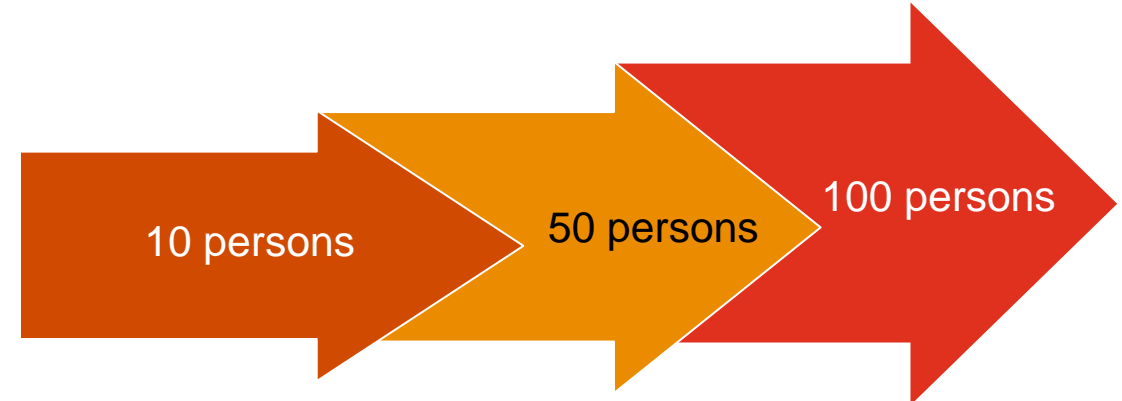
Opening

As you may know, in Japan, companies have a wide range of obligations regarding procedures and reports, as stipulated by the Labor Standards Act and labour and social insurance laws.

In this document, we will focus on introducing the specific procedures and reports required for companies with up to 100 employees concerning human resources and employment management.

We hope that this material provides you with an overview of the procedures and reports required under labour and social insurance laws in Japan.

Since the information provided here covers only the basics, we recommend that you seek specific advice from PwC Labor and Social Security Attorney Corporation or another external professional, as appropriate, when proceeding with actual operations.



1

When hiring an employee

When hiring an employee



Labour management agreement

- **Labour management agreement governing overtime work and holiday work**

When hiring a non-managerial employee who may be required to work beyond statutory working hours or on statutory holidays, the employer must file a 'Notification of Agreement on Overtime Work and Work on Statutory Holidays' with the Labor Standards Inspection Office in advance.



Labour insurance

- **Industrial accident compensation insurance**
- **Employment insurance**

To protect employees affected by disasters, industrial accident compensation insurance applies to all employees except directors.

Also, when hiring a non-managerial employee, the employer must enrol the employee in employment insurance.



Social insurance

- **Employees' pension insurance**
- **Health insurance**

When hiring an employee or paying remuneration to a director, the employer must enrol them in employees' pension insurance and health insurance.

1-1. Labour management agreement governing overtime and work on statutory holidays (1/2)

To enable employees to work overtime, you must execute a 'labour management agreement' in advance

Any employer that may require employees to work beyond statutory working hours or on statutory holidays must file a 'Notification of Agreement on Overtime Work and Work on Statutory Holidays', which is a labour management agreement known as the 36 Agreement, with the Labor Standards Inspection Office.

Signer of the agreement	A labour management agreement must be concluded between an employer and a labour union organised by a majority of the employees or a representative of the majority of employees.
Upper limit of overtime work	The 36 Agreement must specify a cap on overtime working hours for each of the following three periods: <ul style="list-style-type: none">I. Per dayII. Per month -> up to 45 hoursIII. Per year -> up to 360 hoursIV. Number of times the employer has its employees work on statutory holidays per month
Special provision for upper limit	If an employer foresees potentially ordering an employee to work overtime beyond the limits described above due to unavoidable circumstances, a special clause must be included in the 36 Agreement. In such cases, the following must be observed: <ul style="list-style-type: none">I. Annual total hours of overtime work must not exceed 720 hours.II. Monthly total hours of overtime work and work on statutory holidays must be less than 100 hours.III. Monthly averages of the total hours of overtime work and work on statutory holidays for the periods of 2 months, 3 months, 4 months, 5 months and 6 months may not all exceed 80 hours.IV. Monthly total hours of overtime work exceeding 45 hours is allowed up to six times per year.

1-1. Labour management agreement governing overtime and work on statutory holidays (2/2)

Who is eligible to conclude the labour management agreement?

A labour management agreement must be concluded between an employer and either (i) a labour union organised by a majority of the employees or (ii) a representative of the majority of employees.

If a labour union organised by a majority of the employees does not exist in your company, it is necessary to elect a person representing a majority of the employees. The method of electing a person representing the majority of the employees must satisfy the two requirements shown below, or the labour management agreement will not be effective.

Requirements to elect the representative of the majority of employees

I. All workers must participate in the election process, which must be conducted following democratic procedures

It is necessary to democratically elect a representative of the majority of the employees for purposes of the labour management agreement, such as through voting or by a show of hands. The representative must not be appointed by the employer, and it will be invalid if the employee representative is selected based on the employer's intention.

In addition, the representative must represent not only full-time employees but a majority of all the workers in the workplace, including part-time workers.

II. Candidate for employee representative cannot be a management supervisor



The term 'management supervisor' means a person who is in a management position to determine working conditions and other labour management matters at his/her own discretion as stated in Item 2, Article 41 of the Labor Standards Law.




1-2. Labour insurance

Industrial accident compensation insurance

Eligibility, coverage and employer contributions to industrial accident compensation insurance

Eligibility	All employees, including part-time workers, must be enrolled in industrial accident compensation insurance, regardless of how short their scheduled working hours may be. However, company directors are generally not eligible.
Coverage	Industrial accident compensation insurance provides necessary insurance benefits to protect affected employees and their surviving families in the event of injury, illness or death while at work or commuting to work.
Contribution	The amount of industrial accident compensation insurance premiums is determined based on an individual's monthly salary and bonus. The employer is responsible for bearing the full cost of the insurance contributions.

Necessary actions Annotation  : Submission of the form required  : Action required

	Submit an insurance registration form to the local Labor Standards Inspection Office
	Submit an estimated insurance premium declaration form
	Pay the estimated insurance premium*

*The amount is combined with the employment insurance premium.




1-2. Labour insurance

Employment insurance

Eligibility, coverage and employer contributions to employment insurance

Eligibility	An employee who has at least 20 scheduled working hours per week and who is expected to be employed for at least 31 days is eligible to be insured. As with the industrial accident compensation insurance, directors are not eligible for this type of insurance.
Coverage	Employment insurance provides benefits to those who have become unemployed, who are absent from work due to childcare or family care responsibilities, or when an insured person receives training. Also, it provides subsidies for companies to encourage stable employment.
Contribution	The amount of employment insurance premium is determined based on an individual's monthly salary and bonus. It is borne by both employer and employee.

Necessary actions

	Submit an insurance registration form to the local Public Employment Security Office
	Submit an application to enrol each employee in employment insurance
	Pay the estimated insurance premium*

*The amount is combined with the industrial accident compensation insurance.



1-3. Social insurance

Employees' pension insurance

Eligibility, coverage and employer contributions to employees' pension insurance

Eligibility	Not only employees but also full-time directors who receive remuneration from the company must enrol in employees' pension insurance. The eligibility requirements for this insurance have been broadened for employees. Currently, for companies with 50 or more employees, it is mandatory to enrol if they meet certain criteria, such as having scheduled working hours of 20 hours or more per week.
Coverage	Employees' pension insurance provides old age pension, disability pension and survivors' pension.
Contribution	The amount of employees' pension insurance premium is determined based on an individual's monthly salary and bonus. It is borne by both employer and employee.

Necessary actions

	Submit an application to register the company to the local Japan Pension Service
	Submit an application to enrol each employee in the employees' pension insurance to the local Japan Pension Service

1-3. Social insurance

Health insurance

Eligibility, coverage and employer contributions to health insurance

Eligibility	As with employees' pension insurance, not only employees but also full-time directors who receive remuneration from the company must enrol in health insurance. The eligibility requirements for this insurance have been broadened for employees. Currently, for companies with 50 or more employees, it is mandatory to enrol if they meet certain criteria, such as having scheduled working hours of 20 hours or more per week.
Coverage	It covers 70% of medical expenses for an insured person and his/her dependents in the event of injury or sickness due to non-occupational causes. In addition, it provides an allowance if an insured person is absent from work and unpaid due to non-work-related injury or sickness.
Contribution	The amount of health insurance premiums is determined based on an individual's monthly salary and bonus. It is borne by both employer and employee.

Necessary actions

No action is needed with regard to the Japan Health Insurance Association (Kyokai Kempo), a government-managed health insurance association, if the company submits the relevant documents to the pension office. This is because the local pension office will send the documents to the Kyokai Kempo.

If the company joins one of the 'health insurance societies', which are generally established by either a single company or on an industry-wide basis, the necessary actions vary depending on the health insurance society's requirements.

2

When the number of
employees reaches 10

When the number of employees reaches 10



Work rules

Establish work rules

A company in Japan must prepare and file its work rules with the Labor Standards Inspection Office when the company has 10 or more employees.



Safety and health advocates

Appoint a safety and health advocate (*anzen eisei suisinsha*)

A company must appoint a safety and health advocate when it has 10 or more employees.

2-1. Work rules

Establishing work rules (1/2)

Items to be included in the work rules

- **Work rules must contain provisions governing the following:**

- | | |
|------|--|
| I. | Start and finish times, breaks, days off, leaves of absence (including childcare and family care leave) and work shift arrangements, where work is to be performed by two or more shifts of workers. |
| II. | Methods of determining, calculating and paying wages (excluding bonuses and other pay), payroll closing dates and paydays, as well as matters pertaining to raises in wages. |
| III. | Matters pertaining to resignations or dismissals (including grounds for dismissal). |

- **Rules governing the following must be also included if the company offers these services/systems:**

Retirement allowances, bonuses, meal expenses and supplies for work, safety and health, job training, accident compensation and/or support due to injury or illness outside the workplace, commendations and/or sanctions, and other matters applicable to all employees at the workplace

2-1. Work rules

Establishing work rules (2/2)

Additional documents required when filing work rules with the Labor Standards Inspection Office

- The following documents must be attached when filing work rules at the local Labor Standards Inspection Office

I. Notification of the creation of work rules

就業規則届

Notification of Rules of Employment

亀戸労働基準監督署長殿

Attn: the Chief of Kameido Labor Standards Inspection Office

2013 年 3 月 28 日

今回、別添のとおり当社の就業規則を制定いたしましたので、従業員代表の意見書を添付のうえお届けします。

We would like to file the rule of employment with an opinion brief from the person representing a majority of employees.

II. Written statement from either the labour union or the representative of the majority of employees

意見書 (Opinion Letter)

株式会社

代表取締役 殿

Attn: the Representative Director

2022 年 9 月 日

2022 年 9 月 日付をもって意見を求められた就業規則第 17 条の変更案について、下記のとおり意見を提出します。↓



2-2. Safety and health advocate

Appointing a safety and health advocate at the office

Who is eligible to be a safety and health advocate and what is their role?

- A safety and health advocate must be appointed from among those who meet certain requirements such as those with work experience or qualifications, or among those who have completed a training course provided by a certificated institution registered by the director of the Prefectural Labor Bureau.
- The safety and health advocate is responsible for performing tasks to ensure employee safety and health.
- If the company's business is categorised as a non-manufacturing or indoor industry where potential safety risks are relatively low, the company must appoint a health advocate, rather than a safety and health advocate.

Actions

- | | |
|---|---|
|  | Appoint a safety and health advocate, or a health advocate |
|  | Inform employees of the name of the safety and health advocate, or the health advocate, at the office |

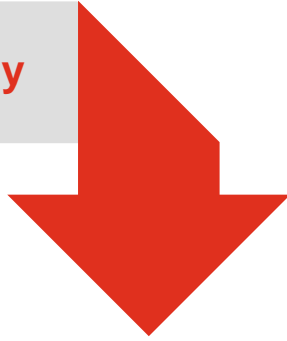
3

When the number of
employees reaches 31

When the number of employees reaches 31



**Report on the
employment of elderly
persons**



Submit a report on the employment of elderly persons to the local Public Employment Security Office

A company with 31 or more employees must submit a report on the work system implemented for elderly employees who are 60 years of age or older, including the number of employees who utilised the system.

3-1. Report on the employment of elderly persons

Submitting a report on the employment of elderly persons

What does the company report in this filing?

- Once a year, by July 15, a company with 31 or more employees must report the following to its local Public Employment Security Office.

- A work system implemented for elderly employees who are 60 years of age or older, such as extension of the mandatory retirement age, continuous employment after retirement age and other particulars
- The number of employees who utilised this work system

様式第2号（第33条関係）		公共職業安定所コード番号	
		（公共職業安定所で記入すること）	
		高年齢者雇用状況等報告書	
高年齢者等の雇用の安定等に関する法律施行規則第33条第1項の規定により、令和 年6月1日現在の状況を下記のとおり報告します。			
厚生労働大臣 殿			
①（ふりがな） 名称（法人の場合） 又は 氏名（個人事業の場合）		②（ふりがな） 代表者氏名 （法人の場合）	
③ 住 所 （法人にあつては主たる事業所の所在地）		〒（ ） 電話番号（ ）	
④ 法人番号			
事業の 種類	⑤ 産業分類番号	⑥ 事業の 具体的内容	⑦ 労働組合 の有無
			<input type="checkbox"/> イ あり <input type="checkbox"/> ロ なし
定年 制の 状況	⑧ 定年	⑨ 雇用保険適用 事業所番号	
	<input type="checkbox"/> イ 定年なし <input type="checkbox"/> ロ 定年あり（定年年齢 歳）	- -	
	⑩ 定年の改定予定等		
	<input type="checkbox"/> イ 改定予定あり（令和 年 月より 歳） <input type="checkbox"/> ロ 廃止予定あり（令和 年 月に廃止） <input type="checkbox"/> ハ 改定又は廃止を検討中 <input type="checkbox"/> ニ 改定・廃止予定なし		
	<input type="checkbox"/> イ 就業規則等で継続雇用制度を定めている → a 継続雇用先 （i）65歳以下（ <input type="checkbox"/> イ）自社 <input type="checkbox"/> （ロ）親会社・子会社等（以下「子会社等」という） <input type="checkbox"/> （ハ）関連会社等 （ii）65歳超（ <input type="checkbox"/> イ）自社 <input type="checkbox"/> （ロ）子会社等 <input type="checkbox"/> （ハ）関連会社等 <input type="checkbox"/> （ニ）その他の会社 → b 対象 → <input type="checkbox"/> （イ）希望者全員を対象（ 歳まで雇用		

- The report form is sent to the company office by post from the Public Employment Security Office.

4

When the number of
employees reaches 40

When the number of employees reaches 40



Obligations to employ people with disabilities



The Japanese government sets a statutory employment rate of people with disabilities, currently at 2.5%. Therefore, a company employing 40 or more people must hire at least one person with a disability.

4-1. Employment of people with disabilities

Obligation to employ people with disabilities

- The Japanese government sets a statutory employment rate of people with disabilities, currently at 2.5%. Therefore, a company employing 40 or more people must hire at least one person with a disability.
- This number will be raised in stages, with 2.7% from July 2026.

Necessary actions

- | | |
|---|--|
|  | Submit a report on the number of persons with a disability employed by the company to the local Public Employment Security Office once a year by July 15 |
|  | Appoint a 'Facilitator of Employment of Persons with a Disability' |

5

When the number of
employees reaches 50

When the number of employees reaches 50



Stress checks

- **Examination to assess the degree of psychological burden ('stress check')**

When the workplace reaches 50 or more employees, including part-timers and agency workers, the company must conduct an examination to assess the degree of the employees' psychological burden.



Industrial safety and health

- **Industrial physicians**
- **Health managers (*eisei kanrisha*) and safety managers (*anzen kanrisha*)**
- **Health committee and safety committee**

When the workplace reaches 50 or more employees, including part-timers and agency workers, the company must appoint an industrial physician and a health manager. The company must also establish a health committee.

For an industry where safety risks are high, the company needs a safety manager and a safety committee in addition to the above.



Report results of medical check-ups

- **Filing a report of employees' medical check-ups with the local Labor Standards Office**

When the workplace reaches 50 or more employees, including part-timers and agency workers, the company must file a report of the results of the employees' periodic medical examinations annually.

5-1. Examination to assess the degree of employees' psychological burden ('stress check')

What is this examination? What must the company do after the examination?

The workplace stress check system was implemented to proactively maintain and promote mental health in workplaces with the aim of preventing mental health problems among employees.

Employees subject to stress checks	<div>I. Full-time employees</div> <div>II. Other than full-time employees: Employees who meet both of the following criteria:<div>1) Are scheduled to be employed for more than one year or have been employed continuously for more than one year</div><div>2) Work more than three-quarters of the scheduled working hours of full-time employees per week</div></div>
Duties of the company after the examination	<div>I. When an employee who is assessed as highly stressed as a result of the examination requests it, a doctor is required to conduct an interview with the employee.</div> <div>II. To consider the opinion of the doctor who conducted the interview and to receive guidance regarding employment measures to promote mental health of highly stressed employees. The company must then implement any necessary employment measures.</div>

Necessary actions



Submit a report of the stress check to the local Labor Standards Inspection Office once a year

5-2. Industrial safety and health (1/2)



Industrial physicians

What is an industrial physician? What is their role?

Employers must appoint a medical doctor as an industrial physician to carry out health care services for employees and other duties specified by law and regulations.

Main roles of an industrial physician	I.	Review the health check-up results of employees and confirm whether there are any issues with them continuing to work in the same manner as before
	II.	Advise employees who require medical treatment whether they can continue working, or if any considerations should be given to their work
	III.	Interview and provide employees with guidance after the stress check
	IV.	Interview and provide guidance for those who have worked long hours
	V.	Workplace inspections
	VI.	Sit as a member of the company's health (and safety) committee

Necessary actions

	Submit a notification of having appointed an industrial physician to the local Labor Standards Inspection Office
	Inform employees of the name of the industrial physician at the office

5-2. Industrial safety and health (2/2)

Health managers and health committees

What is the health (and safety) manager and the health committee? What are their roles?

Health manager	<ul style="list-style-type: none">• A health manager must be appointed in workplaces that regularly employ 50 or more employees.• The main roles and duties include workplace inspections at least once a week and taking necessary measures when there is a risk of harm regarding the equipment, work methods or sanitary conditions to protect the health of the employees.
Health committee	<p>Companies shall establish a health committee to discuss the following matters and measures:</p> <ol style="list-style-type: none">I. Preventing the impairment of employees' healthII. Maintaining and improving employees' health

In the case of the manufacturing industry or an industry involving outdoor work, the company must have a safety manager and a safety committee. Examples of these industries include:

Forestry industry, mining industry, construction industry, transportation industry, cleaning industry, manufacturing industry (including the processing industry), electricity industry, gas industry, heat supply industry, water industry, communication industry, wholesale trade, retail of various products, fuel retail, hotel business, golf course business, automobile maintenance business, machine repair business

Necessary actions



Submit a notification of appointing a health manager, and a safety manager if needed, to the local Labor Standards Inspection Office



Inform employees of the name of the health manager, and the safety manager if needed, at the office

5-3. Report on medical health check-ups

A reporting obligation is imposed on companies with 50 or more employees

While all employers must have employees undergo medical check-ups annually, if the number of employees is 50 or more, the employer is also obligated to report the results of the medical check-ups.

[illegible]

Necessary actions



Submit a report of the results of periodic medical examinations to the local Labor Standards Inspection Office once a year

6

When the number of
employees reaches 101

When the number of employees reaches 101



Women empowerment

- **Formulate an action plan for empowering women**

When the number of employees reaches 101 or more, including part-timers, the company must formulate and announce an action plan for empowering women.



Support raising the next generation

- **Formulate an action plan to support raising the next generation**

When the number of employees reaches 101 or more, including part-timers, the company must formulate and announce an action plan to support raising the next generation of employees.



Levy and grant system for employing persons with disabilities

- **Payment of levies when failing to employ people with disabilities**

When the number of employees reaches 101 or more, including part-timers scheduled to work 20 or more hours per week, the company will be subject to the levy and grant system for employing people with disabilities.

Under this system, companies will be subject to levies if they fail to meet the statutory employment rate of people with disabilities.

6-1. Women empowerment

What is the action plan for empowering women?

Under the Act on the Promotion of Women's Active Engagement in Professional Life, it is necessary to formulate an action plan for women empowerment. The plan is required to include the following contents.

- I. The effective period of the action plan (generally 2-5 years)
- II. Target figures to be achieved
- III. Measures to be taken to reach the target figures
- IV. The period during which the company will take measures

Companies with 101 or more employees must notify the authorities of their action plan within approximately 3 months of its formulation. When the effective period of the action plan ends, the company must formulate a new action plan and notify the authorities accordingly.

一般事業主行動計画策定・変更届

届出年月日 令和 年 月 日

都道府県労働局長 殿

(ふりがな)

一般事業主の氏名又は名称

(ふりがな)

(法人の場合) 代表者の氏名

主たる事業

住所 〒

電話番号

一般事業主行動計画を(策定・変更)したので、次世代育成支援対策推進法第12条第1項又は第4項の規定に基づき、下記のとおり届け出ます。

記

1. 常時雇用する労働者の数 人(うち有期契約労働者 人)

男性労働者の数 人

女性労働者の数 人

2. 一般事業主行動計画を(策定・変更)した日 平成・令和 年 月 日

3. 変更した場合の変更内容


① 一般事業主行動計画の計画期間


② 目標又は次世代育成支援対策の内容(既に都道府県労働局長に届け出た一般事業主行動計画策定・変更届の事項に変更を及ぼすような場合に限る。)


③ その他

4. 一般事業主行動計画の計画期間 平成・令和 年 月 日 ~ 平成・令和 年 月 日

Necessary actions

- 

Notify the Employment Environment and Equal Employment Department of the local prefectural labour bureau that the company has formulated a general employer action plan.
- 

Share the action plan with the office members
- 

Announce to the public that the company has an action plan and provide an overview

6-2. Support raising the next-generation of employees

What is an action plan to support raising the next generation of employees?

Under the Act on Advancement of Measures to Support Raising Next-Generation Children, it is necessary to formulate an action plan regarding employees' work and childcare. The plan is required to include the following contents.

- I. The effective period of the action plan (generally 2-5 years)
- II. Targets to be achieved (including numerical targets for the status of taking childcare leave (it is desirable to set appropriate numerical targets for the period of childcare leave taken by male employees) and the status of working hours for full-time employees)
- III. Measures to be taken to reach the targets
- IV. The period during which the company will take measures

Companies with 101 or more employees must submit the action plan within approximately 3 months of its formulation. When the period of the action plan ends, the company must formulate and submit a new action plan.

Necessary actions



Notify the Employment Environment and Equal Employment Department of the local prefectural labour bureau that the employer has formulated an action plan



Share the action plan with the office members



Announce to the public that the employer has an action plan and provide an overview



* Note: The action plans for empowerment of women and for supporting raising the next generation of employees may be formulated and submitted together if they cover the same period of time.

6-3. Levy and grant system for employing persons with disabilities

What is the levy and grant system?

Submission of the levy form	Employers with 101 or more regular employees are required to file a levy form with regard to the employment of people with disabilities once a year by May 15.
Paying the levy	Employers that fail to meet the statutory employment rate, which is 2.5% of the employer's total workforce, must pay a levy for each person below the employment rate. The monthly levy is JPY50,000 per person below the rate.
Receiving allowance	Employers whose total number of regularly employed employees with disabilities exceeds the statutory employment rate receive an allowance for the number of disabled employees above the statutory rate. The monthly allowance is JPY29,000 per person above the rate.

Necessary actions

	File a levy form with the 'Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers'
	Pay levy amount, if required*

* Note: The levy payment does not exempt the company from its obligation to employ persons with disabilities. The company must continue taking action to achieve the statutory employment rate of persons with disabilities.

Thank you

www.pwc.com/jp

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