



Employment Insurance and Public Employment Services in JAPAN

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1. Employment insurance

Social Security Insurance in Japan at a glance

Needs	Programs
<p data-bbox="109 354 313 404">Income</p> 	<p data-bbox="517 354 2402 532">Public pension insurance: The flat-rate universal pension (both formal and informal sectors) and the income-related employment-based pension (formal sector only) for old age, disability and survivor's benefit.</p> <p data-bbox="517 611 2288 661">Public assistance: Tax-based program for the low-income population</p>
<p data-bbox="109 761 453 1061">Curative and rehabilitative services, life-style disease screening</p> 	<p data-bbox="517 761 2428 996">Social health insurance: Insurance-based financing with substantial government subsidies. Contribution is income-related. Co-payment is 10-30% depending on age and income. Almost all curative and rehabilitative services as well as NCD screening are covered.</p> <p data-bbox="517 1103 2300 1153">Public assistance: Tax-based program for the low-income population.</p>

Social Security Insurance in Japan at a glance

Needs	Programs
<p data-bbox="122 348 392 456">Long-term care</p> 	<p data-bbox="563 348 2448 585">Long-term care insurance: Insurance-based financing with substantial government subsidies. All persons aged 65+ are covered. Income-related contribution is paid by persons aged 40+. User fee is 10-30% depending on income.</p>
<p data-bbox="122 745 504 856">Work injury compensation</p> 	<p data-bbox="563 745 2415 921">Industrial accident compensation insurance: Insurance-based financing for medical care and compensation for work-related disease and injury. Contribution is paid by employers only.</p>
<p data-bbox="122 1052 524 1163">Unemployment benefit</p> 	<p data-bbox="563 1052 2364 1225">Employment insurance: Insurance-based financing for unemployment benefit as well as skills development. Contribution is paid by employer and employee.</p>

Finance for Social Insurance in Japan

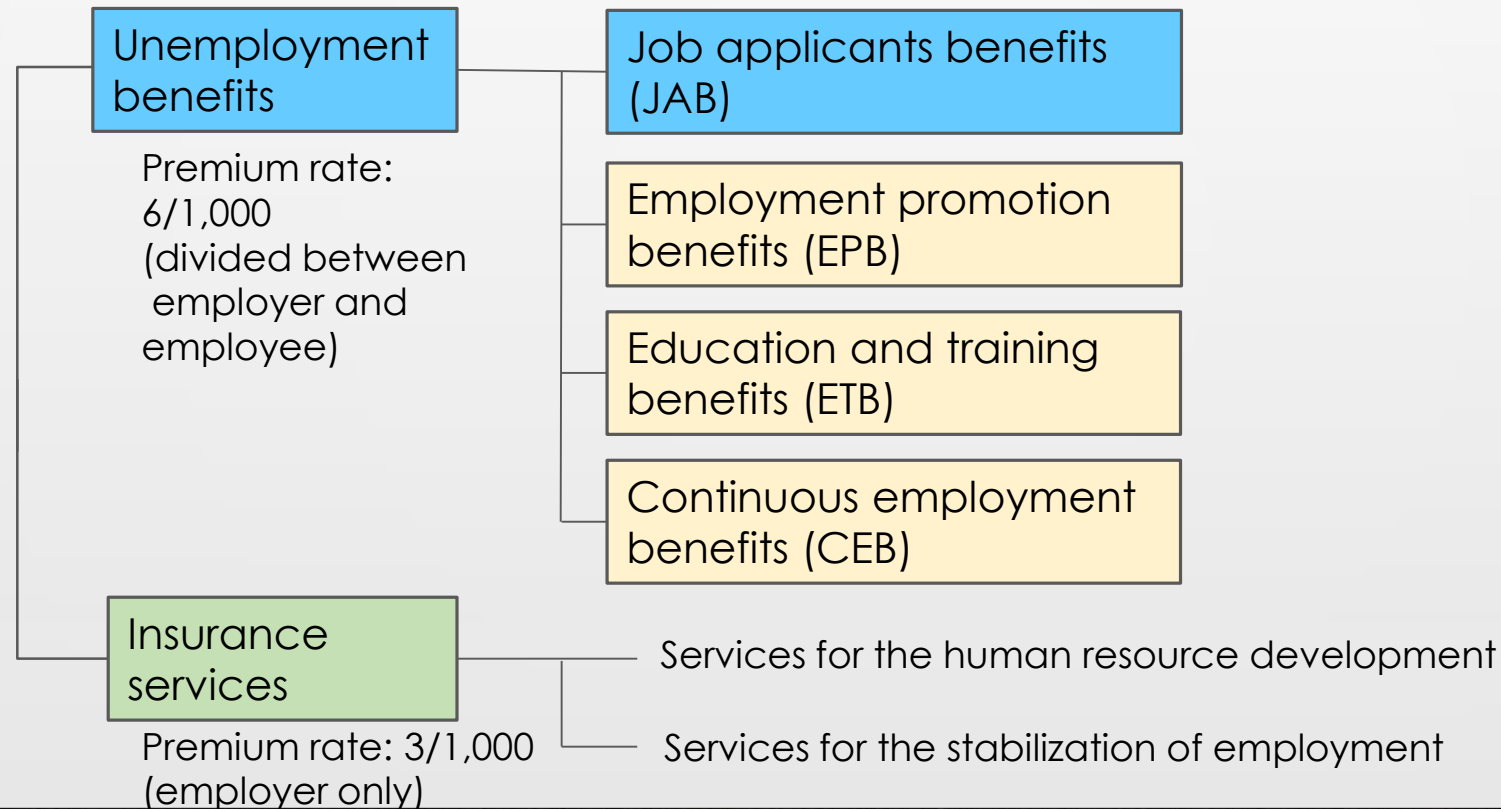
Type	Section	insurer	Total payment (trillion JPY 2017)	Fiscal burden			Premium rate(2019)
				Premium	Nation	Local	
Pension	Non-employee	Pension Agency	23.3	50%	50%	-	\16,410/m
	Employee		32.1	100%	-	-	18.3%
Health	Employee (SME)	Health Insurance Agency	5.8	83.6%	16.4%	-	9.63- 10.75%
	Employee (not SME)	Health Insurance Society	5.3	100%	-	-	9.2%(avg)
	Non-employee	Municipality	9.5	41%	50%	9%	(a)
	Elderly	Prefectural organization	14.8	50%	33.3%	16.7%	(a)
Long term care		Municipality	8.9	50%	25%	25%	(a),(b)
Industrial accident		Nation	0.8	100%	-	-	0.25-8.8%
employment		Nation	1.7	75%	25%	-	0.6%

(a) Calculated by income, assets, number of family members and so forth in each municipality/prefecture

(b) Calculated by income (employee 40-65 years old; 1.6% avg), calculated by income, assets, etc.(non-employee 40-65 years old)

Employment Insurance overview

- Managed by the national government
- Applied compulsorily to any enterprise which employs more than one worker in principle
- Covered establishment: 2.2 million, insured worker: 43 million, beneficiaries: 730 thousand (2018)



Development



~1940

Social interests to unemployment insurance increased and decreased.
1920s WW I and ILO → Discussion in the Parliament
1930s Great Recession → Mutual aid in some cities

1945~47

Hyper inflation and social uncertainty after WW II
Democratization in Japanese employment
→ **1947** Ministry of Labor
Several legislations including **Unemployment insurance law**

1970s

Economic structure: High growth → Stable growth
Policy stance: Passive to unemployment → Positive for employment
1974 Employment insurance law

1990s

Rapid Aging Society → Employment stability, Lifelong learning
More women into works → Work life balance
1994, 1998 Renewal of Employment insurance law

Contents of Benefits



- Job Applicant Benefits (General insured person)

Name	Requirement	Benefits
Basic allowance	State of unemployment Insured period of 12 months or more in previous 2 years, etc.	Daily amount of allowance × Payment duration of benefits
Skill Acquisition allowance	Qualified for Basic allowance Taking job training by the order of Hello-work	¥500 / training day (up to ¥20,000) Fee of commuting (up to ¥42,500 monthly)
Lodging allowance	Qualified for Skill Acquisition allowance Lodging separately from the family	¥10,700 / month
Sickness and Injury allowance	Qualified for Basic allowance Sickness or injuries for over 15 days	As same amount as Basic benefits

Qualification for Basic allowance



Minimum insured period

⇒ 6 months' contribution in the past 12 months

for involuntary job leaver

(Unemployed as a result of bankruptcy, dismissal, etc.)

and disabled people

⇒ 12 months' contribution in the past 24 months

for voluntary job leaver

<1 month = 11 or more workingdays>

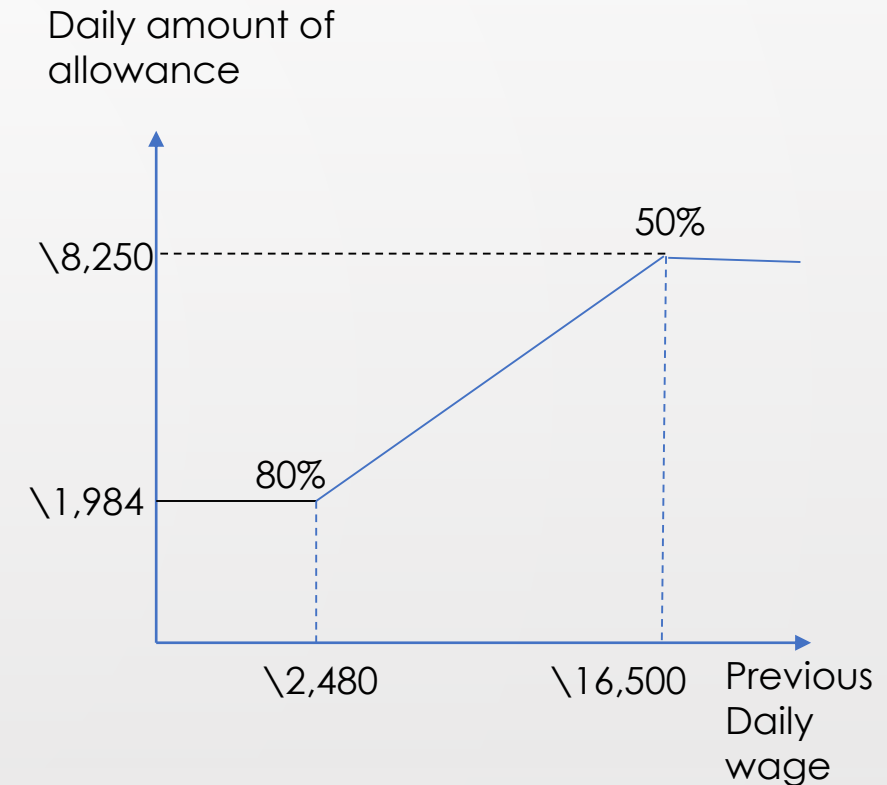
Daily Amount of Basic Allowance

50%~80% of previous Wage*

*the average of wage in past 6 months
(not including Bonus)

⇒ setting Upper Limit / Lower Limit
(¥1,984~8,250/day)

⇒ no tax



Payment Duration of Basic Allowance(1)

Suspension period: 7 days regardless of unemployment reason

1. **Involuntary** job leavers(Unemployed as a result of bankruptcy, dismissal, etc.)

Age	Less than 1 year	1 - 4 years	5 - 9 years	10 - 19 years	20 years or more
Up to 30	90 days	90 days	120 days	180 days	—
30 - 34		120 days	180 days	210 days	240 days
35 - 44		150 days	180 days	240 days	270 days
45 - 59		180 days	240 days	270 days	330 days
60 - 64		150 days	180 days	210 days	240 days

Payment Duration of Basic Allowance(2)

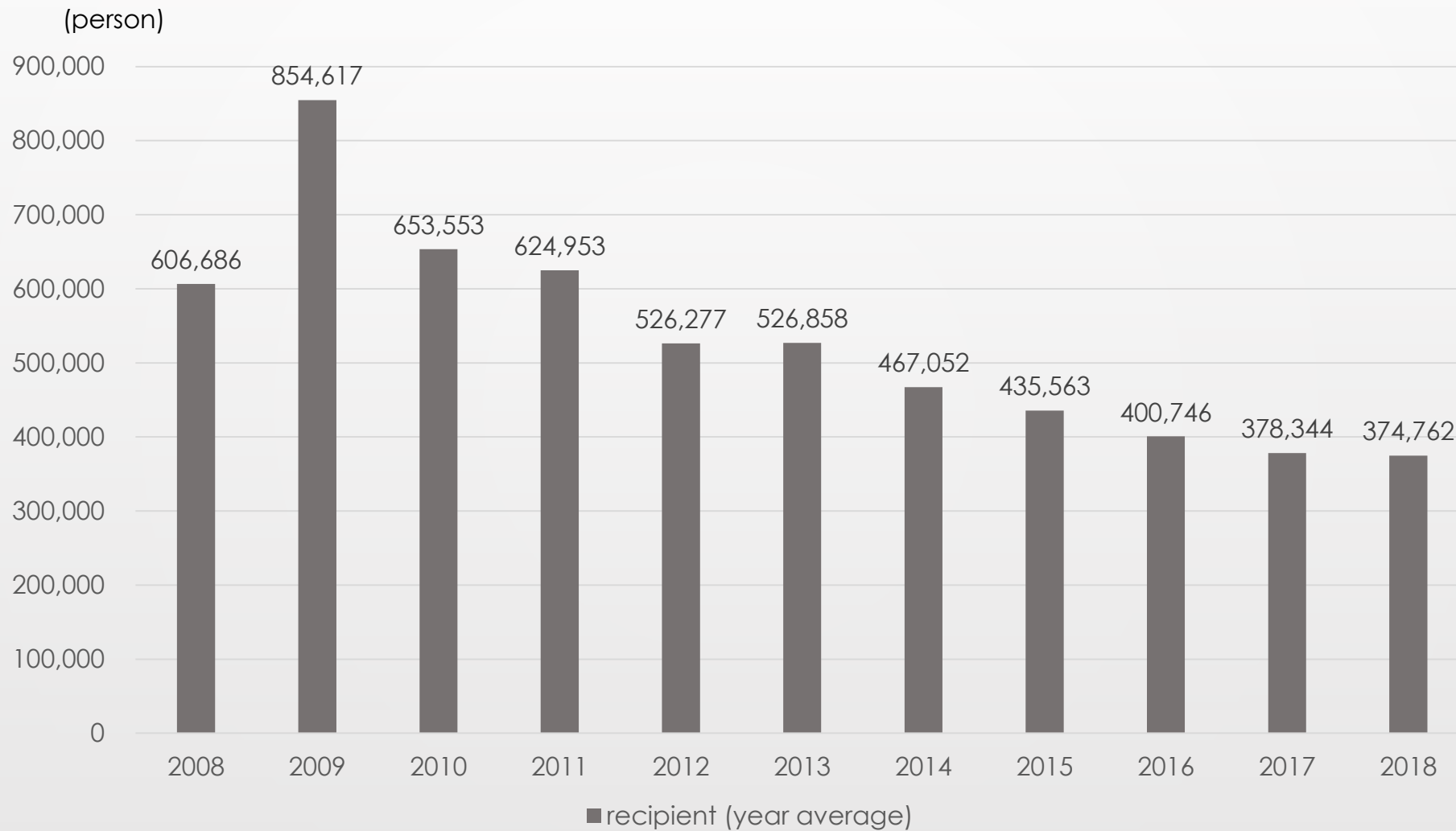
2. Voluntary job leavers(**no benefits for first 3 months** after unemployment)

Age \ Insured period	Less than 1 year	1 - 4 years	5 - 9 years	10 - 19 years	20 years or more
All ages	0	90 days	90 days	120 days	150 days

3. Disabled people

Age \ Insured period	Less than 1 year	1 - 4 years	5 - 9 years	10 - 19 years	20 years or more
Up to 45	150days	300 days			
45 - 64		360 days			

Recipients for Basic allowance



Contents of Benefits



- Employment Promotion Benefits

All allowances are applied to the recipients of basic allowance

Name	Requirement	Benefit
Employment Promotion Allowance	Employed with remaining unpaid 1/3 or more of total amount of basic allowance	Stable employment <ul style="list-style-type: none">• remaining 2/3 or more: 70% of remaining amount• remaining 1/3 or more: 60% of remaining amount Other employment 30% of daily amount × working days
Moving expenses	Changing residence to take up employment by referral of Hello-work or to take a course of training by the order of Hello-work	Pre-ordained amount for moving
Wide Area Job-Seeking Activity Expenses	Job seeking activities in remote areas	Pre-ordained amount for transportation and lodging

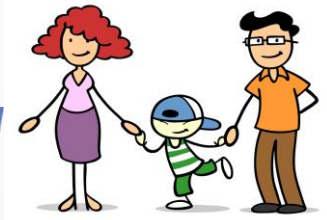
Contents of Benefits



- Educational training Benefits

Name	Requirement	Benefits	Main Area
General training	Insured period for over 3 years Over 3 years after the previous receipt	20% of training fee	Transportation Construction Social service Office clerk Sales Language
Specific training	Completion of the training*	40% of training fee	Basic Caregiver
Professional training	* Designated by the government	50% of training fee Additional 20% for newly employed after completion	Nurse Professional caregiver Information technology Business administration

Contents of Benefits



- Employment continuous Benefits

Name	Requirement	Benefit
Elderly Benefits	<ul style="list-style-type: none">• 60-64 years old• Over 5 years of Insured period when reaching 60 years old• 75% or more of wage decrease comparing to reaching 60 years old	15% of the amount of decrease until reaching 65 years old
Childcare Leave benefits	<ul style="list-style-type: none">• More than 12 working months* during the previous 2 years• Taking childcare leave for baby of less than 1 year old	First 6 months: 67% of previous wage After that: 50% of previous wage
Family care Leave benefits	<ul style="list-style-type: none">• More than 12 working months* during the previous 2 years• Taking family care leave for specified family member	67% of previous wage (up to 3 times of 93 days for each family member)

* 11 or more working days are required for being regarded as “working month”

History of Contribution for Employment Insurance

Fiscal Year	Premiums of employees	Premiums of employers	Contribution of Government* (ratio of yearly cost)
2017-2019	0.3 %	0.6% (0.3+0.3)	2.5%
2016	0.4 %	0.7% (0.4+0.3)	13.75% (ref) 25%=original ratio
2012-2015	0.5 %	0.85% (0.5+0.35)	
2010-2011	0.6 %	0.95% (0.6+0.35)	
2009	0.4 %	0.7% (0.4+0.3)	

Employment Insurance Services

Active Labor Market Policy

1. Human resource development (268 billion JPY)
 - ✓ Subsidy for human resource development in companies
 - ✓ Operation of public job training
 - ✓ Job card system, etc.
2. Stabilization of employment (414 billion JPY)
 - ✓ Subsidy for retention of employment
 - ✓ Subsidy for employment of specific job-seekers
 - ✓ Subsidy for improving employment stability



Suppress the expenditure of Unemployment Benefits



Finance

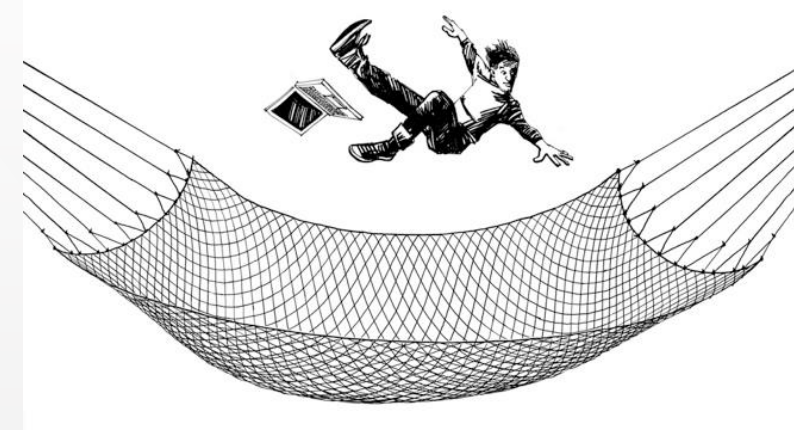
- ▣ Premium from employers only



Checked by sponsors (PDCA basis)

Supportive training for job seekers

- ❑ Complementary Safety Net for job seekers.
Coverage: Uninsured job seekers
(e.g. long-term unemployment, Self-employed, Newly graduate)
- ❑ Requirement
 - Job applicants to Hello-work
 - Taking specific training authorized by the Government
 - Acknowledged by Hello-work to take the training
 - Monthly visit to Hello-work and following the individual support plan
- ❑ Financial Support
 - ✓ For job seekers : $\backslash 100,000 / \text{month}^* + \text{Commuting expense} + \text{Lodging expense}$
 - ✓ For training providers : $\backslash 50,000 / \text{month} \times \text{number of participants} + \text{incentive}$
- ❑ Training course (e.g.) : normally 2-6 months
 - Nursing care
 - Web creator
 - Medical clerk , etc.





2. Public employment services

PES in Japan (Hello work)

1 Number of offices : 544 offices

2 Staff

Regular employee : 10,267

Contract counselor : 16,245

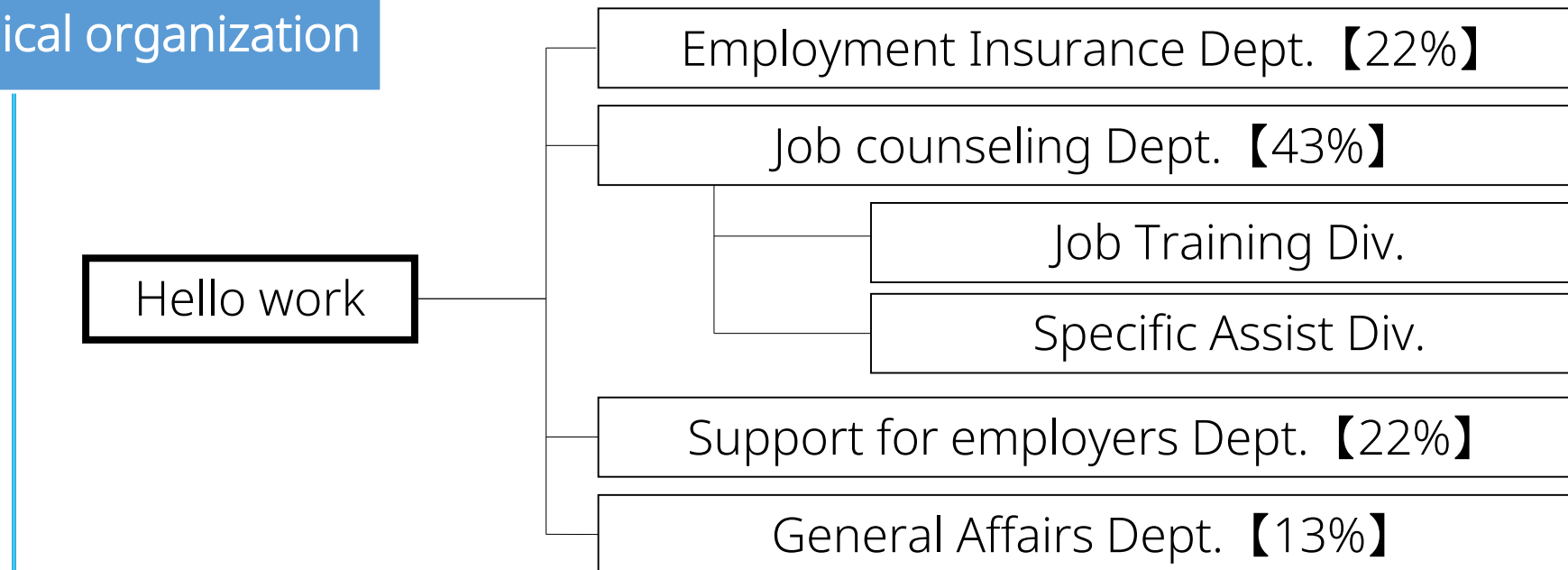
3 Main Services

- ① Job counseling and Job placement
- ② Employment insurance
- ③ Employment measures

Operational Structure

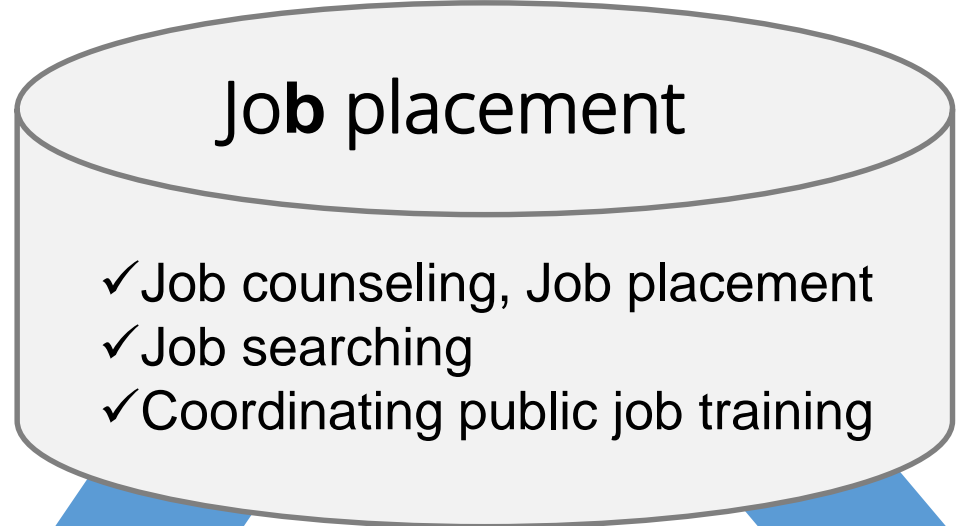
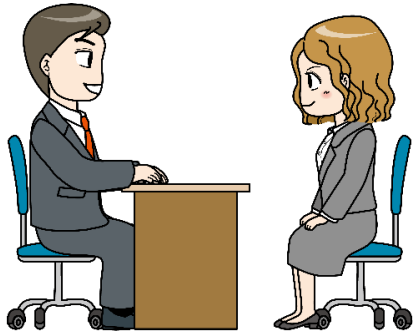


Typical organization



【 】 : share for staff(2018)

Activities of Hello-work



Achievement in Hello work

		2016	2017	2018
Job placement	Newly job seekers	5,189	4,952	4,736
	Newly job vacancies	9,734	10,244	10,393
	Employment	1,627	1,558	1,465
	Retirement rate within 6 months after employed	—	22.5%	
Unemployment benefits	Newly qualified recipients	1,408	1,345	1,336
Young generation	Regular employment from non-regular	308	289	246
Childcare support	Employment of single mothers	83	77	70
	Employment of mothers with childcare	74	73	69
Elderly	Employment of 60 years old and more	218	227	243
Disabled	Employment	93	98	102
Social assistance	Employment of recipients of social assistance	82	78	78

Note: unit is thousand people (except for specific noted)

Inside the Office of Hello work

Overall view 1



Overall view 2



Job counseling 1



Job counseling 2



Inside the Office of Hello work

Job searching 1



Job searching 2



Small job fair



Seminar



Employment Emergency Measures

In employment emergency(Economic Crisis, Natural disasters), the national government implements nationwide prompt employment measures.

《e.g.》

- ❑ In response to Lehman Shock, subsidies for maintaining employment were paid more quickly and requirements for subsidies were eased.
- ❑ In the event of large-scale disasters(e.g. Tohoku earthquake and tsunami) , the national government sent other Hello Work's staff to the earthquake-hit hello works.



Job placement/counseling

Hello Work offer the services for job seekers for free; job placement, job counseling, information offer etc.

① Understanding the characteristic and needs of job seekers

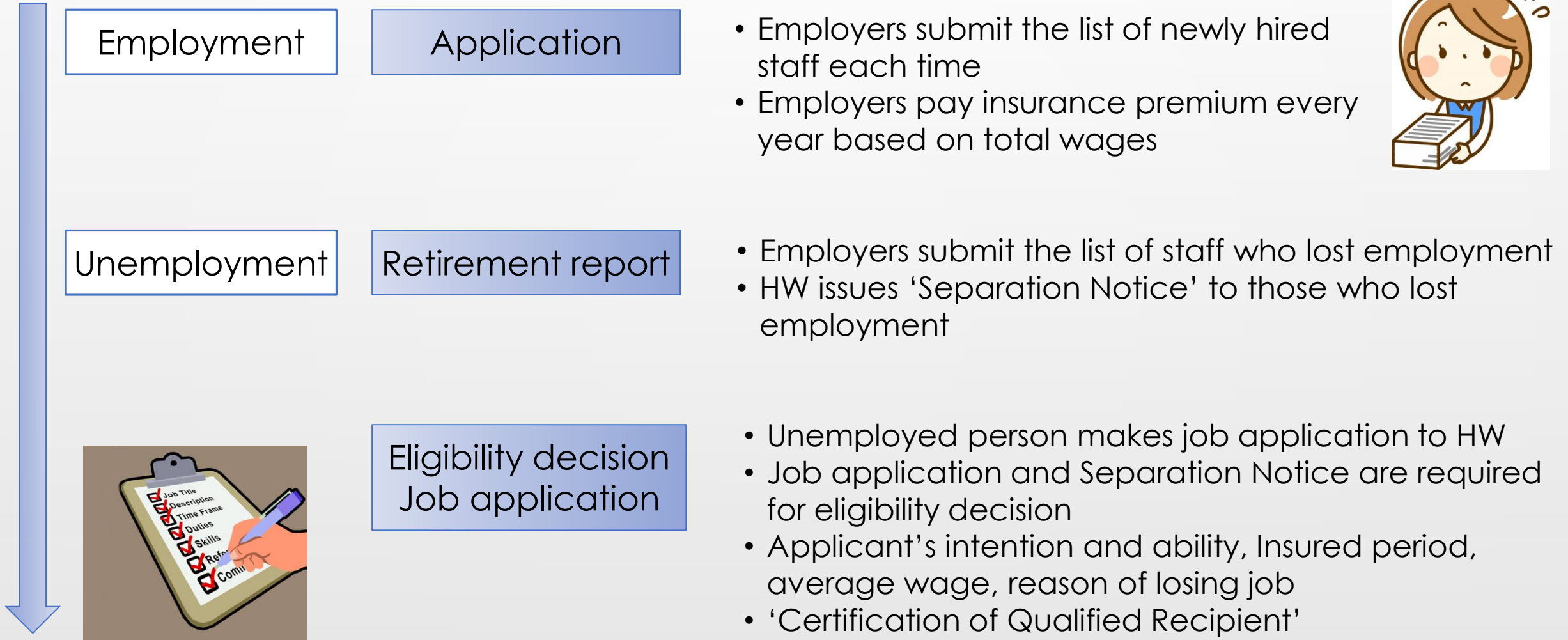
- Self Understanding
- Job Understanding
- Labor market understanding
- Job hunting method
- How to write a resume etc.



- Needs
- Aptitude
- Characteristic
- Problems to be solved for jobseeking

② Services matching the needs of job seekers

Job applicant benefits workflow



Job applicant benefits workflow

Unemployment

Briefing session about receipt

- HW has a briefing session for applicant as well as job consulting
- After the briefing, documents for certification are given
- 'Application for recognition of unemployment status'

Certification of unemployment

- Applicants must visit HW every 4 weeks to certify unemployment status
- Specific activities for employment are required
 - ✓ Job training
 - ✓ Job counseling
 - ✓ Apply for job vacancy, etc.
- HW may induce the applicants to job consulting

Payment

- Bank transfer





Thank you

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