Employment Insurance and Labor market policy in JAPAN

Jan.22 2020

JICA Labor Policy Advisor
Satoshi USHIJIMA

Ministry of Health, Labor and Welfare JAPAN
Yuichi KUWABARA
1. Employment insurance
   • Social security system overview
   • Contents of each allowance
   • Insurance services
   • Financing mechanisms

2. Public employment service and vocational training
   • Contents of services
   • Matching method
   • Job vacancies and update
   • Linkage between PES and vocational training

3. Operation of unemployment benefits
   • Workflow of payment
   • Status of unemployment
   • Application and premium Collection
   • Data management
   • Prevention for fraudulence
1. Employment insurance
Employment outlook in Japan (2018)

Population: 111 million (15 years old and over)
- Labor force: 68.3 million
  - Employed: 66.6 million
    (employment rate: 60.0%)
  - Unemployed: 1.7 million
    (unemployment rate: 2.4%)
- Not in labor force: 42.6 million

Labor force by employment status (2018):
- Self employed: 6.9 million
- Regular employee: 34.9 million
- Non-regular employee: 21.2 million
- Other employee: 3.3 million
- Unemployed: 1.7 million
## Employment overview

<table>
<thead>
<tr>
<th>Items</th>
<th>INDONESIA</th>
<th>JAPAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>1,919 thousand km²</td>
<td>378 thousand km²</td>
</tr>
<tr>
<td>Total population (2019)</td>
<td>271 million</td>
<td>127 million</td>
</tr>
<tr>
<td>Increase rate of population (2015-2020 annual)</td>
<td>+1.14%</td>
<td>-0.24%</td>
</tr>
<tr>
<td>Working age Population (2018)</td>
<td>196 million</td>
<td>111 million</td>
</tr>
<tr>
<td>Labor force (2018)</td>
<td>136.2 million</td>
<td>66.6 million</td>
</tr>
<tr>
<td>Labor force of 15-24 years old (2018)</td>
<td>21.1 million</td>
<td>5.8 million</td>
</tr>
<tr>
<td>Unemployment (2018)</td>
<td>6.8 million</td>
<td>1.7 million</td>
</tr>
<tr>
<td>Non-labor force (2018)</td>
<td>60.3 million</td>
<td>42.6 million</td>
</tr>
</tbody>
</table>
# Social Security in Japan at a glance

<table>
<thead>
<tr>
<th>Needs</th>
<th>Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td><strong>Public pension insurance</strong>: 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.</td>
</tr>
<tr>
<td></td>
<td><strong>Public assistance</strong>: Tax-based program for the low-income population.</td>
</tr>
<tr>
<td>Curative and rehabilitative services, life-style disease screening</td>
<td><strong>Social health insurance</strong>: 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.</td>
</tr>
<tr>
<td></td>
<td><strong>Public assistance</strong>: Tax-based program for the low-income population.</td>
</tr>
</tbody>
</table>
## Social Security in Japan at a glance

<table>
<thead>
<tr>
<th>Needs</th>
<th>Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term care</td>
<td><strong>Long-term care insurance</strong>: 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.</td>
</tr>
<tr>
<td>Work injury compensation</td>
<td><strong>Industrial accident compensation insurance</strong>: Insurance-based financing for medical care and compensation for work-related disease and injury. Contribution is paid by employers only.</td>
</tr>
<tr>
<td>Unemployment benefit</td>
<td><strong>Employment insurance</strong>: Insurance-based financing for unemployment benefit as well as skills development. Contribution is paid by employer and employee.</td>
</tr>
</tbody>
</table>
## Finance for Social Insurance in Japan

<table>
<thead>
<tr>
<th>Type</th>
<th>Section</th>
<th>insurer</th>
<th>Total payment (trillion JPY 2017)</th>
<th>Fiscal burden</th>
<th>premium</th>
<th>Nation</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>Base</td>
<td>Pension Agency</td>
<td>23.3</td>
<td>50%</td>
<td>50%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee</td>
<td></td>
<td>32.1</td>
<td>100%</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>Employee (SME)</td>
<td>Health Insurance Agency</td>
<td>5.8</td>
<td>83.6%</td>
<td>16.4%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee (not SME)</td>
<td>Health Insurance Society</td>
<td>5.3</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not employee</td>
<td>Municipality</td>
<td>9.5</td>
<td>41%</td>
<td>50%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Elderly</td>
<td></td>
<td>Prefectural organization</td>
<td>14.8</td>
<td>50%</td>
<td>33.3%</td>
<td>16.7%</td>
<td></td>
</tr>
<tr>
<td>Long term care</td>
<td></td>
<td>Municipality</td>
<td>8.9</td>
<td>50%</td>
<td>25%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Industrial accident</td>
<td></td>
<td>Nation</td>
<td>0.8</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>employment</td>
<td></td>
<td>Nation</td>
<td>1.7</td>
<td>75%</td>
<td>25%</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>
Social protection programs have been spending more share in GDP.

Social benefit expenditure FY 1965-2015 (as % in GDP)

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)

**Unemployment benefits**
- Premium rate: 6/1,000 (divided between employer and employee)

**Job applicants benefits (JAB)**
- Employment promotion benefits (EPB)
- Education and training benefits (ETB)
- Continuous employment benefits (CEB)

**Insurance services**
- Premium rate: 3/1,000 (employer only)

**Services for the human resource development**

**Services for the stabilization of employment**
<table>
<thead>
<tr>
<th>Period</th>
<th>Events and Changes</th>
</tr>
</thead>
</table>
| ~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** |
Coverage

Applicable enterprises

- Applied compulsorily to any enterprise which employs more than one worker
  
  (Exception)
  Small private enterprises in agriculture, forestry and fishery

Insured people

- All employee hired in the applicable enterprises
  
  (Exception)
  - Working students
  - Employee for central and local government
  - Normal weekly working hours are less than 20 hours
  - Expected to be employed for less than 31 days by the same enterprise
## Insured person qualification

<table>
<thead>
<tr>
<th>Type of qualification</th>
<th>Requirement</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>General insured person</td>
<td>Insured person excluding below</td>
<td>JAB: O</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EPB: O</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ETB: O</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECB: O</td>
</tr>
<tr>
<td>Elderly insured person</td>
<td>Person at 65 years old and over</td>
<td>JAB: O</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EPB: △</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ETB: O</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECB: ▲</td>
</tr>
<tr>
<td>Specified insured person</td>
<td>Seasonal workers* who work - over 4 months - 30 hours and more</td>
<td>JAB: O</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EPB: △</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ETB: ✗</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECB: ✗</td>
</tr>
<tr>
<td>Daily employment insured person</td>
<td>Person who is employed daily or for less than 30 days</td>
<td>JAB: O</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EPB: △</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ETB: ✗</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECB: ✗</td>
</tr>
</tbody>
</table>

*seasonal workers: workers repeating turnover in specific season

△: Allowance for insured employment of the disabled recipients only is paid

▲: Elderly benefit is not paid
Structure of Insured person qualification

1. Working students Employee for government
   - Yes
   - Out of coverage

2. Working 20 hours or more weekly
   - No
   - Out of coverage
   - Yes
   - Employed for 31 days or more
     - No
     - Daily employment insured person
     - Yes
     - Seasonal workers with specific requirement
       - No
       - Specified insured person
       - Yes
       - Elderly insured person
       - No
       - General insured person

3. 65 years old or more
   - Yes
   - Elderly insured person
   - No
   - General insured person

(note) there are several requirements in detail
## Contents of Benefits

- **Job Applicant Benefits** (General insured person)

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

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

<table>
<thead>
<tr>
<th>Age</th>
<th>Insured period</th>
<th>Less than 1 year</th>
<th>1 - 4 years</th>
<th>5 - 9 years</th>
<th>10 - 19 years</th>
<th>20 years or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 30</td>
<td>90 days</td>
<td>90 days</td>
<td>120 days</td>
<td>180 days</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>30 - 34</td>
<td>120 days</td>
<td>120 days</td>
<td>180 days</td>
<td>210 days</td>
<td>240 days</td>
<td></td>
</tr>
<tr>
<td>35 – 44</td>
<td>150 days</td>
<td>150 days</td>
<td>180 days</td>
<td>240 days</td>
<td>270 days</td>
<td></td>
</tr>
<tr>
<td>45 – 59</td>
<td>180 days</td>
<td>180 days</td>
<td>240 days</td>
<td>270 days</td>
<td>330 days</td>
<td></td>
</tr>
<tr>
<td>60 - 64</td>
<td>150 days</td>
<td>150 days</td>
<td>180 days</td>
<td>210 days</td>
<td>240 days</td>
<td></td>
</tr>
</tbody>
</table>
## Payment Duration of Basic Allowance (2)

### 2. Voluntary job leavers

*No benefits for first 3 months after unemployment*

<table>
<thead>
<tr>
<th>Age</th>
<th>Insured period</th>
<th>Less than 1 year</th>
<th>1 - 4 years</th>
<th>5 - 9 years</th>
<th>10 - 19 years</th>
<th>20 years or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>All ages</td>
<td></td>
<td>0</td>
<td>90 days</td>
<td>90 days</td>
<td>120 days</td>
<td>150 days</td>
</tr>
</tbody>
</table>

### 3. Disabled people

<table>
<thead>
<tr>
<th>Age</th>
<th>Insured period</th>
<th>Less than 1 year</th>
<th>1 - 4 years</th>
<th>5 - 9 years</th>
<th>10 - 19 years</th>
<th>20 years or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 45</td>
<td></td>
<td>150 days</td>
<td></td>
<td></td>
<td>300 days</td>
<td></td>
</tr>
<tr>
<td>45 - 64</td>
<td></td>
<td>150 days</td>
<td></td>
<td></td>
<td>300 days</td>
<td></td>
</tr>
</tbody>
</table>
Recipients for Basic allowance

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipients (person)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>606,686</td>
</tr>
<tr>
<td>2009</td>
<td>854,617</td>
</tr>
<tr>
<td>2010</td>
<td>653,553</td>
</tr>
<tr>
<td>2011</td>
<td>624,953</td>
</tr>
<tr>
<td>2012</td>
<td>526,277</td>
</tr>
<tr>
<td>2013</td>
<td>526,858</td>
</tr>
<tr>
<td>2014</td>
<td>467,052</td>
</tr>
<tr>
<td>2015</td>
<td>435,563</td>
</tr>
<tr>
<td>2016</td>
<td>400,746</td>
</tr>
<tr>
<td>2017</td>
<td>378,344</td>
</tr>
<tr>
<td>2018</td>
<td>374,762</td>
</tr>
</tbody>
</table>
## Contents of Benefits

### • Job Applicant Benefits (Other insured person)

<table>
<thead>
<tr>
<th>Type of qualification</th>
<th>Name</th>
<th>Requirement</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly insured person</td>
<td>Job Applicant Benefits for Elderly</td>
<td>State of unemployment</td>
<td>30 or 50 times of Daily amount of allowance*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Insured period of 6 months or more in previous 1 year</td>
<td>* Insured period less than 1 year : 30</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1 year or more : 50</td>
</tr>
<tr>
<td>Specified insured person</td>
<td>Special Lump Sum Payment</td>
<td></td>
<td>40 times of Daily amount of allowance</td>
</tr>
<tr>
<td>Daily employment insured person</td>
<td>Job Applicant Benefits for Day Workers</td>
<td>State of unemployment</td>
<td>Daily amount of allowance: \4,100, \6,200, \7,500 **</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26days or more of being insured in previous 2 months</td>
<td>** based on the amount of premium</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Utmost number of allowance days: 13 -17 days/ month***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>*** based on the number of insured days</td>
</tr>
</tbody>
</table>
### Contents of Benefits

- Employment Promotion Benefits (Main items)

<table>
<thead>
<tr>
<th>Name</th>
<th>Requirement</th>
<th>Benefit</th>
</tr>
</thead>
</table>
| Employment Promotion Allowance| Employed with remaining unpaid 1/3 or more of total amount of basic allowance | Stable employment  
  • 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

<table>
<thead>
<tr>
<th>Name</th>
<th>Requirement</th>
<th>Benefits</th>
<th>Main Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>General training</td>
<td>Insured period for over 3 years</td>
<td>20% of training fee</td>
<td>Transportation</td>
</tr>
<tr>
<td></td>
<td>Over 3 years after the previous receipt</td>
<td></td>
<td>Construction Social service</td>
</tr>
<tr>
<td>Specific training</td>
<td>Completion of the training*</td>
<td>40% of training fee</td>
<td>Basic Caregiver</td>
</tr>
<tr>
<td>Professional training</td>
<td>* Designated by the government</td>
<td></td>
<td>Nurse Professional caregiver</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50% of training fee</td>
<td>Information technology Business administration</td>
</tr>
<tr>
<td></td>
<td>Additional 20% for newly employed after completion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Contents of Benefits

**Employment continuous Benefits**

<table>
<thead>
<tr>
<th>Name</th>
<th>Requirement</th>
<th>Benefit</th>
</tr>
</thead>
</table>
| Elderly Benefits          | • 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  | • 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| • 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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Premiums of employees</th>
<th>Premiums of employers</th>
<th>Contribution of Government* (ratio of yearly cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2019</td>
<td>0.3 %</td>
<td>0.6%(0.3+0.3)</td>
<td>2.5%</td>
</tr>
<tr>
<td>2016</td>
<td>0.4 %</td>
<td>0.7%(0.4+0.3)</td>
<td></td>
</tr>
<tr>
<td>2012-2015</td>
<td>0.5 %</td>
<td>0.85%(0.5+0.35)</td>
<td>13.75%</td>
</tr>
<tr>
<td>2010-2011</td>
<td>0.6 %</td>
<td>0.95%(0.6+0.35)</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>0.4 %</td>
<td>0.7%(0.4+0.3)</td>
<td>(ref) 25%=original ratio</td>
</tr>
</tbody>
</table>
## Employment Insurance financial figures (1)

### Balance sheet of Unemployment Benefits

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1,808</td>
<td>1,820</td>
<td>1,512</td>
<td>1,088</td>
<td>1,124</td>
<td>1,147</td>
</tr>
<tr>
<td><strong>Premium</strong></td>
<td>1,655</td>
<td>1,677</td>
<td>1,375</td>
<td>1,059</td>
<td>1,088</td>
<td>1,116</td>
</tr>
<tr>
<td><strong>State subsidy</strong></td>
<td>132</td>
<td>131</td>
<td>127</td>
<td>184</td>
<td>208</td>
<td>252</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td>1,612</td>
<td>1,652</td>
<td>1,631</td>
<td>1,640</td>
<td>1,716</td>
<td>2,065</td>
</tr>
<tr>
<td><strong>Surplus</strong></td>
<td>197</td>
<td>167</td>
<td>▲119</td>
<td>▲552</td>
<td>▲591</td>
<td>▲918</td>
</tr>
<tr>
<td><strong>Outstanding stability fund</strong></td>
<td>6,259</td>
<td>6,426</td>
<td>6,307</td>
<td>5,755</td>
<td>5,163</td>
<td>4,245</td>
</tr>
</tbody>
</table>

(Units: billion yen)

(Note) The figures are rounded numbers.
Employment Insurance financial figures (2)

Transition of Fiscal situation and Recipients

(billion yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount of funds</th>
<th>Recipients (right scale)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>4,733</td>
<td>78</td>
</tr>
<tr>
<td>1995</td>
<td>4,570</td>
<td>84</td>
</tr>
<tr>
<td>1996</td>
<td>4,276</td>
<td>84</td>
</tr>
<tr>
<td>1997</td>
<td>3,898</td>
<td>90</td>
</tr>
<tr>
<td>1998</td>
<td>2,935</td>
<td>105</td>
</tr>
<tr>
<td>1999</td>
<td>1,887</td>
<td>107</td>
</tr>
<tr>
<td>2000</td>
<td>1,844</td>
<td>103</td>
</tr>
<tr>
<td>2001</td>
<td>500</td>
<td>105</td>
</tr>
<tr>
<td>2002</td>
<td>406</td>
<td>84</td>
</tr>
<tr>
<td>2003</td>
<td>1,603</td>
<td>68</td>
</tr>
<tr>
<td>2004</td>
<td>2,803</td>
<td>63</td>
</tr>
<tr>
<td>2005</td>
<td>4,154</td>
<td>58</td>
</tr>
<tr>
<td>2006</td>
<td>4,883</td>
<td>61</td>
</tr>
<tr>
<td>2007</td>
<td>5,582</td>
<td>61</td>
</tr>
<tr>
<td>2008</td>
<td>5,387</td>
<td>65</td>
</tr>
<tr>
<td>2009</td>
<td>5,575</td>
<td>65</td>
</tr>
<tr>
<td>2010</td>
<td>5,872</td>
<td>62</td>
</tr>
<tr>
<td>2011</td>
<td>5,926</td>
<td>58</td>
</tr>
<tr>
<td>2012</td>
<td>6,062</td>
<td>53</td>
</tr>
<tr>
<td>2013</td>
<td>6,259</td>
<td>47</td>
</tr>
<tr>
<td>2014</td>
<td>6,426</td>
<td>44</td>
</tr>
<tr>
<td>2015</td>
<td>6,307</td>
<td>40</td>
</tr>
<tr>
<td>2016</td>
<td>5,755</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td>37</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>37</td>
</tr>
</tbody>
</table>
### Employment Insurance financial figures (3)

#### Balance sheet of Insurance Services

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Unit: billion)</td>
<td>(billion yen)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>600</td>
<td>615</td>
<td>536</td>
<td>625</td>
<td>589</td>
<td>579</td>
</tr>
<tr>
<td>Expenditure</td>
<td>371</td>
<td>389</td>
<td>437</td>
<td>452</td>
<td>480</td>
<td>630</td>
</tr>
<tr>
<td>Surplus</td>
<td>229</td>
<td>226</td>
<td>99</td>
<td>173</td>
<td>110</td>
<td>▲51</td>
</tr>
<tr>
<td>Outstanding reserve</td>
<td>833</td>
<td>1,058</td>
<td>1,158</td>
<td>1,331</td>
<td>1,440</td>
<td>1,389</td>
</tr>
</tbody>
</table>

(Note) The figures are rounded numbers.
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

Finance
☐ Premium from employers only

Suppress the expenditure of Unemployment Benefits

Checked by sponsors (PDCA basis)
Support for employers (Subsidies)

- Aiming to prevent unemployment, enlarge job opportunities and enhance welfare of workers, the government supports specific enterprises by offering subsidies funded by the employment insurance services.

- Hello-work accepts the application of these subsidies and checks the qualifications

- Payment decision is made by the prefectural labor bureau based on the judgement of Hello-work

**Employment adjustment subsidy**

**Requirement**
- Enterprises forced to reduce business activities due to recessions
- Maintain employment by temporary closure, training or transfer to relative companies

- 1/2 or 2/3 of expenditure (paid for leave allowance, wages during training or transfer) is subsidized
- 7.7 million workers and 380 thousand enterprises were covered in 2012.

( 0.2 million workers and 10 thousand enterprises in 2017)
Support for employers (Subsidies)

Specific jobseeker employment development subsidy

Requirement
- Enterprises which hire specific jobseekers like elderly, disabled, single-mother, 35-60 years old without regular work experience, public welfare recipients, etc.
  - Specific amount is subsidized (e.g. JPY 600 thousand for hiring an elderly or a single mother, JPY 1.2 million for disabled, etc.)
  - 168 thousand enterprises were covered in 2017

Carrier up subsidy

Requirement
- Enterprises which convert non-regular workers to regular workers
  - Specific amount is subsidized (e.g. JPY 720 thousand for converting periodical worker to regular worker, JPY 1.08 million for converting dispatched worker to regular worker, etc.)
  - 38 thousand enterprises were covered in 2016
Support for employers (Subsidies)

**Trial employment subsidy**

**Requirement**
- Enterprises which make trial employment for specific jobseekers lacking in required knowledge, skill and experience
- JPY 40 thousand each month for trial employment (up to 3 months)
- 31 thousand workers were covered in 2017

**Human resource development subsidy**

**Requirement**
- Enterprises which provide job trainings or leaves for self-development
- Specific amount is subsidized (e.g. JPY 760/hour for Off-JT, JPY 665/hour for OJT and 45% of training expenditure)
2. Public employment service and vocational training
Public Employment Services Overview

- Public Employment Service Offices (Hello Work) play a role as the final safety net to support mainly individuals who face difficulty in finding employment through services offered by private job placement business providers, etc.

- Hello Work is to implement job placement, employment insurance, employment measures and other services in an integrated manner as a regional comprehensive employment service agency.

- In addition to 544 Hallo Work nationwide, there are specialized Hallo Work for each jobseekers (Young people, Elderly people, Parenting Workers etc.).
The OECD Jobs Strategy also recommended that three functions of job placement, unemployment benefits and employment measures be integrated. (1994, 2006)
Hello Work’s Organization

Ministry of Health, Labour and Welfare

Prefectural Labour Bureaus

- Labour Standards Dept.
- Employment environment and Equal Employment Dept.
- Employment Service Dept.

Public Employment Service Offices (Hello Work)(544)

The staff number of Hello Work (FY 2019)
- Regular Staff: 10,267
- Non-regular Staff: 16,245
Hello Work’s Organization

Hello Work (Medium Scale)

- Employment Insurance Section
  - Employment Insurance Benefits/Coverage
- Job Counselling Section
  - Job Consolation/Job Placement
- Vocational Training Section
- Specialized Service Section
- Employers Section
- General Affairs Section

Specialized Service Section:
- Job Consolation/Job Placement for Young People, Elderly people, Disabled people etc.

Employment Insurance Section:
- Job offer development, guidance to employers, Subsidy etc.
## Hello Work’s Performance

<table>
<thead>
<tr>
<th></th>
<th>2015 FY</th>
<th>2016 FY</th>
<th>2017 FY</th>
<th>2018 FY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General people</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New job seekers</td>
<td>5,506</td>
<td>5,189</td>
<td>4,952</td>
<td>4,739</td>
</tr>
<tr>
<td>New job offers</td>
<td>9,233</td>
<td>9,734</td>
<td>10,244</td>
<td>10,393</td>
</tr>
<tr>
<td>Regular employment</td>
<td>1,712</td>
<td>1,627</td>
<td>1,558</td>
<td>1,465</td>
</tr>
<tr>
<td><strong>Young</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular employment</td>
<td>326</td>
<td>308</td>
<td>289</td>
<td>246</td>
</tr>
<tr>
<td><strong>Mothers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment of fatherless mothers</td>
<td>90</td>
<td>83</td>
<td>77</td>
<td>70</td>
</tr>
<tr>
<td>Employment of parenting mothers</td>
<td>75</td>
<td>74</td>
<td>73</td>
<td>69</td>
</tr>
<tr>
<td><strong>Elderly people</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>214</td>
<td>218</td>
<td>227</td>
<td>243</td>
</tr>
<tr>
<td><strong>Disabled people</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>90</td>
<td>93</td>
<td>98</td>
<td>102</td>
</tr>
</tbody>
</table>
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.

② Services matching the needs of job seekers

• Needs
• Aptitude
• Characteristic
• Problems to be solved for jobseeking
Job Counselling – Basic method-

**Listening with great interest(kei-chou):** In addition to listening with ears, it is important to feel non-verbal information such as facial expressions, attitudes and gestures.

By respecting the jobseekers as an individual and listening carefully and sympathetically, a trusting relationship with job seekers has sprung up, and counselors will be able to speak in real.
Vocational Training (Hello Training) Overview

• **Vocational Training (Hello Training) is a public system** that enables jobseeker and employed persons to acquire the necessary vocational skills and knowledge in order to achieve career advance and employment.

• **All those who want to work and work.**

• **The tuition is basically free** because of a public system.

• **Various training course**; Web design course and the course with childcare service.

• Implementing by the **government and prefectures, private education and training institutions.**

• **About 250,000 people take trainings annually.**

• **More than 80% of participants are employed.**
Process of Vocational Training

① Career counselling
② Decision of necessity of vocational training
⑥ Direction of vocational training
⑦ Interview
④ Attendance
⑤ Notification of result
③ Application of vocational training

Training facilities

Hello work
Vocational Training (Hello Training) provides job seekers registered with Hello Work with training necessity in getting reemployed if their training needs are identified through career counseling and others.

The Chiefs of Hello Works place job seekers in training when they judge that

① it is essential to take training to find suitable jobs
and also that

② they have the necessary abilities to take vocational training.
Hello work’s services for job-offering persons

- Hello Work offer the services for job-offering persons for free

Main services

1. **Job offer development**: To secure the quantity and quality of job offer
2. **Job offer acceptance**: To guide for job offer in violation of laws and regulations
3. **Follow up** for job offer fulfillment

Visit, Guidance, and advice, etc.
Organization

**Regular staff**
- To make the company visit plan based on the labor market and job fulfillment
- To manage non regular staff
- To guide job-offering persons to ease job offer requirements
- To coordinate with job counselling division

**Non regular staff**
- Under the supervision of regular staff, to do the following work
- To counsel and guide for job offer fulfillment
- To development job offer bay visiting company.
Hello Work’s job offer

- The expiration date of job offer is the last day two months after accepting the job offers.
- One month extension possible only once
- Job offers information can be viewed freely on Hallo Work’s PCs and the internet
- By the system renewal, job-offering persons can submit the job offer through the Internet (2020.1~ )
Job Offer Form

Company name/address

Wages, Allowance

Job Description

Employment Status/Period
### Job Offer Form

<table>
<thead>
<tr>
<th>Working Hours</th>
<th>Selection method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holidays</td>
<td></td>
</tr>
<tr>
<td>Social security</td>
<td></td>
</tr>
</tbody>
</table>
3. Operation of Unemployment Benefits
Employment

Application

• Employers submit the list of newly hired staff each time
• Employers pay insurance premium every year based on total wages

Unemployment

Retirement report

• Employers submit the list of staff who lost employment
• HW issues ‘Separation Notice’ to those who lost employment

Eligibility decision

Job application

• Unemployed person makes job application to HW
• Job application and Separation Notice are required for eligibility decision
• Applicant’s intention and ability, Insured period, average wage, reason of losing job
• ‘Certification of Qualified Recipient’
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
Application for recognition of unemployment status (part A)

If a recipient works temporarily, he/she should declare the day
〇: employed or self-employed,  ×: home job

失業認定申告書
(必ず第2面の注意書きをよく読んでから記入してください。)

1 失業の認定を受けるようとする期間中に、就職・就労又は内職・手伝いをしましたか。

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>4月</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>5月</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td></td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td></td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>29</td>
<td>30</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>29</td>
<td>30</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2 内職又は手伝いをして収入を得た人は、収入のある日、その額（何日分か）などを記入してください。

<table>
<thead>
<tr>
<th></th>
<th>5月</th>
<th>7日</th>
<th></th>
<th>収入額</th>
<th>2000</th>
<th>円</th>
<th>何日分の収入か</th>
<th>2日分</th>
</tr>
</thead>
<tbody>
<tr>
<td>収入のある日</td>
<td></td>
<td></td>
<td></td>
<td>収入額</td>
<td></td>
<td>円</td>
<td>何日分の収入か</td>
<td>2日分</td>
</tr>
<tr>
<td>収入のある日</td>
<td></td>
<td></td>
<td></td>
<td>収入額</td>
<td></td>
<td>円</td>
<td>何日分の収入か</td>
<td>日分</td>
</tr>
</tbody>
</table>

If a recipient do a home job, he/she should declare the income
### Declaration for job searching activities

- **Method of job searching**
- **Date of activities**
- **Content of activities and status**
  
  (option)

- **PES**
- **Private job placement service**
- **Private staffing company**
- **Public sector**
  (local government, etc.)

In case a recipient apply a job vacancy by oneself, he/she should declare the details (e.g. Recruiting company, contact number, date of application, etc.)
### Expected response if PES offer a job placement to a recipient
- If the recipient rejects the offer, he/she should explain the reason.

If a recipient is hired or starts own business, he/she should declare the details.

Recipient’s name and signature.
Application and Premium Collecting

**Establishment submission**
Qualified enterprise should submit the document for applying the insurance (within 10 days)

**Premium declaration**
Qualified enterprise should submit the expected total amount of wages (within 50 days)

**Yearly renewal**
Applicable enterprise should submit the actual total amount of wages in previous year → Adjustment
Applicable enterprise should submit the expected total amount of wages in current year

**Payment**
Applicable enterprises
Prefectural Labor Bureau/Labor Inspection Office

Process of application and collection is conducted together with labor accident compensation insurance.
Prevention to Illegal Escape

Identification

Data sharing
- Social insurance
- Enterprise registration
- Social Security and Tax number

Searching
- Association of employers
- Advertisement

Allegation from workers
- Publishing the roster

Notification of insured employee
- Encouraging self-check

Promotion

Subscription encouragement
- Visiting office
- Persuasion

Guidance by Authority
- Inspection
- Inquiries

Sanction

Entrusting to Jimu-Kumiai
- 7,700 staff (rewarded by performance)
- Annual target: around 35,000 newly application

Authority Application
Additional Invoice
- 100% amount of benefits
Penalty
Jimu-Kumiai

- Delegation of labor insurance affairs
- Commission

Number of entities | 9,525
Number of clients | 1,383 thousands (42.5% of total applied enterprises)
Dealing amount of premium | 294 billion yen (11.8% of total amount of premium)
Prevention for fraudulence

Reason of losing job

• Pretend to be fired to get more benefits
• Pretend to be fired to escape suspension

Job searching activities

• Pretend to conduct job searching activities to get benefit

Omission of declaration

• False registration of working days
• Neglect registration of being hired or starting business

Difference between employer and employee

Confirmation in details

Collation with relational data

SANCTION
penalty of triple illegal benefits
Objection concerning unemployment benefit

Objection against the Decision of Hello work

(e.g.)
• Recognized as voluntary leave
• Less evaluation of daily amount of wage
• Not acknowledged as job searching activities, etc.

Appeal to the independent authority
Judge official for employment insurance (prefectural labor bureau)
Judge committee for labor insurance (MHLW)

Lawsuit to the court
Data Management

MHLW
(Labor market center operation division)
• Job seeker
• Job offer
• Employment insurance
• Subsidy

Hello work system

Prefectural labor bureau
(Employment Measures Div.)

Hello work
Job Placement Div.
Employment Insurance Div.

JEED
Vocational training database

System renewal (2020.1 ~)
• Registration of job offer and job applicant online.
• Statistical function enhancement.
• Security enhancement
• Building backup datacenter

Job Searching
Vocational Training Searching
Registration of job offer and job applicant
Thank you

Satoshi USHIJIMA  ushisato0830@gmail.com
Yuichi KUWABARA  kuwabara-yuuichi@mhlw.go.jp