

Japan

Exchange rate: US\$1.00 equals 112.26 yen.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1941 (employees' pension insurance).

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

Type of program: A social insurance system involving a flat-rate benefit for all residents under the national pension program and earnings-related benefits under the employees' pension insurance program or other employment-related program.

Coverage

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

Employees' pension insurance: Employees of covered firms in industry and commerce, including seamen. (Partial contracting-out from employees' pension insurance is allowed if corporate plans provide equivalent or higher benefits.)

Source of Funds

Insured person

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

All other insured persons contribute 13,860 yen a month. Contributions for the low-income spouses of workers insured under the employment-related program are optional.

Employees' pension insurance: 7.32% (September 2006) of basic monthly earnings and salary bonuses before tax, according to 30 wage classes; miners and seamen contribute 7.852% (September 2006) of basic monthly earnings including salary bonuses before tax.

If the employer has contracted-out, the contribution is between 4.47% and 5.77% of monthly earnings including salary bonuses before tax.

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

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

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

Self-employed person

National pension program: 13,860 yen a month.

Employees' pension insurance: Not applicable.

Employer

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

Employees' pension insurance: 7.32% (September 2006) of monthly payroll including salary bonuses before tax, according to 30 wage classes; contributions for miners and seamen, 7.852% (September 2006) of payroll including salary bonuses before tax.

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

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

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

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

Government

National pension program: One-third plus 25/1000 (increasing to 1/2 by the end of fiscal year 2009) of the cost of benefits and 100% of administrative costs are financed by the national tax.

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

Qualifying Conditions

Old-age pension

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

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

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

Dependent's supplement: No supplements are paid for a spouse or children. (If the insured receives a supplement for a spouse under the employees' pension insurance scheme, when the spouse reaches age 65 and starts to receive the old-age national pension, he or she will receive an additional pension.)

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

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

Disability pension

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

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

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

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

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

Credited contributions may be awarded to low-income or disabled persons or for those receiving public aid. The pension amount is reduced for credited contribution periods.

Survivor pension

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

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

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

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

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

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

Dependent's supplement: Paid for a surviving parent or children up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

Old-Age Benefits

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

Early pension: For those born on or after April 2, 1941, the reduction is 0.5% times the number of months between the date of application and age 65. For older cohorts, the benefit is actuarially reduced by between 42% and 11%, depending on the age at which the pension is taken between ages 60 and 64.

Deferred pension: For those born on or after April 2, 1941, the increase is 0.7% times the number of months between age 65 and the month of application. For older cohorts, the pension that was payable at age 65 is increased by between 12% and 88%, depending on the age at which the pension

is taken between ages 66 and 70. Different rates apply if the pension is deferred until age 71 or older.

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

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

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

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

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

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

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

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

Permanent Disability Benefits

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

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

Benefits are paid every 2 months.

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

Employees' pension insurance (disability): For a Group I disability, the pension is equal to 125% of the old-age pension plus additional benefits for dependents; for Group II, 100% of the old-age pension plus additional benefits for dependents; and for Group III, 100% of the old-age pen-

sion. For persons with less than 300 months of coverage, the pension is calculated on the basis of a contribution period of 300 months.

The minimum benefit is 594,200 yen a year.

Dependent's supplement: 227,900 yen a year for a spouse.

Benefits are paid every 2 months.

Disability grant: A lump sum is paid equal to 150% of the old-age pension. The minimum lump sum is 1,168,000 yen.

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

Survivor Benefits

National pension program (survivors)

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

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

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

Benefits are paid every 2 months.

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

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

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

Dependent's supplement: 227,900 yen a year is paid for each of the first two children and 75,900 yen for each additional child up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled). If there are no children, a supplement of 594,200 yen a year is paid for a widow between ages 40 and 65 if she was aged 35 or older when the insured died.

Benefits are paid every 2 months.

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

Administrative Organization

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

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

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

Sickness and Maternity

Regulatory Framework

First and current laws: 1922 (employees' health insurance), implemented in 1927, with 2000 and 2006 amendments; 1938 (national health insurance), with 1958 and 2006 amendments; and 1982 (medical system for the elderly), implemented in 1983, with 2006 amendment.

Type of program: Social insurance system.

Coverage

National health insurance: All persons residing in Japan not covered under the employees' health insurance program.

Special national health insurance societies provide coverage for certain occupations.

Employees' health insurance

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

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

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

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

A health and medical services program operates for persons aged 75 or older (the insured person may also be covered by the national health insurance or the employees' health insurance program).

Source of Funds

Insured person

National health insurance: The contribution is fixed by the insurer but must not exceed 530,000 yen a year per household. (The average annual contribution in 2003 was 81,523 yen per insured person, or 160,282 yen per household.)

Contributions may be reduced for low-income persons residing in Japan.

Employees' health insurance: 4.1% of the basic monthly earnings including salary and bonuses before tax, according to 39 wage classes (government-managed program). The annual average contribution in 2004 was 3.74% of basic monthly earnings including salary and bonuses before tax, according to 39 wage classes (society-managed program).

The minimum monthly basic earnings for contribution and benefit purposes are 98,000 yen.

The maximum monthly basic earnings for contribution and benefit purposes are 980,000 yen.

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

Self-employed person

National health insurance: The contribution is fixed by the insurer but must not exceed 530,000 yen a year per household. (The average annual contribution in 2003 was 81,523 yen per insured person, or 160,282 yen per household.)

Contributions may be reduced for low-income persons residing in Japan.

Employees' health insurance: 4.1% of the basic monthly earnings including salary and bonuses before tax, according to 39 wage classes (government-managed program). The annual average contribution in 2004 was 3.74% of basic monthly earnings including salary and bonuses before tax, according to 39 wage classes (society-managed program).

The minimum monthly basic earnings for contribution and benefit purposes are 98,000 yen.

The maximum monthly basic earnings for contribution and benefit purposes are 980,000 yen.

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

Employer

National health insurance: None.

Employees' health insurance: 4.1% of the basic monthly payroll including bonuses before tax, according to 39 wage classes (government-managed program). The annual average contribution in 2004 was 3.74% of basic monthly payroll including bonuses before tax, according to 39 wage classes (society-managed program).

The minimum monthly basic earnings for contribution and benefit purposes are 98,000 yen.

The maximum monthly basic earnings for contribution and benefit purposes are 980,000 yen.

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

Government

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

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

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

Qualifying Conditions

National health insurance: Must reside in Japan.

Employees' health insurance: Must be in covered employment. If an insured person leaves employment but was in covered employment during the previous 2 months, the insured may be covered on a voluntary basis for up to 2 years.

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

Sickness and Maternity Benefits

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

Employees' health insurance

Sickness and injury allowance: 60% of the average daily basic wage is paid, according to wage class. The benefit is payable after a 3-day waiting period for up to 18 months. Health insurance societies may provide more generous benefits. If the insured receives wages, benefits are suspended or partially reduced.

Maternity allowance: 60% of the average daily basic wage is paid, according to wage class, for 42 days before (98 days for expected multiple births) and 56 days after the expected date of childbirth. If the insured receives wages, benefits are suspended or partially reduced.

Child care allowance: A lump sum of 350,000 yen is paid to an insured person or the dependent of an insured person whose pregnancy lasts 4 or more months.

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

Workers' Medical Benefits

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

There is no limit to duration.

Cost sharing: The amount depends on the person's age: younger than age 3, 20% of the cost; ages 3 to 69, 30% of the cost; aged 70 or older, 10% of the cost or 30% for those with a certain level of income.

Inpatients also pay a daily fee toward the cost of meals and other living expenses. The daily fee for meals and other living expenses depends on family income and the duration of the hospital stay.

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

There is no limit to duration.

Cost sharing: The amount depends on the person's age: younger than age 3, 20% of the cost; ages 3 to 69, 30% of the cost; aged 70 or older, 10% of the cost or 20% for those with an income of 1,240,000 yen or more.

Inpatients also pay a daily fee toward the cost of meals and other living expenses. The daily fee for meals and other living expenses depends on family income and the duration of the hospital stay.

Dependents' Medical Benefits

National health insurance: Not applicable.

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

There is no limit to duration.

Cost sharing: The amount depends on the person's age: younger than age 3, 20% of the cost; ages 3 to 69, 30% of the cost; aged 70 or older, 10% of the cost or 20% for those with an income of 1,240,000 yen or more.

Inpatients also pay a daily fee toward the cost of meals and other living expenses. The daily fee for meals and other living expenses depends on family income and the duration of the hospital stay.

Administrative Organization

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

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

National health insurance: Municipalities administer the program.

Employees' health insurance: Social Insurance Agency (<http://www.sia.go.jp>) provides the national administration for the government-managed program, and 1,756 health

insurance societies administer the society-managed program nationwide.

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

Work Injury

Regulatory Framework

First law: 1911.

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

Type of program: Social insurance system.

Coverage

Employees of all firms in industry and commerce not included under voluntary coverage or special systems.

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

Special systems for seamen and civil servants.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

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

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

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The benefit is equal to 60% of the insured's average daily wage in the preceding 3 months plus a temporary disability supplement equal to 20% of the insured's average daily wage. The benefit is payable after a 3-day waiting period until the end of the 18th month (the employer pays 60% of the average daily wage for the first 3 days).

The minimum daily benefit is 4,100 yen.

The maximum daily benefit ranges from 13,300 yen to 24,026 yen, depending on the insured's age.

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

From the 19th month, less severely disabled persons receive the same level of benefit as before until recovery; more severely disabled persons receive the disease compensation pension (annual benefit is equal to 100% of the average daily wage in the preceding 3 months multiplied by between 245 and 313 days until recovery, according to the degree of

disability), plus a special supplement based on the worker's annual salary bonus.

Benefits are paid every 2 months.

Benefit adjustment: Automatic annual adjustment for changes in wages.

Permanent Disability Benefits

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

Less seriously disabled persons (Groups 8 to 14) receive a lump-sum benefit of between 56 and 503 times their average daily wage in the preceding 3 months. The pension varies with the assessed degree of disability.

Constant-attendance allowance (Groups 1 and 2):

104,590 yen a month if requiring full-time care (56,7180 yen if the care is provided by family members); 52,300 yen a month if requiring part-time care (28,360 yen if the care is provided by family members).

Benefits are paid every 2 months.

Benefit adjustment: Automatic annual adjustment for changes in wages.

Workers' Medical Benefits

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

There is no limit on the duration of benefits.

Survivor Benefits

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

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

Benefits are paid every 2 months.

Benefit adjustment: Automatic annual adjustment for changes in wages.

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

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

Administrative Organization

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

Work Injury Compensation Division within the Ministry of Health, Labor, and Welfare's Bureau of Labor Standards administers the program through prefecture labor standards offices and local labor standards inspection offices.

Unemployment

Regulatory Framework

First law: 1947.

Current law: 1974 (employment insurance), with 2003 amendment.

Type of program: Social insurance system.

Coverage

Employees younger than age 65.

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

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

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

Source of Funds

Insured person: 0.8% of earnings; 0.9% for agricultural, forestry, fishery, or sake brewing industry workers.

Self-employed person: Not applicable.

Employer: 1.15% of payroll; 1.25% of payroll for agricultural, forestry, fishery, or sake brewing industry workers; and 1.35% of payroll for construction workers.

Government: 25% of the cost of unemployment benefits and special allowances, 33.3% of the cost of benefits for daily workers, and 12.5% of the cost of benefits for insured persons on child care leave and for older workers.

Qualifying Conditions

Unemployment benefit: Must have 6 months of insurance during the last 12 months (or 1 year of contributions during the last 2 years for part-time workers). Must be registered with the Public Employment Security Office and be capable of, and willing to, work. The unemployed person must report to the Public Employment Security Office once every 4 weeks. Unemployment must not be due to voluntary leaving, serious misconduct, refusal of a suitable job offer, or nonattendance at vocational training (otherwise, the benefit may be limited to 1 to 3 months).

Special daily or monthly allowances: Includes vocational training, transportation for job search activities, moving, and lodging expenses. The allowances are payable to cover the cost of vocational training and while seeking employment in the wider area. The insured must have at least 3 years of coverage to receive education and training benefits and must take designated educational and training courses.

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

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

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

Unemployment Benefits

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

The minimum daily benefit is 1,688 yen.

The maximum daily benefit is 7,935 yen.

Special daily or monthly allowances: Allowances are paid to cover the cost of vocational training and while seeking employment in the wider area.

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

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

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

Administrative Organization

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

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

Family Allowances

Regulatory Framework

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

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

Coverage

Residents with one or more children younger than age 12.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer

Children's allowance: 70% of the cost (about 0.09% of wages) for children younger than age 3.

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

Government

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

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

Qualifying Conditions

Family allowances

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

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

Family Allowance Benefits

Family allowances

Children's allowance: 5,000 yen a month is paid for each of the first two children and 10,000 yen a month for each subsequent child.

Special allowance: 5,000 yen a month is paid for each of the first two children and 10,000 yen a month for each subsequent child.

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

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

Administrative Organization

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

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

Municipalities deliver allowances.