

Japan

Exchange rate: US\$1.00 equals 110.19 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.

Note: The provisions and rates are effective as of April 1, 2004.

Coverage

National pension program: Residents aged 20 to 59; voluntary coverage for residents aged 60 to 64 (aged 65 to 69 in special cases) and for citizens residing abroad (aged 20 to 64).

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

Special employment-related schemes for civil servants and private-school employees.

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 13,300 yen a month. Low-income spouses of workers insured under the employment-related program may apply for exemption from payment.

Employees' pension insurance: 6.79% of basic monthly earnings and salary bonuses before tax, according to 30 wage classes; miners and seamen contribute 7.48% of basic monthly earnings including salary bonuses before tax, according to 30 wage classes.

If the employer is contracted-out, the contribution is between 5.29% and 5.59% 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: 13,300 yen per month.

Employees' pension insurance: Not applicable.

Employer

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

Employees' pension insurance: 6.79% of monthly payroll including salary bonuses before tax, according to 30 wage classes; contributions for miners and seamen, 7.48% of payroll including salary bonuses before tax, according to 30 wage classes.

If the employer is contracted-out, the contribution is between 5.29% and 5.59% 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 of the cost of benefits, plus 100% of administrative costs.

Employees' pension insurance: The cost of administration.

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. There is no requirement to cease employment, and the pension is not earnings tested.

Deferred pension: The pension may be deferred up to age 69.

Dependent 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 he or she will receive a pension under the national pension program equal to the employee's pension

insurance supplement. The spouse must not qualify for a national pension in his or her own right.)

Employees' pension insurance: Age 60 (age 55, 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 70.

Dependent supplement: Payable for a dependent spouse under 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. Payable 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: Total disability requiring constant attendance (Class I) or a degree of disability that severely restricts the person's ability to live independently (Class II). 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.

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

Employees' pension insurance: Total disability requiring constant attendance (Class I) or a degree of disability that severely restricts the person's ability to live independently (Class II). 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. A pension (Class III) may be awarded for a disability less severe than that of Class II.

Dependent supplement: Payable to persons with a Class I or II disability for a dependent spouse under 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): Payable for an assessed degree of disability lower than Class 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 supplement: Payable 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 children of the deceased 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 conditions for the old-age or disability (Class 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 may include a widow, a widower older than age 55, 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: widowed mother, children, childless widow, widower, parents, grandparents, and grandchildren.

Dependent supplement: Paid to a surviving parent or the eldest child for 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 794,500 yen a year. If not fully insured, the pension is reduced proportionately 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 due 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.

Dependent supplement: Paid directly to a qualifying spouse aged 65 or older. The supplement ranges from 15,300 yen to 228,600 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 insured's indexed 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. (This

additional amount is replaced by the national pension at age 65.)

Working pensioner: The pension is reduced by 20% for continued employment between ages 60 and 64 if the combined total of the monthly wage and 80% of the pension is under 280,000 yen; if the combined total is between 280,000 yen and 480,000 yen, the pension is reduced by 1 yen for every 2 yen earned; if the combined total exceeds 480,000 yen a month, the pension is reduced by 100% of wages over 480,000 yen.

Dependent supplement: 228,600 yen a year for a spouse; 228,600 yen a year for each of the first two children and 76,200 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): 993,100 yen a year for a Class I disability or 794,500 yen a year for a Class II disability.

Dependent supplement: 228,600 yen a year for each of the first two children and 76,200 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 Class I disability, 125% of the old-age pension plus additional benefits for dependents; for Class II, 100% of the old-age pension plus additional benefits for dependents; and for Class III, 100% of the old-age pension. For younger disabled persons with less than 300 months of coverage, the contribution period is counted as 300 months.

The minimum benefit is 596,000 yen a year.

The maximum benefit is based on the earnings limit for contribution purposes according to the wage class.

Dependent supplement: 228,600 yen a year for a spouse.

Benefits are paid every 2 months.

Disability grant: A lump sum equal to 200% of the old-age pension. The minimum lump sum is 1,206,400 yen.

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

Survivor Benefits

National pension program (survivor): 794,500 yen a year for a widow. (No benefit is payable for a widower.)

Dependent supplement: 228,600 yen a year for each of the first two children and 76,200 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: The benefit is the same as for a widow plus dependent supplements and is divided equally among all eligible orphans.

Benefits are paid every 2 months.

Death grant: A lump sum of between 120,000 yen and 320,000 yen, 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 (survivor): 75% of the old-age pension is payable for the death of an insured worker. The pension is paid to the first eligible survivor in the following order of priority: widowed mother, children, childless widow, widower, parents, grandparents, and grandchildren.

Dependent supplement: 228,600 yen a year for each of the first two children and 76,200 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 596,000 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>) provides general supervision of 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 1997 and 2000 amendments; 1938 (national health insurance), with 1958 and 1998 amendments; and 1982 (medical system for the elderly), implemented in 1983.

Type of program: Social insurance system.

Coverage

National health insurance: All residents not covered under employment-related health insurance or special schemes are covered under local government programs operated at the municipality, township, or village level.

Special national health insurance societies provide coverage for self-employed persons.

Employees' 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 persons aged 70 or older (medical system for the elderly), seamen, private-school employees, and civil servants.

Source of Funds

Insured person

National health insurance: National health tax or premium is fixed by the individual carrier but must not exceed 530,000 yen a year per household. (The average annual contribution in 2000 was 82,954 yen per insured person, or 166,990 yen per household.)

Premiums may be reduced by between 30% and 70% for qualifying low-income residents or for households in a program run by a municipality.

Employees' health insurance: 4.1% of the basic monthly earnings including salary bonuses before tax, according to 39 wage classes (government-managed program). The annual average contribution in 1999 was 3.72% of basic monthly earnings including salary bonuses before tax, according to 39 wage classes (health insurance society).

The minimum monthly basic wage for contribution and benefit purposes is 92,000 yen.

The maximum monthly basic wage for contribution and benefit purposes is 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: Covered by special national health insurance societies.

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 1999 was 4.786% of basic monthly payroll including bonuses before tax, according to 39 wage classes (health insurance society).

The minimum monthly basic wage for contribution and benefit purposes is 92,000 yen.

The maximum monthly basic wage for contribution and benefit purposes is 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: 50% of the cost of medical care, the cost of administration, and some local subsidies.

Employees' health insurance: 13.0% of benefit costs, 16.4% of the cost of health care for the aged, and the cost of administration for the government-managed program as well as part of the cost of administration for health insurance societies.

Qualifying Conditions

National health insurance (medical benefits): Residence in a municipality, township, or village.

Employees' health insurance (sickness, maternity, and medical benefits): In covered employment. If an insured person leaves employment but was in covered employment during the previous 12 months, sickness and maternity benefits are continued for the normal duration of entitlement; medical care for the same insured person can be provided for up to 5 years from the first date of treatment.

Eligible dependents for medical benefits 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 are residing with the insured person.

Birth grant: Paid to an insured person or the wife of an insured person whose pregnancy lasts 4 months or more.

Funeral grant: Paid to the person who organizes the funeral of the deceased insured.

Sickness and Maternity Benefits

National health insurance: No cash benefits are provided by law, but all insurance carriers provide lump-sum death and birth grants.

Employees' health insurance (sickness benefit): 60% of the average daily basic wage, according to wage class. The benefit is payable after a 3-day waiting period for up to 18 months or until the determination of disability. Health insurance societies may provide more generous benefits.

Maternity benefit: 60% of the average daily basic wage according to wage class is paid for 42 days before (98 days for expected multiple births) and 56 days after the expected date of childbirth. The payment of benefit is discontinued or reduced partially if the mother is receiving a wage or cash sickness benefit.

Birth grant: A lump sum of 300,000 yen.

Funeral grant: A lump sum of 100,000 yen is paid to a deceased person's dependent who organizes the funeral. If there is no dependent, the actual funeral expenses up to the limit of the deceased's basic wage for contribution purposes is paid to the person who organizes the funeral.

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 insurance carrier (some carriers 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: under 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 food. The daily fee for food depends on family income and the duration of the hospital stay.

Employees' health insurance: Medical benefits are the same as under national health insurance.

Cost sharing: The amount depends on the person's age: under 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 food. The daily fee for food depends on family income and the duration of the hospital stay.

Dependents' Medical Benefits

National health insurance: Same as for the insured person.

Employees' health insurance: Same as for the insured person.

Administrative Organization

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

National health insurance: Local administration is provided mainly by municipal health insurance funds. The National Health Insurance societies provide administration for some insured persons, including the self-employed. National Health Insurance provides medical benefits.

Employees' health insurance: Social Insurance Agency (<http://www.sia.go.jp>) provides the national administration for the government-managed program. Regional Social Insurance Bureaus and Social Insurance Offices administer the program locally. Employees' Health Insurance provides cash and medical benefits. For programs managed by Health Insurance Societies, insurance divisions of prefecture departments and 1,756 Health Insurance Societies provide local administration for affiliated workers.

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 schemes.

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: 0.55% to 13.5% of payroll, according to a 3-year accident rate.

Government: Subsidies, set within the limits of the national budget.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

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 4,160 yen.

The maximum daily benefit is 23,620 yen.

Benefit adjustment: Automatic quarterly adjustment for wage changes higher 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 injury and 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 wage changes.

Permanent Disability Benefits

Permanent disability pension: Seriously disabled persons (assessed according to grades 1 to 7 of disability) 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 (assessed according to grades 8 to 14 of disability) 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 (assessed grades of disability 1 and 2): 106,100 yen a month if requiring full-time care (57,580 yen if the care is provided by family members); 53,050 yen a month if requiring part-time care (28,790 yen if the care is provided by family members).

Benefits are paid every 2 months.

Benefit adjustment: Automatic annual adjustment for wage changes.

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 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 wage changes.

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 payable to a nondependent survivor.

Funeral grant: 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 higher.

Administrative Organization

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

Worker's 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: 1975 (employment insurance), with 2003 amendment.

Type of program: Social insurance system.

Coverage

Employees younger than age 65.

Voluntary coverage for employees in firms in the agricultural, forestry, and fisheries industries with less than five regular employees.

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

Special schemes for casual workers, seamen, and civil servants.

Source of Funds

Insured person: 0.7% of earnings; 0.8% for agricultural, forestry, fishery, or construction workers.

Self-employed person: Not applicable.

Employer: 1.05% of payroll; 1.15% of payroll for agricultural, forestry and fishery workers; and 1.25% of payroll for construction workers.

Government: 25% (33.3% for daily workers) of the cost of benefits for unemployment benefit and special monthly allowance and 12.5% of the cost for newborn child and older worker allowances. The government provides subsidies to employers to reduce the need to lay off employees, to encourage the hiring of hard-to-employ older workers, and to finance other measures to reduce unemployment.

Qualifying Conditions

Unemployment benefit: Six months of insurance during the last 12 months (or 1 year of insurance 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 is not due to voluntary leaving, serious misconduct, refusal of a suitable job offer, or nonattendance at recommended training (otherwise, the insured is disqualified from receiving benefit for between 1 and 3 months).

Special daily or monthly allowances: Includes vocational training, transportation, moving, and lodging expenses. The allowances are payable while in training and while seeking employment outside of the immediate commuting area as well as to meet other costs. The insured must have at least 3 years of coverage to receive vocational training.

Older worker allowance: Paid to insured persons between ages 60 and 64 whose wage has been reduced by 75% from the wage at age 60.

Newborn child allowance: Paid to one of two working parents who care for a newborn child for up to 1 year. There is no requirement to seek work while receiving this benefit.

Family care leave benefit: Payable for a maximum of 3 months if the insured takes leave to look after one of his or her family members.

Unemployment Benefits

Between 50% and 80% of the insured's average daily wage (higher percentages are awarded to lower-wage earners) in the 6 months preceding 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 30 days and 210 days if the insured becomes unemployed from an industry in recession, is suffering from physical or mental illness, or is undergoing training.

The minimum daily benefit is 1,696 yen.

The maximum daily benefit is 7,935 yen.

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

Newborn child allowance: The employment fund pays a monthly benefit equal to 30% of the insured's average daily wage in the 6 months before the leave period times 30.

Family care leave benefit: 40% of the insured's wage before the leave period.

Special daily or monthly allowances: Allowances are provided for vocational training, transportation, moving and lodging expenses while in training, seeking employment outside the immediate commuting area, and other costs.

Administrative Organization

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

Employment Security Bureau in the Ministry of Health, Labor, and Welfare is responsible for the national administration of the program.

Employment Insurance Sections of prefecture Labor Departments and Public Employment Security Offices (part of the Ministry of Health, Labor, and Welfare) are responsible for the local 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, and 2004 amendments.

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

Coverage

Residents with one or more children under age 9.

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 under age 3.

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

Government

Children's allowance: National Treasury, 20% of the cost for employees' children under age 3; prefecture, 5%; and city or town, 5%. National Treasury, 66.6% of the cost for employees' children between ages 3 and 9; prefecture, 16.6%; and city or town, 16.6%. National Treasury, 66.6% of the cost for self-employed and unemployed persons' children between ages 0 and 9; prefecture, 16.6%; and city or town, 16.6%.

Special allowance: National Treasury, 66.6% of the cost for employees' children between ages 3 and 9; prefecture, 16.6%; and city or town, 16.6%.

Qualifying Conditions

Family allowances

Children's allowance: For a family of four, the parent's income must be less than 5,963,000 yen in the previous year. Paid for children under age 9.

Special allowance: For a family of four, allowances are provided for private and public employees with income of more than 5,963,000 yen but less than 7,800,000 yen in the previous year.

Family Allowance Benefits

Family allowances

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

Special allowance: 5,000 yen a month 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.

City or town delivers allowances.