

VIII Labor, Taxes and Sending Money Overseas

VIII-1 Looking for Work

1. For Job-hunting

“Hello Work” (Public Employment Security Offices, or “Shokugyo Anteisho” also referred to as “Shoku-an”)

Public Employment Security Offices (“Hello Work”) in Japan are part of a public system that offers job consultation and introduces work among many of the services offered free of charge. If a foreign national has permission to work (work visa, spouse visa with work permission, permanent resident status, etc.) in Japan, they can also take advantage of services at these offices.

At the Osaka Employment Service Center for Foreigners (in Umeda) and the Employment Service Corner for Foreigners (in Sakai) interpreting services are available. (Portuguese, Spanish and Chinese and *English languages) (Appendix IX—4)

URL <http://jsite.mhlw.go.jp/osaka-foreigner/>

* An English interpreter is only available at the Osaka Employment Service Center for Foreigners

Recruitment Magazines and others

In addition, classified advertisements appear in newspapers, recruitment magazines and other places. There are similar notices in other sources such as newspapers, magazines and websites published in foreign languages.

2. International Students Searching for Work After Graduation

An international student who wishes to seek employment in Japan after graduating must change their student status to a status that enables them to work in Japan. The Osaka Employment Service Center for Foreigners offers job and status consultations, job-hunting guidance and advice on other related matters.

Osaka Employment Service Center for Foreigners (Appendix IX—4)

URL <http://jsite.mhlw.go.jp/osaka-foreigner/>

3. Searching for Specialist or Technical Work

When a foreign national with a status of residence such as “Engineer/Specialist in Humanities/International Services”, “Skilled Labor”, or “Technical Intern Training” is searching for specialist or technical work, they can use The Osaka Employment Service Center for Foreigners mentioned above.

VIII-2 Employment

1. Labor Conditions

In Japan, the Labor Standards Law regulates minimum labor conditions. There are no differences in labor conditions with respect to nationality, beliefs or social status. When starting a new job, your employer must clearly state the labor conditions. According to the law, the employer must clearly identify the following items in writing:

- (1) Duration of Contract
- (2) Where to report for work and what the job consists of
- (3) Daily work start and finish, break times, holidays, vacations, extra work (overtime), etc.
- (4) Statement of compensation (salary) and the manner in which wages are calculated and paid
- (5) Until what day of each month wages are calculated and which day they are paid
- (6) Matters concerning retirement and reasons for dismissal, etc.

In addition, bonuses and retirement allowance must be stated, if applicable. For part-time employees, items such as “whether wages will rise”, “whether retirement allowance will be paid” and “whether bonus will be paid” must be stated.

2. Labor Standards

The following standards concerning labor exist:

① Labor Standards Law

a) Hiring Restrictions

When employees become injured or fall ill on the job, the employer must not dismiss them while they are absent from work for recuperation and the following 30 days. However, when the employer compensates in a legal manner, these restrictions do not apply.

b) Prior Informing of Dismissal

The employer must inform the employee at least 30 days in advance that s/he will be dismissed from his/her job.

c) Holiday Pay

When it is determined that the employer is responsible for suspending operations, the employee is entitled to receive at least 60% of their average wage.

d) Working Hours

As a general rule, working hours, excluding breaks, must not exceed eight hours per day or 40 hours per week. Any labor performed outside of these hours deems the employee eligible to receive overtime wages.

② Minimum Wage Law

The minimum wage is determined in regards to the respective job, industry and region.

3. Labor Standards Inspection Office

The Labor Standard Inspection Office conducts guidance and supervision to determine whether the Labor Standards Law is being adhered to. In the event of problems related to labor conditions or accidents on the job, it is recommended that you consult with the Labor Standards Inspection Office in charge of the district of your employment. (Appendix IX—4)

4. Accidents on the Job

If the Labor Standards Inspection Office has determined that you have become ill or injured during work or as a result thereof, funds required for treatment, compensation for time off work, a disability pension, and any other ancillary costs will be reimbursed from the insurance which your employer or factory maintains (worker's compensation insurance). For details, contact the Labor Standards Inspection Office governing your company's region.

5. Consultation Services

Consultations in English, Chinese and Portuguese are available concerning troubles stemming from matters such as labor conditions.

The Osaka Labor Office Foreign Worker Consultation Corner (Appendix Ⅸ—2)

Labor Hotline for foreign workers is available in English, Chinese, Portuguese, Spanish and Tagalog. (Appendix Ⅸ—2)

6. Employment Insurance

For periods of unemployment, for living costs and job-hunting, (limited) unemployment benefits are available. The “Hello Work” office having jurisdiction over your residential area is responsible for this matter. In principle, all employers engaging in business with employees must offer employment insurance to employees.

VIII-3 Tax

Regardless of nationality, all persons residing in Japan must pay Japanese taxes.

1. How to Pay Your Taxes

(1) When employed by a company (income tax/prefectural tax/municipal tax):

In the event your employer automatically deducts tax from your salary and pays it to the tax office on your behalf, it is not necessary for you to take tax payment procedures unless you have received any other income.

(2) When not working in a company OR when working in a company or an office that does not automatically deduct taxes from your salary:

You must file a tax return and pay your income tax, prefectural tax and municipal tax according to the tax payment slip sent from the municipality every year. Moreover, if you own a company or a business, you will probably have to pay business tax.

2. Types of Taxes

(1) Income Tax

Tax returns are to be sent to the tax office if income tax is not automatically deducted from your salary (1-(2)). Tax returns: from annual salary and other factors, the amount of the tax you must pay is calculated, then the amount is stated. Tax returns must be submitted between February 16 and March 15 and sent to the tax office in your jurisdiction. The tax office provides required forms.

In cases in which you have paid high amounts of money, such as in the purchase of a house by loan from a bank or other institutions, expensive health care costs stemming from a disaster or serious illness, tax deductions from your annual salary might be conceded when you declare such circumstances. For details, contact your nearest tax office.

According to tax agreements between Japan and other countries, you may be subject to special regulations concerning the payment of income tax. For more details, contact the Telephone Inquiry Center (press 1 after dialing to a tax office) or your consulate. (Appendix IX—5)

※ Explanation of income tax in English

URL http://www.nta.go.jp/english/taxes/consumption_tax/02.htm

(2) Prefectural and Municipal Taxes

Regardless of your nationality, those residing in Osaka Prefecture and receiving income in excess of a certain amount are required to pay prefectural and municipal taxes. These taxes are levied based on a formula, after various deductions from your previous year's income. If you have filed a return or one has been filed for you, it is not necessary to file a prefectural or municipal tax return.

Each year, the municipality where you have lived as of January 1 levies the taxes. Those receiving a salary will have municipal tax deducted from their salary. Others will be sent a payment invoice to be paid at a bank or other institutions.

The tax rate for residents of Osaka Prefecture is 4%. A per capita charge (kintowarigaku) of 1800 yen is added on top of this. (For four years from FY2016 to FY2019, 300 yen is also added to the per capita tax rate to carry out forest preservation measures.) The standard municipal tax rate is 6% of the taxable income, to which approximately 3500 yen is added. (2% of for resident tax goes to the prefecture coffers while the remaining 8% goes to municipal coffers)

(3) Fixed Property Tax

In the event you own real estate (land or building) or depreciable assets as of January 1, you are required to pay a fixed property tax to the municipality in which the real estate is located. The tax is calculated and levied according to the appraised value of the real estate and others. You will receive a payment invoice by mail each year. Please pay accordingly at a bank or other institution.

(4) Automobile Tax, Light Vehicle Tax

If you own a car, light vehicle or motorbike as of April 1 and it is mentioned on the vehicle inspection certificate, the Automobile Tax or Light Vehicle Tax is imposed. A payment invoice is sent to you in April or May every year, so please pay at a bank, a convenience store or other payment counter.

(5) Other Tax

a) Consumption tax

A 10% consumption tax is levied on the purchase of any and all goods or services. A reduced tax rate (8%) is applied to sales of some food and beverages.

b) Other

In instances such as when you acquire real estate, you are required to pay a tax for the receipt of assets.

VIII-4 Banks, Overseas Money Transfer

1. Banks

You are allowed to open a bank account if you work at a company in Japan, or have resided in Japan for at least 6 months. You will have to bring your resident card and hanko (personal seal) to the bank and enter the necessary information on the designated bank forms. You will be issued a bank passbook when you open the account. It serves as a record of your transactions and as proof that you possess a bank account. You will need your passbook and hanko when withdrawing money, but a signature will suffice for non-Japanese. If you wish, you will be issued an ATM card (cash card). It will enable you to deposit and withdraw money at an ATM without a passbook. Teller service is usually only available from 9 A.M. until 3 P.M. on weekdays; however, you can make transactions at an ATM after operating hours. ATMs are also found in some convenience stores and railway stations. (Handling fees are usually higher.)

2. Post Office (Yubinkyoku)

Japan's post offices offer services similar to a bank. Anyone who has a resident card can open an account. As with banks, the Post Office also issues cards for use at ATMs. Normally, post offices allow you to deposit or send money from 9 A.M. to 4 P.M. (Excluding Year-end, New Year's, Saturdays/Sundays, and national holidays)

3. Overseas Money Transfer

Foreign remittance used to be possible only from a bank or a post office. Recently, fund transfer service providers have become an additional option. If you send money overseas through a registered fund transfer service provider, the remittance amount is limited but the commission is lower than that of banks or other financial institutions.

A list of some fund transfer service providers registered by financial bureaus in Japan can be found here: [URL https://www.fsa.go.jp/menkyo/menkyoj/shikin_idou.pdf](https://www.fsa.go.jp/menkyo/menkyoj/shikin_idou.pdf)

Please note that not all banks offer international money sending services. From post offices, this service is only available at Japan Post Bank branches that handle overseas money transfers. You can transfer money from one account to another, and can also send cash by money order. Money orders can be issued at banks and post offices.

You are legally required to show identification such as your Resident Card and your individual number ("My Number") when sending money.

VIII-5 Pension

Regardless of nationality, all persons from the age of 20 to 59 residing in Japan must become a policyholder of the pension scheme and pay premiums. A foreign national is required to be a member of either the National Pension Plan or Employees' Pension Insurance

1. Employee Pension Insurance

Employees from the age of 20 and over and working for a company with 4 or more employees must be insured with the employee pension insurance. Even part-time workers engaged in work for 75% or longer period of regular workers' working hours and days must be insured (Employees who work less than 75% of regular workers' work hours will be also insured if they meet the following requirements for part time workers*). Premiums are paid in equal shares by employer and employee, but the amount may be shifted depending on the employee's salary and bonus amounts. Premiums are paid through the employer.

- (*) 1. Work more than 20 hours per week
- 2. Expected to work for more than 1 year
- 3. Earn more than 88,000 Yen per month
- 4. Are not students
- 5. Work for a company with more than 500 employees

2. National Pension Plan

People who are not covered by employee pension insurance must become members of the National Pension Plan. The same premium applies to all policyholders regardless of their income, and the cost to the individual is 16,410 yen per month (FY 2019). For those with very low income, a reduction or exemption of premium payments may be available. For details, consult with the Pension Division in your municipality.

3. Lump-sum Withdrawal Payments

Employees' Pension Insurance and the National Pension Plan have a system called Lump-sum Withdrawal Payments. If a foreign national became a policyholder of a pension plan while in Japan and paid premiums for 6 months or longer, and leaves Japan, if s/he applies for the payment according to necessary procedures no later than 2 years from leaving Japan, a partial lump-sum payment (part of the self-paid amount only) is paid to the foreign national. Those who have contributed to the pension system for 10 year or longer, however, are not entitled to Lump-sum withdrawal payment. (Instead, they will be eligible to receive an old-age pension when they reach pension age.) For details, consult with the Pension Division in your municipality or the Japan Pension Service Branch Offices and Pension Consultation Centers. (Appendix IX—1)