

Amendment of Labor Standard Law and Social Insurance Law Scheduled in 2010

Several laws related to Labor Standard Law, Social Insurance Law and other laws are expected to be amended in a timeframe of March through June 2010. There are cases where such amendments require modification of Employment Work Rules(*) established by employer companies. The laws to be amended are summarized as follows.

(*)An employer who continuously employs 10 or more workers shall draw up rules of employment. The rules of employment shall set forth working conditions and work disciplines at workplaces. Where the rules of employment are deemed reasonable, they have the same legal effect as labor contracts.

<<March>>

- **Health Insurance Law**

Health insurance premium rate will be raised to 9.3% on the nationwide average (currently 8.2%), and family care insurance premium rate will be raised to 1.5% nationwide (currently 1.19%).

<<April>>

- **Labor Standard Law**

Overtime work pay premium rate will be raised from current 25% to 50% for hours worked in excess over 60 hours per month. (Small and medium sized businesses are exempted from application of the amendment for the time being.)

By entering into Labor-Management Agreement, an employer may grant paid leave to its employees in lieu of payment of overtime work pay for hours worked in excess over 60 hours per month.

In case where Labor-Management Agreement on overtime work with special clauses, an employer is required to determine the overtime work pay premium rate for hours worked in excess over 45 hours per month.

By entering into Labor-Management Agreement, employees will be allowed to take vacation by hour with a maximum limit of 5 days per year.

- **Labor Safety and Sanitation Law**

Scope of employees subject to chest X ray medical check will be changed.

- **Employment Insurance Law**

Those employees to work 20 hours or more per week and to be anticipated to work 31 days or more (currently over 6 months) will be the insured of the employment insurance.

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- **Employment Security Law For The Aged Employees**

The age at which security of employment for aged employees such as raise in retirement age, etc. are intended will be raised to 64 effective from April 1, 2010.

<<June>>

- **Child Care Leave and Family Care Leave Law**

It will become mandatory for an employer to provide short hour working system for employees taking care of his/her child below three years of age. Upon request from an employee, an employer must not have him/her work for hours in excess over the prescribed work hours.

Days for child care leave will be extended to five for an employee taking care of a child who is yet to enter a primary school, and to ten for an employee taking care of two or more children.

In case that both a father and a mother take the family care leave, the period of the leave available will be extended to one year and two months age from current one year age.

Provision of a law specifying that a husband with a non working housewife can be excluded from application of the child care leave will be rescinded, and thus every father will be allowed to take the child care leave on an as needed basis.

Those employees who must take care of (a) family member(s) as articulated in the Laws will be allowed to take family care leave of five days per year for one such family member and 10 days for two or more such family members respectively.

Note: The above laws with mark will entail in modification of rules of employment.

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