

## Overview of the minimum wage system

### 1 What is the minimum wage system

The minimum wage system is a system that employers must pay more than the minimum wages formulated by the government on the basis of the Minimum Wages Act to employees.

If wages below the minimum wage is formulated under the condition of agreement with employees, it is invalidated by the law and is regarded to have formulated the same wages with the minimum wage. In case the minimum wages are not paid to employees, employers are fined 500,000 yen.

### 2 Varieties of the minimum wage

Two kinds of the minimum wage, "the regional minimum wage" applies to all employees in a region regardless of difference of industries, and "the specific minimum wage," which is more expensive than the regional minimum wage, applies to workers who work at specific industries (electromechanical apparatus manufacturing, automotive retailing, etc), are set.

### 3 Wages targeted as subject to the minimum wage

Wages targeted as subject to the minimum wage are only the wages corresponded with usual working time and working days. Specifically, wage excluding following wages from actual paying wage is the object of the minimum wage.

- ① Extra wages(marriage allowance, etc)
- ② Wage paid for every period that exceeds one month(bonuses, etc)
- ③ Wage paid for overtime work(overtime surcharge wage, etc)
- ④ Wage paid for work excluding the prescribed working days( holiday extra wages)
- ⑤ Part that exceeds total of wage of normal working time than wages paid for work between 10 p.m. and 5 a.m. (additional midnight allowance, etc)
- ⑥ Full attendance allowance, commutation allowance and family allowance