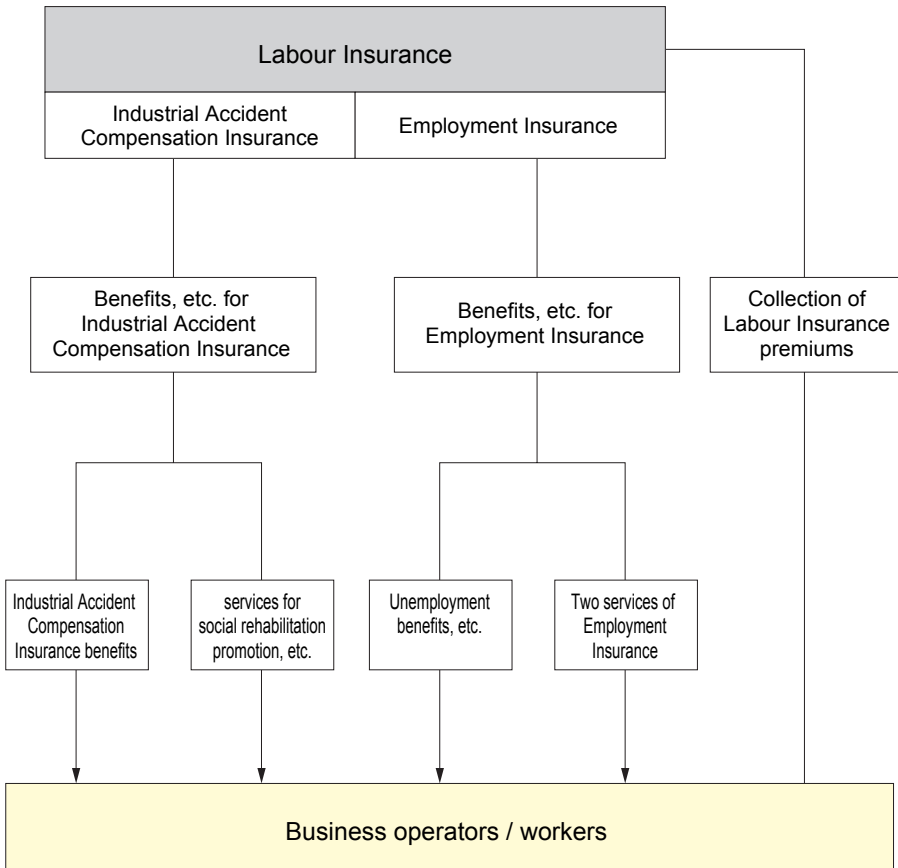


Labour Insurance Application and Contribution Collection Systems

Overview

Labour Insurance Application and Contribution Collection Systems



[Labour Insurance]

Industrial Accident Compensation Insurance and Employment Insurance are collectively referred to as the Labour Insurance. Insurance benefits of these systems are paid individually while the insurance premiums are collected, in principal, as the unified Labour Insurance premiums. The amount of insurance premiums collected is calculated by multiplying the total amount of wages paid by business operators by the sum of the premium rate of Industrial Accident Compensation Insurance and that of Employment Insurance.

Business operators, excluding those in certain businesses in agriculture, forestry, or fisheries, that employ one or more worker must establish insurance relation and pay the premiums.

Application of Labour Insurance and Obligation of Collection

1. Labour Insurance

- Industrial Accident Compensation Insurance (Industrial Accident Insurance) and Employment Insurance are collectively referred to as the "Labour Insurance".
- The Labour Insurance shall be applied to all businesses where one employee or more are employed in principal.
- * Number of undertakings covered by the Labour Insurance is approx. 2.95 million (as of the end of FY2010)

2. Labour Insurance premium

- The insurance premiums are collected, in principal, as the unified Labour Insurance premiums which include Industrial Accident Compensation Insurance (Industrial Accident Insurance) and Employment Insurance.
- The amount of the insurance premiums are calculated by multiplying the total amount of wages paid by business operators by the premium rate.

$$\text{Labour insurance premium} = \text{Total amount of wages in the entire business} \times \text{Premium rate (Employment Insurance premium rate + Industrial Accident Insurance premium rate)}$$

Industrial Accident Insurance premium rate: 3/1,000-103/1,000 depending on the business type Employment Insurance premium rate: 15.5/1,000 (general business), 17.5/1,000 (agriculture, forestry, fishery, and sake brewing), 18.5/1,000 (construction)	(FY2010)
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- Bearing of the Labour Insurance premiums is as follows.
 Industrial Accident Insurance: Borne by business operators
 Employment Insurance: Unemployment benefit portion is evenly shared by labour and management, two service portion is borne by business operators
- Insurance premium revenue: approx. ¥2.6 trillion, collection rate: 96.99% (as of the end of FY2009)

Detailed Data 1 Coverage of Labour Insurance

(Unit: 10 thousand)

Category	End of FY	2007	2008	2009	2010
Number of businesses covered by Labour Insurances		297	296	295	295
Number of businesses covered by Industrial Accident Compensation Insurance		264	263	262	262
Number of businesses covered by Employment Insurance		198	198	199	199

Source: Labour Standards Bureau, MHLW

Detailed Data 2 Collection of Labour Insurance Premiums

(Unit: ¥100 million)

Category	End of FY	2006	2007	2008	2009
Total amount		40,576	34,908	35,130	26,012
Industrial Accident Compensation Insurance		10,503	10,690	10,709	8,419
Employment insurance		30,073	24,218	24,421	17,593

Source: Surveyed by Labour Standards Bureau, MHLW