

# The Outline of the Act for Amending Part of the Child Allowance Act

## Purpose

This law aims to contribute to the stability of family life and healthy growth of children who are bearers of the society of the next generation, by paying child allowances to people who take care of the children, with the basic recognition that parents and other guardians have the primary responsibility of child-rearing.

## Outline

### (1) The Amounts of Child Allowances

① For persons earning incomes below the income cap	
Under 3-year-old	15,000 yen per month
Over 3-year-old and prior to elementary school graduation (for first and second children)	10,000 yen per month
Over 3-year-old and prior to elementary school graduation (for third and subsequent children)	15,000 yen per month
Junior high school students	10,000 yen per month
② For persons earning incomes no less than the income cap	
Special Interim Allowances (stipulated in the supplementary provisions of the Child Allowance Act)	5,000 yen per month
※ The income cap is set at 9.6 million yen (for families with a parent and two children) as a baseline level (provided for in the Cabinet order), which is applied starting from June 2012 payments.	

### (2) Costs Burden

The ratio of costs borne by the national and local governments (at prefectural and municipal levels) is 2 to 1. In the case of employees, employers bear 7/15 of the cost for under 3 years old (for persons below the income cap). (In the case of public servants, the costs are fully borne by their employers.)

### (3) Main Provisions Stipulated in the Act on the Special Measures of Child Allowance Payments in Fiscal Year 2011

- The requirement to reside in Japan is also set for children (excluding cases when they are studying abroad, etc.)
- For children placed in foster homes, the allowances are paid to those who established the institutions.
- Nursery school fees are directly collectable from the child allowances. School meal charges are also directly collectable from the child allowances with receivers agreement.

### (4) To Be Considered (provided for in the supplementary provisions of this Act)

- The Government shall promptly consider financial and tax measures related to the child support, by taking into consideration the impacts of the child allowance payment as provided for in the Child Allowance Act revised by this Law, income taxes, and the abolition of prefectural and municipal inhabitants tax deductions for dependents. Based on the results of such deliberations, the Government shall take necessary relevant measures.
- The special interim allowance payments following the amendment of the Child Allowance Act by this Law shall be considered based on the above results, and necessary measures shall be taken.

### (5) Other

- Special measures for the Act on the Special Measures of Child Allowance Payments in Fiscal Year 2011 concerning the retrospective payment, etc., which expire on March 31, 2012, shall be extended until September 30, 2012. Necessary provisions are set forth in related laws.

## Date of the Enforcement

April 1, 2012 (Income caps are applied beginning from June 2012 payments.)