

Age of the 100-Year Life – Current State of Employment Measures for the Elderly

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Employment Measures for the Elderly
Division, Employment Security Bureau,
Ministry of Health, Labour and Welfare

Ministry of Health, Labour and Welfare of Japan

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Current Situation of the Elderly in Japan

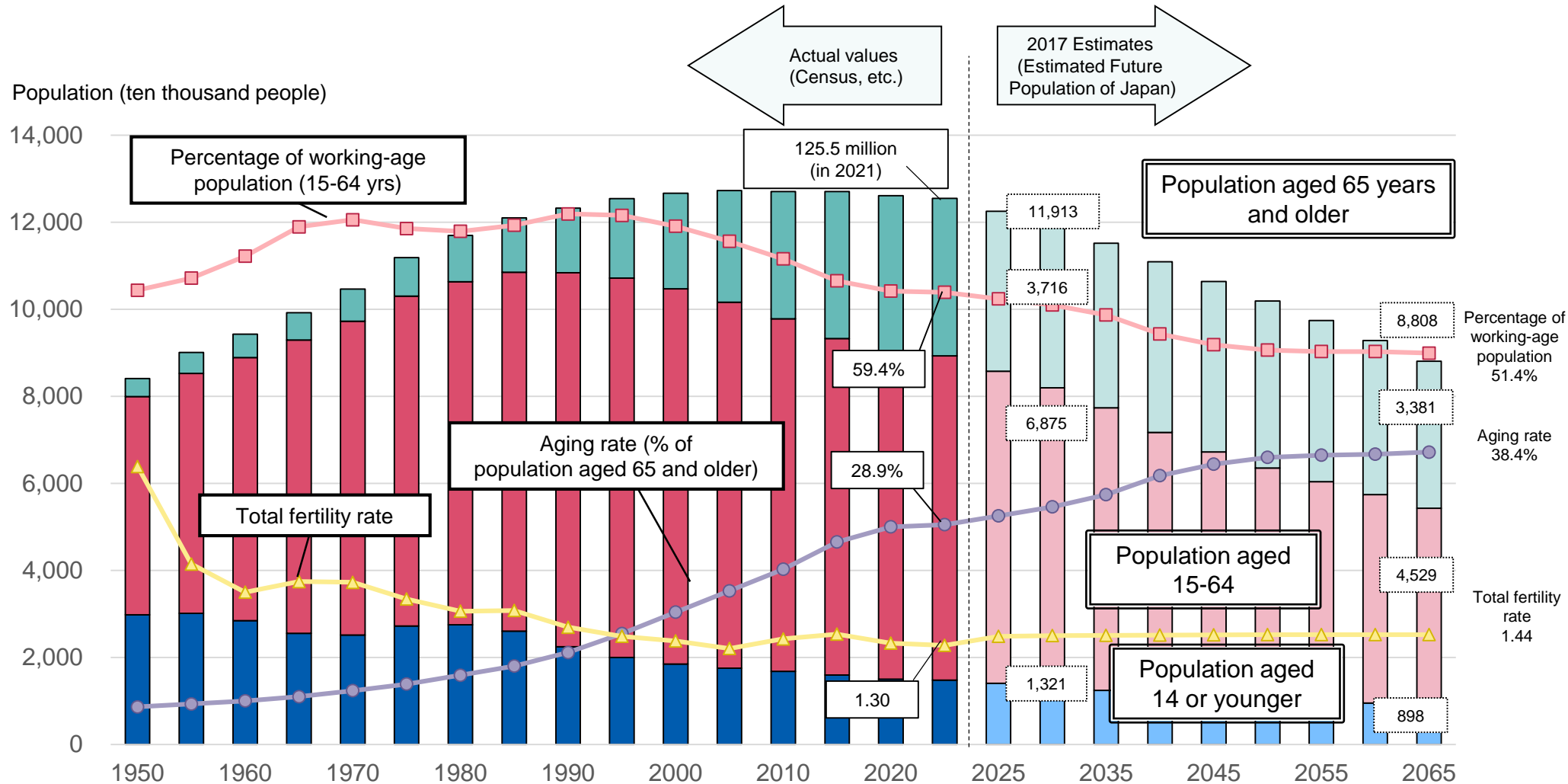
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Population trends in Japan

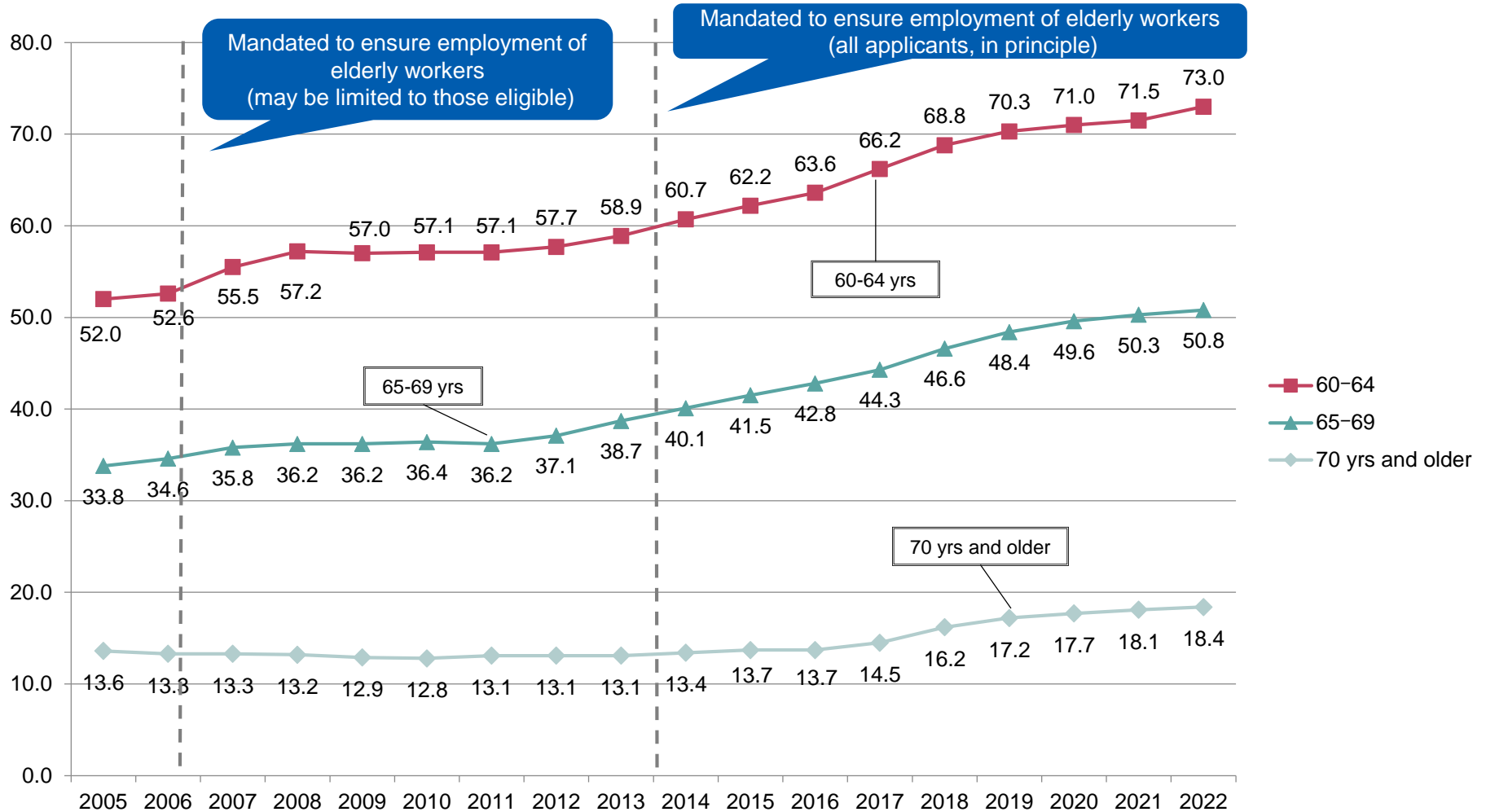
Japan's population has entered a phase of decline in recent years. It is estimated that by 2065 the total population will fall below 90 million and the aging rate will be around 38%.



(Source: "Population Estimates" for population of years up to 2021 (as of October 1 of each year) issued by the Ministry of Internal Affairs and Communications (MIC); "Population Estimates" issued by MIC for the aging rate and the working-age population ratio for years up to 2021; and the National Census reported by MIC for all other data. Total fertility rate for years up to 2021 "Vital Statistics" by MHLW; for years after 2025, "Estimated Future Population of Japan (2017 Estimates): Moderate-range Birth and Death Projections," by National Institute of Population and Social Security Research)

Trends in employment rates

- The employment rate of the 60-64 age group increased after the enforcement of the revised Act on Stabilization of Employment of Elderly Persons (April 1, 2006), which mandated the introduction of measures for securing employment for elderly persons.
- The 65-69 age group has been on an upward trend in recent years.



(Source: "Labor Force Survey," Statistics Bureau, MIC)

Measures to Promote Employment of the Elderly

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Outline of measures for employment of the elderly

As we enter the era of 100-year life expectancy, it is necessary to build a society in which motivated elderly people can continue to work regardless of their age. Therefore, as a system has been established to ensure employment up to the age of 65 for all applicants at companies, the Act on Stabilization of Employment of Elderly Persons will ensure stable employment, support for re-employment of middle-aged and older workers, and secure diverse employment opportunities in local communities.

Ensuring stable employment and job security in companies

- Prohibition of the mandatory retirement under age 60
- Measures to ensure employment up to age 65 (mandatory)
(i) Rise of the retirement age to 65 / (ii) Abolishment of the mandatory retirement age / (iii) Introduction of a continuous employment system (reemployment, etc.) up to 65
- Measures to ensure employment up to age 70 (obligation to make efforts)
(i) Rise of the retirement age to 70 / (ii) Abolishment of the mandatory retirement age / (iii) Introduction of a continuous employment system up to 70 (including employment by other employers) /
(iv) Introduction of a system of continuous outsourcing contracts up to the age of 70 / (v) Introduction of a system allowing for older persons to continuously perform social contribution activities until the age of 70
- Provision of consultation and assistance to employers in creating an environment necessary for the utilization of older workers, and provision of “Subsidy for Promotion of Employment of Workers over 65” to employers who raise the retirement age to 65 or older, or extend the period of continuous employment to 66 or older, or create a comfortable working environment for older workers.

Supporting re-employment of middle-aged and older workers

- Establishment of the “Lifelong Active Worker Support Desk” at Hello Work, which provides reemployment assistance to seniors aged 65 or older.

Securing diverse employment and job opportunities in each region

- Implementation of the Project for Environmental Improvement to Create Lifelong Active Working Communities to create a sustainable model through the creation of diverse employment opportunities and the networking of relevant local organizations, based on the proposal of a local council for creating a lifelong active society led by local governments (hereinafter “Council”).
- Establishment of Silver Human Resource Centers (SHRCs) to provide employment opportunities for older persons who wish to work on a temporary, short-term, or light duty basis.

Outline of measures for employment of the elderly (measures based on the Act on Stabilization of Employment of Elderly Persons)

- The revised Act on Stabilization of Employment of Elderly Persons, which went into effect on April 1, 2021, introduces the obligation to make efforts to ensure employment opportunities (including those other than employment) for those up to age 70, in addition to the existing obligation to ensure employment up to age 65.

Up to 65 yrs old: Mandatory

- (i) Rise of the retirement age to 65
- (ii) Introduction of a system for continued employment up to the age of 65
(including those by specially related employer (subsidiaries, affiliates, etc.))
- (iii) Abolition of retirement age

Measures to support business startups, etc.
(Measures other than employment)

Up to 70 yrs: Obligation to make effort

- (i) Rise of the retirement age to 70
- (ii) Introduction of a continued employment system up to the age of 70
(including those provided by other business entities in addition to those by specially related employers)
- (iii) Abolition of retirement age
- (iv) Introduction of a system in which outsourcing contract shall be continuously executed up to the age of 70 when an older person wishes so
- (v) Introduction of a system that allows employees to continuously (up to the age of 70) engage in
 - a. Social contribution activities that are carried out by the employer itself
 - b. Social contribution activities that are carried out by organizations to which the employer outsources, invests (provides funds), etc.

Summary of the 2022 Report on the Employment Status of the Elderly

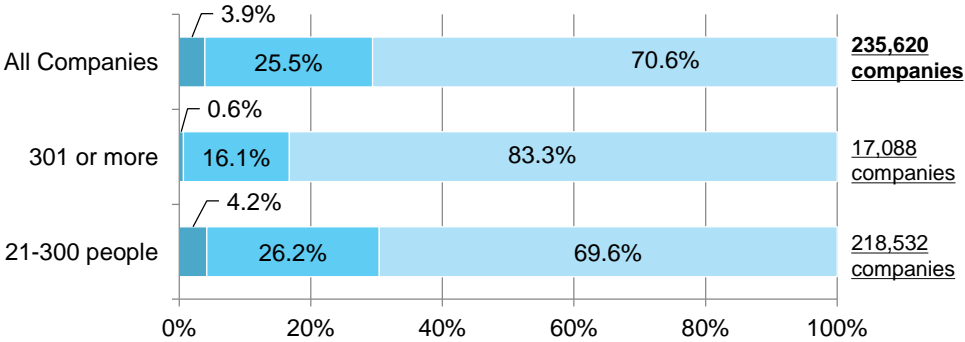
<Targets> 235,875 companies nationwide with at least 21 full-time employees (17,090 large companies (301 or more employees) and 218,785 small- and medium-sized companies (21-300 employees)).

1. Status of implementation of measures to secure employment of elder workers up to age 65

- Number (percentage) of companies implementing measures for securing employment for elderly persons: 235,620 (99.9%) [0.2 pt up YoY].

Breakdown of measures implemented at companies

- Abolition of mandatory retirement age
- Rise of retirement age
- Introduction of continuous employment system

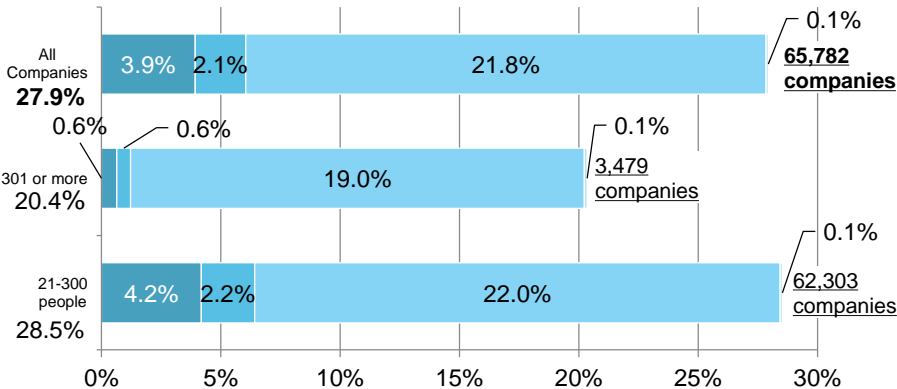


2. Status of implementation of measures to ensure employment of older workers up to age 70

- Number (percentage) of companies implementing job security measures for elderly persons: 65,782 (27.9%) [2.3 pt up YoY].

Status of implementation of measures by company size

- Abolition of mandatory retirement age
- Rise of retirement age
- Introduction of continuous employment system
- Introduction of measures to support business startups

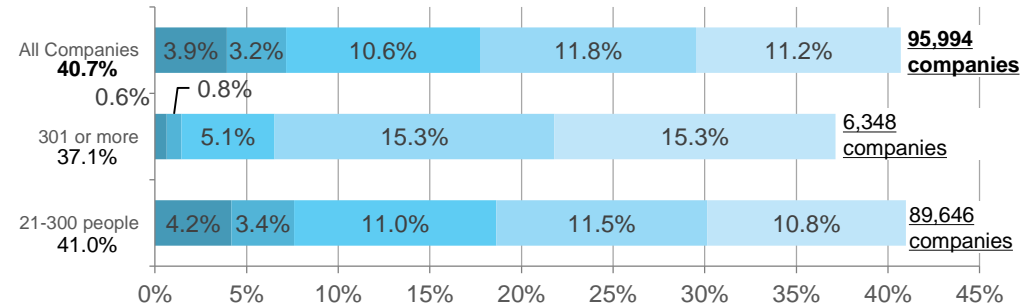


3. Status of companies with systems allowing employees to work until age 66 or older

- Number (percentage) of companies with a system allowing workers to work until age 66 or older: 95,994 (40.7%) [2.4 pt up YoY].

Status of system introduction by company size

- Abolition of the mandatory retirement age
- Retirement age 66 or older
- Continuous employment system for all applicants aged 66 yrs or older
- Continuous employment system for persons aged 66 or older who meet criteria
- Other systems that allow employees to work until 66 yrs or older

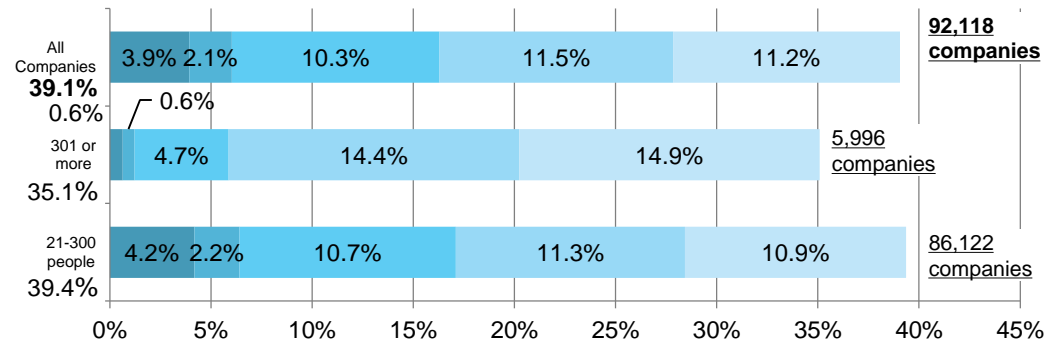


4. Status of companies with programs that allow employees to work until age 70 or older

- Number (percentage) of companies with a system allowing workers to work until age 70 or older: 92,118 (39.1%) [2.5 pt up YoY].

Status of system introduction by company size

- Abolition of the mandatory retirement age
- Retirement age of 70 or older
- System that allows continuous employment for all applicants aged 70 yrs or older
- System that allow continuous employment for those aged 70 or older who meet criteria
- Other systems that allow employees to work until 70 yrs or older



Support for employers provided by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED)

- Consultation and advisory services by advisors on employment of older workers and planners for promoting employment of older workers over 65 years old
JEED provides consultation and advice on the development of the employment environment necessary for the continued employment of older workers.
 - Development of human resource management systems ● Wages and retirement benefits
 - Improvement and development of workplace ● Capacity development
- ◆ Provide diagnostic services using the corporate diagnostic system
By filling out a simple questionnaire, businesses can receive advice on solutions for their own challenges in utilizing older workers (workplace improvement, health management, training, etc.) by JEED.
- Proposals by planners to promote employment of workers aged 65 or older
JEED makes specific proposals regarding system revisions to make older workers more competitive in the future, such as by raising the retirement age and the extension of continuous employment.
 - Identification of challenges ● Proposing specific solutions to specific challenges ● Visualizing benefits of system review
 - Providing examples of rules and regulations necessary for system development
- ◆ Identifying challenges according to the actual situation of each company
JEED will carefully listen to individual companies' current challenges, etc., and depending on the actual conditions and situation (company size, age structure, personnel and labor management, wage evaluation system, etc.), will identify not only challenges that are already visible, but also potential ones, and provide professional and technical advice to resolve them.
- Build momentum and publicize successful case studies
 - Collect and share case studies of companies that are working to increase the workforce of seniors
 - Held 4 symposia focused on raising the retirement age and extending continuous employment

Strengthening efforts to encourage companies to secure employment opportunities up to the age of 70

1 Purpose

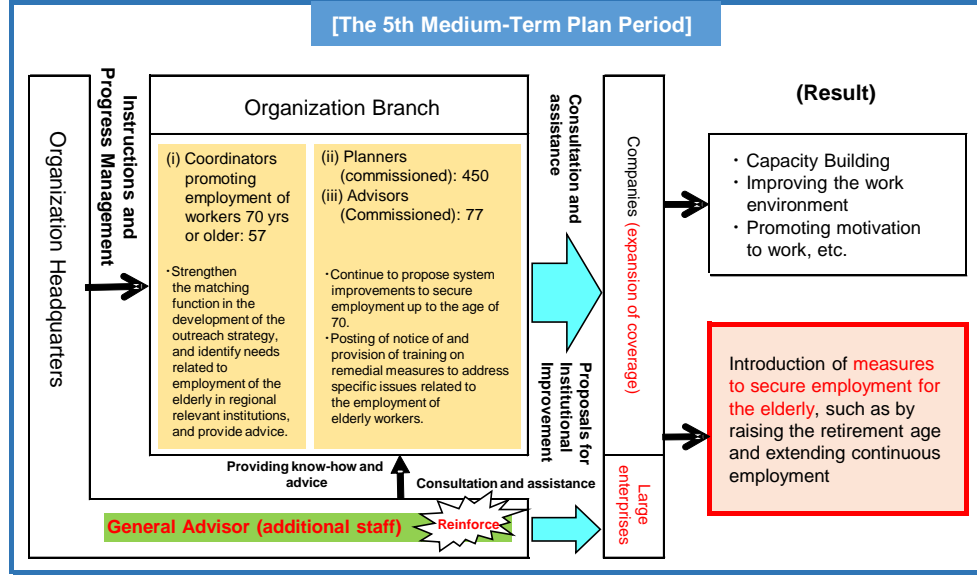
- In order to realize a society in which people can continue to actively work throughout their lives, JEED's Planners for Employment of Older Persons of 65 Years or Older ("Planners") and Advisors for Employment of Older Persons (hereinafter referred to as "Advisors") will provide support specifically for raising the retirement age and extending continuous employment. By FY2022, we are working on targets of outreaching to 120,000 target companies (*1) and making proposals of system improvements to 30,000 companies.
- In April 2021, the revised Act on Stabilization of Employment of Elderly Persons came into effect to create an environment in which older workers can play active roles, and it became mandatory to make efforts to secure employment opportunities for older workers up to the age of 70 (measures to secure employment for the elderly). (*2)
- In order to achieve the target of 51.6% or more of the employment rate for workers aged 65-69 by 2025 as indicated in the Action Plan of the Growth Strategy and to promote the early implementation of measures to secure employment of older workers by companies, the following measures are needed to further encourage companies that have not yet implemented such measures:
 - Responding to the needs and challenges of each company in taking measures to secure employment for older workers
 - Proposing system improvement continuously
 - Strengthening the capacity for collecting and sharing case studies

*1 The number of companies mandated to submit the "June 1 Report" excluding companies, independent administrative agencies, and companies with more than 10,000 employees (i) having no mandatory retirement age, (ii) having the mandatory retirement age of 65 or older, or (iii) having a continuous employment system for employees over the age of 65.

*2 In line with this, the scope of companies mandated to submit the "June 1 Report" was expanded to include small, medium, and micro enterprises from FY2021.

2 Outline of the project, scheme, executing entity, etc.

- Strengthen the current organizational structure and support the activities of Planners and Advisors
 - ⇒ **Increase the number of General Advisors for Employment of Older Persons at Headquarters** and **strengthen the capacity for making system improvement proposals related to measures to secure employment of older persons**
- Strengthen communication and awareness-raising for realizing a lifelong active employment society via promoting webcasting of symposia, etc.
- **Strengthen collecting case studies at companies** and expand the **case study sharing system**



Implementing Entity

Implementing Entity: Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED)

* Relevant regional organizations: Employers' organizations, industry associations, labor bureaus, prefectures, local governments, etc.

Outline of the subsidies for promoting employment of workers aged 65 or older

In order to raise the threshold age of continued employment and raise the retirement age in the future, support will be provided to companies that raise the threshold age for continued employment to 66 or older and raise the retirement age to 65 or older, thereby establishing an employment basis that allows all those who wish to continue working after age 65 to do so with a sense of security and creating a “lifelong active society.”

1. Course for promoting continued employment beyond age 65

● Details of subsidies

- ① Subsidies for employers who raise the mandatory retirement age to 65 or older or abolish the mandatory retirement age
- ② Subsidies for employers who introduce a system for continuous employment of all applicants until the age 66 or older
- ③ When an employer that introduces a continuous employment system in which elderly workers are employed by another company bears all expenses necessary to revise the work rules of the receiving company, the original employer is subsidized for 1/2 of the expenses incurred, and more.

- **The amount of subsidies:** the following amounts will be paid according to the content of the measure, the range of the increase in retirement age, etc., and the number of workers aged 60 or older insured by employment insurance.

(i) Rise of retirement age or abolishment of mandatory retirement age

Details of Measures 60 yrs or older Number of insured persons	Rise to 65	Rise to 66-69		Rise from "under 70" to "70 or older"	Abolition of the mandatory retirement age (limited to under 70).
		Under 5 yrs	5 yrs and older		
1-3 persons	150,000 yen	200,000 yen	300,000 yen	300,000 yen	400,000 yen
4-6 persons	200,000 yen	250,000 yen	500,000 yen	500,000 yen	800,000 yen
7-9 persons	250,000 yen	300,000 yen	850,000 yen	850,000 yen	1.2 million yen
10 or more persons	300,000 yen	350,000 yen	1.05 million yen	1.05 million yen	1.6 million yen

(ii) Introduction of a system for continued employment up to the age of 66 or older for all applicants

Details of Measures 60 yrs or older Number of insured persons	Rise to 66-69	Rise from "under 70" to "70 or older"
1-3 persons	150,000 yen	300,000 yen
4-6 persons	250,000 yen	500,000 yen
7-9 persons	400,000 yen	800,000 yen
10 or more persons	600,000 yen	1 million yen

(iii) Introduction of a system for continued employment by other companies

Details of Measures	Rise to 66-69	Rise from "under 70" to "70 or older"
Amount paid (upper limit)	100,000 yen	150,000 yen

* "Other companies" refers to other business entities, including specially related employers.

2. Course for improving employment management including evaluation system for older workers

● Details of subsidies

Subsidies for employers who have developed and/or improved employment management systems for older workers (e.g., introduction of shorter working hour systems, establishment of wage and ability evaluation systems, etc. for older workers, introduction of non-regulatory health management schemes, etc.)

● Amount of subsidies

The amount of expenses required for the introduction of the employment management system (up to 500,000 yen) multiplied by the following subsidy rate

- 60% (45% for non-SMEs)

3. Course for conversion of older workers into permanent employee

● Details of subsidies

Employers that convert fixed-term contract workers aged 50 yrs or older and under the retirement age to permanent workers will receive subsidies according to the number of such workers (up to 10 workers).

● Amount of subsidies

The following amounts are paid per eligible person

- 480,000 yen (380,000 yen for non-small and medium enterprises)

Outline of the Lifelong Active Worker Support Desk Project

1 Purpose

- With the rapid aging of Japan's population and declining birthrate, the working population is shrinking, and the utilization of the labor force of older workers has become an important issue. However, once older workers leave their jobs, it is more difficult for them to find new employment than for other age groups, and they may experience prolonged unemployment and be forced to live on welfare.
- In addition, the employment needs of the elderly are diverse, and it is necessary to provide employment support while taking into consideration the status of their pensions, etc., and it may be difficult to respond adequately through general job counseling and job placement at Hello Work.
- Therefore, the Lifelong Active Worker Support Desk Project has been initiated for older job seekers who are generally aged 60 or older to provide support for redesigning their working life based on their work experiences and working needs, and employment support by the Lifelong Active Service Support Team.

1 Outline of the Project

- **Support target:** Among elderly job seekers aged 60 or older, long-term unemployed older job seekers, those who have repeatedly left and changed jobs, and other persons judged by the Director of the Public Employment Security Office or responsible person or staff of the Office to have difficulty finding employment without team support, across the 300 Hello Works nationwide.
- **Main service:**
 - Consultation and assistance in redesigning working life based on the everyday life in old age of job seekers, who are pension recipients.
 - Exploration and provision of job opportunity information for older job seekers (strengthening the identification capacity for short-term job openings for people aged 65 or older)Provide information on light-duty work opportunities in cooperation with the SHRC.
 - Provide support for older workers in cooperation with local governments.

【178 job seekers' supporters】

<Main Support Services>

- Exploring job opportunities in which workers aged 65 or older can play important roles
- Give advice to employers on expanding job opportunities for older workers
- Collection of information on light-duty employment from SHRCs, etc.



Support system at the Lifelong Active Employment Support Desk



【167 employment and life support advisors】

<Main Support Services>

- Formulate a "Life Design and Life-long Working Plan" based on individual needs, etc.
- Career consulting, guidance on life planning, and post-employment follow-up
- Planning and coordination of workplace tours, work experience, seminars, etc.

【300 Job placement counselors】

<Main Support Services>

- Job consultation, job placement, etc. based on the "Life Design and Life-long Working Plan"



Outline of the project for environmental improvement to create lifelong active working communities

1 Purpose

- Under the revised Act on Stabilization of Employment of Elderly Persons, which came into effect in April 2021, it is now mandatory for older workers to make efforts to secure employment up to the age of 70, which adds more obligation to the previous version of the Act that mandated to secure employment up to the age of 65.
- In addition to employment within companies, in order to create a variety of employment and job opportunities for older workers in the community based on their needs, and to promote efforts to develop a variety of workplaces, the project will work more closely with community development efforts that have already taken root in the community, and promote the creation of models that can sustain efforts to create workplaces for older workers based on local needs, as well as the deployment of such models in other regions.

1 Outline of the Project

- (1) Creation of diverse employment and job opportunities, creation of a sustainable employment model, etc. (Project for Environmental Improvement to Create Lifelong Active Working Communities) [Outsourced project]**
- Through the demonstration of a mechanism to add the function of employment support for the elderly to the existing platform of community development formed in the areas of community welfare and local development, etc., the project will create various employment and job opportunities that meet the employment needs of the elderly, which vary depending on the industry and population structure of the region, and create a virtuous cycle in which the activities of the elderly will lead to the resolution of regional issues through the relationship with relevant regional organizations. At the same time, the project will create a model that will enable sustainable efforts in each region even after the completion of the project, by raising funds from the private sector on a trial basis.
- (2) Collection of case studies, evaluation of implementation status, holding information exchange meetings, etc. (Project for Promotion of Creation of Lifelong Active Working Communities) [Outsourced project]**
- Provide support to councils that are outsourcees for the work environment improvement to ensure that the project works effectively; and compile operational and policy insight necessary to prevail the initiatives and results of the projects to other regions.

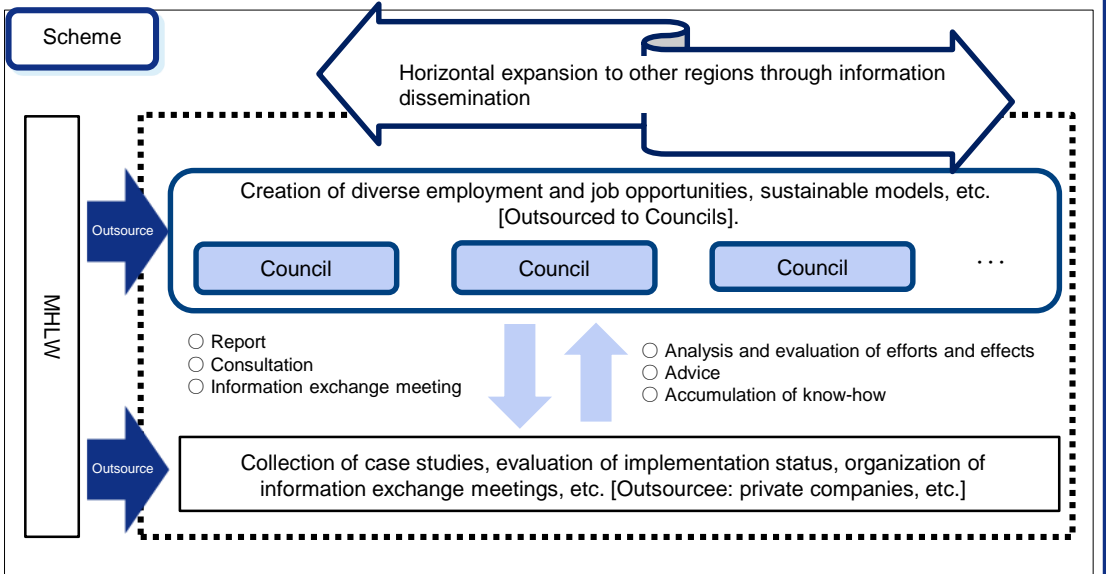
(1) Creation of diverse employment opportunities, creation of sustainable models

Scale
 Number of project sites: About 6 sites
 Approx. 17.5 million yen/year per site

Project Implementing Entity and Period
 Implementing entity: Regional Councils (councils led by local governments)
 Project implementation period: Up to 3 years

(2) Collection of case studies, evaluation of implementation status, holding information exchange meetings, etc.

Scale Approx. 20 million yen **Outsourcee** Private companies, etc.

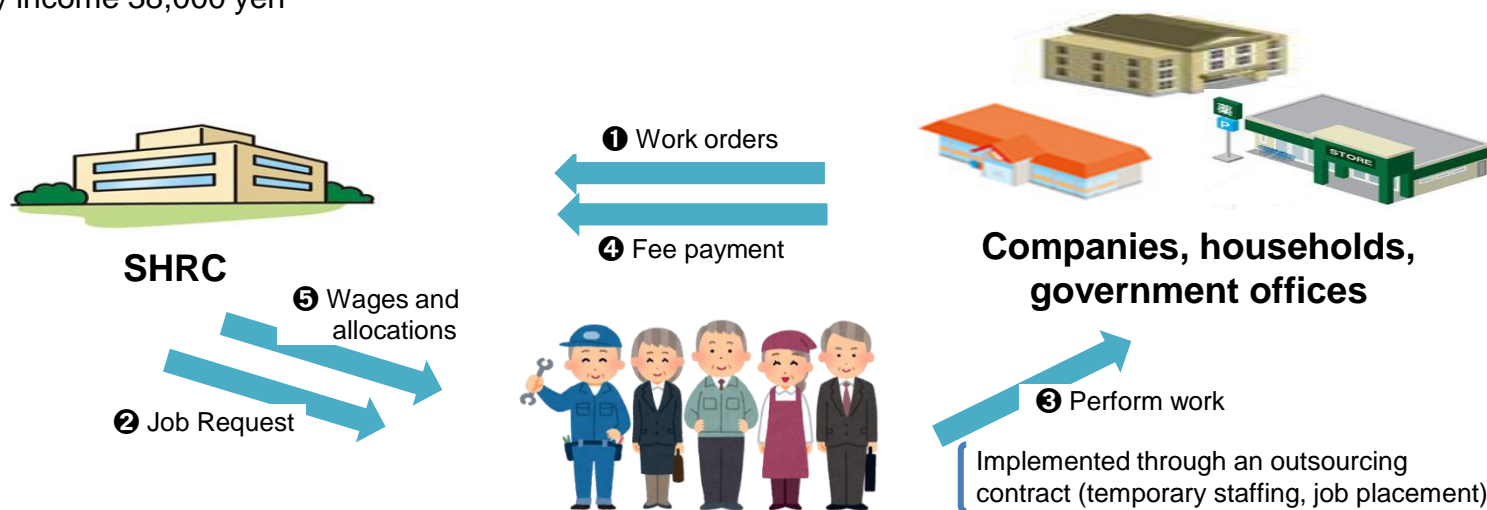


Outline of Silver Human Resources Center's services

The Silver Human Resources Centers (SHRCs) provide employment opportunities for older people who wish to work on a temporary, short-term, or light duty basis

○ Outline of the SHRCs (FY2021)

1,307 organizations, 687,000 members (453,000 men and 234,000 women), average age 74.1 years, average monthly income 38,000 yen



Older persons generally 60 years of age or older who wish to get temporary, short-term or light jobs (SHRC members)

○ Jobs handled by SHRCs

Work at nursing homes, childcare facilities, supermarkets, etc.

Provide welfare and housekeeping services, cleaning, supervision of bicycle parking / public parks, tree pruning, etc.

Maintain & develop local economy and society

Resolve labor shortages in businesses, and support the working generation

Fulfill purpose of life, promote health, & stabilize life of the elderly

* Type of work in which the number of working days per month does not exceed 10 days, or the number of working hours per week does not exceed 20 hours.