

## To Workers and Employers



# Digital wage payments will soon be possible!



Under the Labor Standards Act, wages generally must be paid in cash; however, direct deposit of wages to bank accounts has been permitted with the consent of the worker. In response to the spread of cashless payment and the need for diversified remittance methods, wage payments to the accounts of certain funds transfer service providers will also be permitted when the worker provides consent.

\*Only funds transfer service providers (xxPay, etc.) designated by the Minister of Health, Labour and Welfare. A list of designated funds transfer service providers will be posted to the Ministry of Health, Labour and Welfare website.



Ministry of  
Health, Labour  
and Welfare  
Website

### Timeline

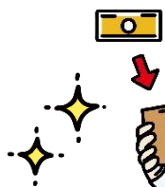
April 2023 onward	Funds transfer service providers apply for designation to MHLWm where they will be screened (will take several months)
After designation by MHLW	Labor-management agreements created at workplaces
After creating a labor-management agreement	Explain to individual workers and commence digital wage payments if workers consent

### Notes

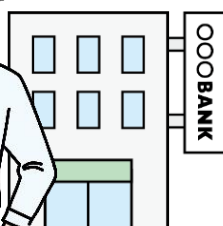
- Wage payments in cryptocurrency or points that cannot be converted into cash are not permitted.
- Digital wage payments are just one option for paying and receiving wages. This does not mean that all workers must change their current method of wage payment, even in workplaces that adopt digital wage payments.
- Workers who do not wish to be paid digitally may still receive wages through direct deposit to their bank accounts or other means. In addition, employers may not force workers to accept digital wage payments. (Forcing workers who do not consent to digital wage payments to accept this form of payment constitutes a violation of the Labor Standards Act on the part of the employer and may be subject to punishment.)
- Workers may also receive part of their wages in an account at a designated funds transfer service providers and the rest through direct deposit to a bank account, etc.

#### Workers who want digital wage payments

**Partial wages**  
Funds transfer service  
provider account  
(Ex: ¥50,000)



**Remaining wages**  
Bank account, etc.



#### Workers who do not want digital wage payments

**Total wages**  
Bank account, etc.



## Digital Wage Payments: What You Need to Know

- **Entering into an agreement is mandatory**

When a workplace adopts digital wage payments, employers and workers must first enter into a labor-management agreement. On top of this, the employer must explain the following to the workers and obtain individual worker consent.

- **Designate an appropriate amount to be received**

Understand that accounts at designated funds transfer providers are not checking accounts but accounts used to make payments and send money; agree to receive payment to these accounts in an amount you expect to use for payments, etc. The amount received must also be less than the maximum daily withdrawal amount of the account.

- **Maximum account balance must be ¥1,000,000 or less**

The maximum account balance must be set to ¥1,000,000 or less. Amounts exceeding this limit will be automatically paid to the bank account designated by the worker in advance. In this event, the worker may be responsible for processing fees; be sure to check with the designated funds transfer service provider.

- **Account balance can be turned into cash (no withdrawal fees once a month)**

The account balance can be turned into cash (withdrawn) at ATMs, bank accounts, and more. Withdrawals can be made from an account at a designated funds transfer service provider with no processing fees paid by the worker at least once a month. Withdrawal methods and processing fees differ by the designated funds transfer service provider.

- **Account balance payout term is at least ten (10) years**

The account balance can be paid out upon request within a term of at least ten (10) years from the last deposit/withdrawal date.

### ▶ In the event of an incident

- **In the event of an unauthorized transaction (withdrawals not made by the account owner, etc.)**

In the event of an account takeover or unauthorized withdrawal from an account at a designated funds transfer service provider in which the owner of the account is not at fault, the full amount of the loss will be reimbursed; however, guarantees for cases in which the worker was negligent shall be determined on an individual basis. The notification period shall be at least thirty (30) days from the date of loss. Contact the designated funds transfer service provider immediately in the event of a fraudulent transaction.

- **In the event of funds transfer service provider bankruptcy**

In the event that a designated funds transfer service provider goes bankrupt, reimbursement will be made by a guarantor agency.



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