

Information on enrolling in the Social Insurance Systems

It is our great pleasure to welcome you as a member of the Contract Professionals service division of en world Japan. Below is a brief explanation of important information to enroll in the social insurance systems. The main social insurance systems for salaried workers in companies are the Employees' Health Insurance (EHI) System and the Employees' Pension Insurance (EPI) System. Please read the following information carefully to ensure a smooth start of your service or continuation of your service with a client.

Conditions and Date of enrollment

※ Dispatched staff and fixed-term employment contract employees who meet the following conditions are obliged to enroll in the EPI and EHI systems.

1. Your weekly work hours specified in the employment contract are 20 hours or more
2. Your employment term is expected to be two months or longer. If the employment contract clearly states that the contract "will be renewed" or "may be renewed"

Date of enrollment: **First day of the initial employment contract**

Effective October 2022, those who meet the above conditions will be enrolled in the EHI and the EPI from the initial date of the employment contract.

Other precautions

1. Your contributions are charged from your standard monthly remuneration regardless of the date of enrollment or loss of eligibility

Your contributions cannot be calculated daily and are collected monthly from your remuneration. For example, if you enroll in the EHI and EPI on October 25, your premiums will be collected from your remuneration for October.

2. You will be enrolled in both EHI and EPI at the same time. You cannot enroll only in one or the other or enroll at different times.

FAQ

Q1. Is the coverage under the EHI and the EPI compulsory by law, even if my employment term is for two months or less?

(Answer) Even if the initial employment contract term is expected to be for two months or less, if the employment contract or other document clearly states that the employment contract "will be renewed" or "may be renewed," the staff will be deemed to meet the conditions for enrollment. The insured status will be acquired at the start date of the contract based on the first employment contract.

Q2. Even if the employment contract is expected to be renewed, will the employee not be required to enroll in the EHI and the EPI from day one if he/she wishes to do so?

(Answer) If the following conditions are met, the staff will fulfill the requirements for obtaining insured status. Therefore, the staff is obligated to enroll in the EHI and the EPI from the first day.

1. The weekly working hours specified in the employment contract are **20 hours or more**.
2. If your employment term is expected to be two months or longer.

Q3. How should I deal with the case where my EHI and EPI contributions exceed my monthly remuneration when I start working at the end of the month?

(Answer) The contributions will not be deducted from your first month's remuneration. The premiums for the two months will be deducted from the following month's remuneration.

Q3-1. So even if I work, I actually lose money?

(Answer) If you were enrolled in National Health Insurance before you started working, you will be switched to Social Insurance from the current month, so in principle you will not "lose" any money. In addition, if you were enrolled in social insurance at your previous job, social insurance premiums will not be deducted from the current month's wages paid by that company, but from the current month's wages paid by us, so in principle there will be no double deduction.

Q4. When can the deduction for the EHI and the EPI contributions be more than the amount of my monthly remuneration?

(Answer) The EHI and the EPI contributions cannot calculate on a pro-rata basis.

Therefore, if an employee enrolls in the EHI and the EPI in last week of the month (the employment contract starts near the end of the month) or if his/her monthly remuneration is low because of fewer working days in the month, the EHI and the EPI premiums may be higher than the monthly remuneration amount.

Q5. In the case of question 4, how will it be handled?

(Answer) If the social insurance burden (EHI and the EPI) is more than the amount of monthly remuneration paid, no deductions will be made from the standard salary for that month and such contributions will not be collected. There are two patterns of handling as follows.

Pattern 1: If the employment contract continues for the following month

The contributions for the two months will be deducted together from the next month's remuneration.

Pattern 2: When the remuneration for the next month is not paid due to the termination of the employment contract,

The EHI and the EPI contributions will be deducted from remuneration for the first month. If the full amount of social insurance contributions cannot be deducted from the first month's remuneration and there is a shortfall, we will send you a money transfer request form to your home address. Please pay by the end of the following month.

Q6. If a staff resigns from the company in the month in which he/she became eligible for the EHI and the EPI, will the contributions be collected? (Loss of qualification in the same month)

(Answer) Once he/she is enrolled in the EHI and the EPI, he/she cannot cancel the enrollment. **The EHI and EPI premiums will be charged** even if his/her employment contract is terminated in the middle of the first contract.

For example, the initial employment contract period is from Oct. 1, 2022, to Oct. 31, 2022 (for a month)

★ With the intention to renew the contract.

However, the staff ended the employment contract on Oct. 3, 2022, as she/he did not fit into the work environment.

⇒ In this case, even if the staff worked for only three days, **one month's worth of the EHI and the EPI contributions will be charged.**

Since one month's worth of the EHI and the EPI contributions will be deducted from the remuneration of the first month, the standard salary payment will be considerably lower. In some cases, the amount of remuneration paid may be less than the EHI and EPI contributions.

※ Please refer to Question 5. for information on how to handle this case.

Q 7. If staff did not acquire insured status at the start of his/her employment contract because he/she had agreed prior to joining the company not to extend beyond the term of the initial employment contract (within two months). However, during the term of the contract, the situation changes and the contract is expected to be extended beyond the duration of the initial employment contract, when will the date of acquisition of insured status be?

(Answer) The employee will acquire insured status on the date the contract is agreed to be renewed.

Q 8. If staff starts work for a fixed period of two months or less and his/her employment contract is expected to be renewed, but circumstances change after the contract starts and the contract is not renewed, does the staff lose his/her insured status in the middle of the contractual period?

(Answer) Even if the employment contract was expected to be renewed, in the end, if the contract is not renewed, the staff will not lose his/her insured status during the contract period. Social insurance contributions will still be charged. Therefore, the EHI and EPI premiums cannot be exempted on the grounds of mismatch or contractual discrepancy.