

## Japanese Social Insurance Service and Payroll Service

The procedure of enrolling in or cancelling Japan social insurance and the calculation of the employees payroll is quite complex. The policy of Japan and the proportion rate for insurance calculation are changing every year. Therefore, the procedure of enrolling and resigning the employees is rather time-consuming. It also applies to enrolling in and changing insurance plan, as well as the calculation of respective fees.

To assist client with operating a Japanese company, Kaizen provides the Japan Social Insurance Service and Payroll Service. It saves the costs of hiring in-house professionals in handling the complex procedures. Our service quotation provides detailed information for your reference.

### 1. Basic Service of the Social Insurance

Japanese social insurance consists of five types of insurances, which are Employees' Health Insurance, Employees' Pension Insurance, Industrial Accident Compensation Insurance, Unemployment insurance and Long-Term Care Insurance, with age restriction applies. Employees who join the Employees' Health Insurance should be under 75 years old; the employees who join the Employees' Pension Insurance should be under the age of 70; the employees who join the Long-Term Care Insurance should be over 40 years old and under 65 years old.

All companies in Japan must enroll their employees in social insurance, and the enrollment procedures must be completed within 5 days upon employment.

#### (1) Service Scope

Our services include the procedures for enrolling in social insurance when employees join the company or the procedures for canceling social insurance when employees leave the company. The service fee is JPY 40,000 per person for each time. This fee includes consultation on social insurance enrollment or cancellation procedures with a registered Labor and Social Security Attorney and other services. The details are

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as follows:

- (a) Consultation service for social insurance enrollment or cancellation procedures.
- (b) Prepare relevant materials for social insurance enrollment or cancellation procedures.
- (c) Submit application documents to Japan Pension Service Office for social insurance enrollment or cancellation.
- (d) Collect the acceptance certificate from the Japan Pension Service Office.
- (e) Hand over the materials to the client after completing the social insurance enrollment or cancellation procedures.

## (2) Documents and information needed

To proceed social insurance enrollment or cancellation procedures, client needs to provide the following information:

- (a) The Company Register copy of the Japanese company (issued within the last three months);
- (b) The employment contract signed by the Japanese company and the employee;
- (c) The lease contract of the employee's workplace (not required if the employee works from home);
- (d) Employee's identity documents (such as a passport copy; foreign employees need to provide a copy of the Japanese residence card);
- (e) Employee's residence certificate (issued within the last three months);
- (f) Employee's personal number (“マイナンバー”);
- (g) Employee's name in furigana (Japanese phonetic symbol);
- (h) Whether the employee has a dependent (i.e. immediate family such as spouse, children);
- (i) The phone number of the Japanese company;
- (j) The furigana name of the representative director of the Japanese company (as recorded in the Notification of Corporate Establishment).
- (k) Other documents and information required by the Japan Pension Service Office.

**Remarks:** The aforementioned fees include the cost of domestic post service within Japan, but international postage is not included. If client needs international post service, separate fees will apply.

## (3) Process Time

Usually, it takes about 45 working days (excluding the mailing time) to complete the enrolling procedures of Japanese social insurance (Employees' Health Insurance, Employees' Pension Insurance, Industrial Accident Compensation Insurance and Unemployment Insurance). The actual time is subject to the review of the Japan

Pension Service Office, the Public Employment Security Office and the Ministry of Health, Labour and Welfare.

## 2. Payroll Calculation Service

The calculation of the social insurance and employees' salary are closely related to Labour Standards Law and Tax Law. It is a time-sensitive work that needs to be handled in a professional manner. Since the payroll is confidential, it is usually administered by the manager or trusted employees. By delegating the cumbersome work to Kaizen, client could focus on the company business itself without hassles.

### (1) Service Scope

- (a) Calculation of employees' monthly salary and social insurance.
- (b) Salary details and general ledger will be prepared by our specified letter.
- (c) The salary details will be placed in the designated envelope and submitted to client's employees.

### (2) Fees

- (a) Basic Payroll Calculation Service

No.	Number of employees	Monthly fee (JPY) (Tax Included)
1	1 - 3	22,000
2	4 - 5	28,000
3	6 - 10	36,000
4	11 - 20	46,000
5	21 - 30	55,000
6	Above 31	An additional JPY 24,000 for every 10 persons

- (b) Basic Social Insurance Service

No.	Number of employees	Monthly fee (JPY) (Tax Included)
1	1 - 3	22,000
2	4 - 5	28,000
3	6 - 10	36,000
4	11 - 20	46,000
5	21 - 30	55,000

6	Above 31	An additional JPY 24,000 for every 10 persons
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**Remarks:**

- (a) As employees' wages and social insurance need to be calculated at the same time, Basic Payroll Calculation Service and Basic Social Insurance Service cannot be provided separately.
- (b) If you entrust Kaizen to provide Basic Payroll Calculation Service and Basic Social Insurance Service, the minimum contract period is one year. The contract will be automatically renewed for one year if Kaizen does not receive prior notice from the client. If the customer wish to terminate the service during the contract, a termination notice needs to be made three months in advance.
- (c) After the client officially entrusts Kaizen to provide Basic Payroll Calculation Service and Basic Social Insurance Service, Kaizen will charge the service fee every six months, and the payment needs to be settled in advance. If the service is terminated midway, the fees for the unprovided month will be fully refunded.

**(3) Documents and information needed**

To proceed with employee salary and social security calculation services, the client needs to provide the following information:

- (a) The Company Register copy of the Japanese company (issued within the last three months);
- (b) The employment contract signed by the Japanese company and the employee;
- (c) Employee's identity documents (such as a passport copy; foreign employees need to provide a copy of the Japanese residence card);
- (d) Employee's residence certificate (issued within the last three months);

**Remarks:** The required documents and information may vary from case to case.

**3. Optional Services**

**(1) Annual Renewal of Labor Insurance and Social Insurance Calculation and Declaration Form**

Since Japanese social insurance standards change every year, Japanese companies need to complete the Annual Renewal of Labor Insurance ("労働保険数年更新手続き" in Japanese) and Social Insurance Calculation and Declaration Form ("社会保険算定基礎届" in Japanese) to Japan Pension Service Office in June and July each year. Kaizen provides service for completing the Annual Renewal of Labor Insurance and Social Insurance Calculation and Declaration Form, and each service costs 30,000 yen. Please contact our consultants for further details.

**(2) Other services**

In addition to the aforementioned services, our firm can also provide other company-related services such as attendance rate calculation, bonus calculation, etc. Please contact our consultants for further details.

The table below summarizes Social Insurance and Payroll Service and other company services.

Item	Description	Fee (JPY)	
<b>Payroll and Social Insurance Service</b>			
1	Basic Payroll Calculation Service, included: (1) Calculation of monthly salary (2) Salary details and general ledger will be prepared by our specified letter (3) The salary details will be placed in the envelope designated and submitted to client's employees	<b>No. of Employee</b>	<b>Monthly Fees</b>
		1 – 3	22,000
		4 – 5	28,000
		6 – 10	36,000
		11 – 20	46,000
		21 – 30	55,000
		Over 30	24,000 / every 10 persons
2	Basic Social Insurance Service	<b>No. of Employee</b>	<b>Monthly Fees</b>
		1 – 3	22,000
		4 – 5	28,000
		6 – 10	36,000
		11 – 20	46,000
		21 – 30	55,000
		Over 30	24,000 / every 10 persons
<b>Social Insurance Enrolment or Cancellation Service</b>			
3	Social Insurance Enrolment Service	Per person	40,000
4	Social Insurance Cancellation Service	Per person	40,000
<b>Optional Services</b>			
5	Annual Renewal of Labor Insurance	Each time	30,000
6	Preparation and submission of Social Insurance Calculation and Declaration Form	Each time	30,000
7	Attendance Rate Calculation (by attendance sheet)	TBA	
8	Bonus Calculation	TBA	

To better facilitate our client in company maintenance, Kaizen provides the above optional services and other company-related services not mentioned in this quotation. Please contact our consultants for more details of our services.

*If you wish to obtain more information or assistance, please browse our official website at [www.kaizencpa.com](http://www.kaizencpa.com) or contact us through the following and talk to our professionals:*

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