

## Japanese Social Insurance Service and Payroll Service

The procedures for enrolling or deregistering social insurance in Japan, and the calculation of employee salaries, are relatively complex. The system and insurance contribution rates are changing annually in Japan. It takes considerable time to handle matters such as employee joining and leaving the company, insurance enrollment, renewal, and calculation.

To facilitate better operation of Japanese companies and reduce workload on routine administrative tasks, Kaizen offers services related that include enrollment and renewal of Japanese social insurance, as well as payroll processing for employees.

### 1. Social Insurance Enrollment / Disenrollment Services

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 restrictions 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 enrol their employees in social insurance, and the enrollment procedures must be completed within 5 days upon employment.

#### (1) Service Scope and Fees

##### (a) Social Insurance Enrollment

Japanese companies should complete their social insurance registration procedures concurrently when first enrolling employees in the social insurance scheme. Service fee for companies' social insurance registration is JPY 50,000 (Not required for non-first-time applications); The fee for processing social insurance enrollment procedures for employees starts at 30,000 JPY per person per instance. The specific items included in this service are as follows:

##### (i) Consultations for social insurance enrollment

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procedures.

- (ii) Prepare relevant materials for companies' social insurance registration procedures (When needed).
- (iii) Prepare relevant materials for employees' social insurance enrollment procedures.
- (iv) Submit application documents to Japan Pension Service Office for social insurance registration / enrollment.
- (v) Hand over materials to client after social insurance registration / enrollment procedures completed.

(b) Social Insurance Disenrollment (Procedures when employee resigns)

When employees are leaving the company in Japan, the company is required to process the social insurance disenrollment procedures at once. Service fee for employees' social insurance disenrollment is JPY 55,000 per person per instance. The specific items included in this service are as follows:

- (i) Consultations for social insurance disenrollment procedures.
- (ii) Prepare relevant materials for employees' social insurance disenrollment procedures.
- (iii) Submit application documents to Japan Pension Service Office for social insurance disenrollment.
- (iv) Responding to questions raised or supplementary materials required , etc. from pension offices.
- (v) Hand over materials to client after social insurance disenrollment procedures completed.

Note: Employers should ensure that all necessary documentation is provided promptly to employees who are leaving the company, and keep in contact with them throughout the process.

(c) Companies' Social Insurance Deregistration

When a Japanese company has no further plans to recruit new employees or intends to liquidate, it is necessary to complete the procedures for deregistration from social insurance. Service fee for companies' social insurance deregistration is JPY 40,000. The specific items included in this service are as follows:

- (i) Consultations for companies' social insurance deregistration procedures.
- (ii) Submit application documents to Japan Pension Service Office for companies' social insurance deregistration.
- (iii) Labour insurance premium actuarial calculations and related overpayments/underpayments adjustments.
- (iv) Responding to questions raised or supplementary materials required , etc. from pension offices.

- (v) Hand over materials to client after companies' social insurance deregistration completed.

## **(2) Materials Required**

The following materials are required for processing employees' social insurance enrollment / disenrollment procedures:

- (a) Companies' Certificate of All Historical Matters (issued within the last three months)(in Japanese, “登記簿謄本” or “履歴全部事項証明書”)
- (b) The employment contract signed by the Japanese company and the employee.
- (c) Employee's actual place of work.
- (d) Employee's identity documents (such as a passport copy; foreign employees need to provide a copy of the Japanese residence card (在留カード))
- (e) Employee's residence certificate (住民票) (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). If there are dependent exist, personal number (マイナンバー) of the dependents.
- (i) Phone number of the Japanese company
- (j) Furigana name of the Japanese company's representative (representative director / member).
- (k) Other documents and information required by the Japan Pension Service Office.

Note:

- (i) The above-mentioned materials must be prepared in Japanese. Should they be prepared in Chinese or English, please provide Japanese translations. Additional translations fees for processing foreign-language materials will be applied if client d not provide Japanese materials.
- (ii) The required documentation may vary depending on the individual cases. Kaizen will provide detailed guidance and instructions once clients formally engage in our services.

**(3) Processing Time**

Typically, it takes approximately 4 ~6 weeks (excluding document postage time) to complete the enrollment or disenrollment procedures for Japanese social insurance (Health Insurance, Employment Insurance, Workers' Accident Compensation Insurance, Employees' Pension Insurance), subject to close cooperation with the customer. The exact duration depends on the actual processing time at the Japan Pension Service, Public Employment Security Office, and Labour Bureau.

**2. Payroll and Social Insurance Premium 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 payrolls are confidential, it is usually administered by the manager or trusted employees. By delegating the cumbersome work to professionals, client could focus on the company business itself without hassles. Kaizen can provide payroll and social insurance premium calculation services, detailed below:

**(1) Service Scope**

- (a) Calculation of employees' monthly salary and social insurance
- (b) Preparing payroll details in a prescribed format
- (c) Provide electronic copies of payroll details

**(2) Fees**

No.	Number of employees	Monthly fee (JPY) (Tax Excluded)
1	1 - 3	38,000
2	4 - 5	45,500
3	6 - 10	61,000
4	11 - 20	76,000
5	21 - 30	91,000
6	Above 31	An additional JPY 24,000 for every 10 persons

**Remarks:**

- (a) The minimum contract term for payroll and social insurance premium calculation services is 1 year. Upon contract expiration, contracts will be automatically extended for 1 year, unless a termination notice is received from the client. Termination notice should be provided to Kaizen 3 months in advance.

- (b) Payment for payroll and social insurance premium calculation services is due every six months, and should be settled in advance. If the contract terminates in the middle of the contract period, the paid service fee which services have not been provided will be refunded.

### **(3) Documents and information needed**

To proceed with employees' payroll and social insurance premium calculation services, following information is required:

- (c) Companies' Certificate of All Historical Matters (issued within the last three months) (in Japanese, "登記簿謄本" or "履歴全部事項証明書").
- (d) The employment contract signed by the Japanese company and the employee.
- (e) Employee's identity documents (such as a passport copy; foreign employees need to provide a copy of the Japanese residence card (在留カード))
- (f) Employee's residence certificate (住民票) (issued within the last three months).
- (g) Employees' Monthly Attendance Record (to be provided monthly).

Remarks:

- (i) Different information may be required depending on each company's specific situation.
- (ii) The above-mentioned social insurance enrollment and disenrollment services have to be engaged concurrently with the payroll and social insurance premium calculation services.

## **3. Optional Services**

### **(1) Annual Renewal of Labor Insurance and Remuneration Report for Social Insurance Premium Calculation**

Japanese social insurance standards change every year. Annual renewal of labor insurance (in Japanese, "労働保険数年更新手続き") and remuneration report for social insurance premium calculation (in Japanese, "報酬月額算定基礎届") should be handled during June and July every year. Kaizen provides service for completing the annual renewal of labor insurance and remuneration report for social insurance premium calculation from 30,000 JPY. Please contact our consultants for further details.

### **(2) Other services**

In addition to the aforementioned services, Kaizen can also provide other related services such as attendance rate calculation, bonus calculation and declaration,

standard employment contract (Japanese), monthly remuneration changes report etc., Please refer to appendix 1 and contact our consultants for further details.

#### 4. Payment Schedule and Methods

Kaizen accepts cash, bank transfers, remittances, and PayPal. An additional 5% handling fee applies for PayPal payments. Upon confirmation of engagement, Kaizen will issue an invoice for the service fees together with bank transfer details and payment instructions to facilitate payment arrangements. The nature of the service requires full payment in advance. Unless in exceptional circumstances, service fees are generally non-refundable once service provision commences.

All fees quoted are excluding tax. Any specific invoices required for Japan, Mainland China, or Taiwan will incur additional charges based on applicable local tax rates.

*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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## Appendix 1 – Japanese Company Payroll and Social Insurance Premium Calculation Services Fees Table

Item	Description	Fee (JPY Excluding Tax)	
		No. of Employees	Monthly Fees
1	Payroll and Social Insurance Premium Calculation Services, included:  (1) Calculation of monthly salary, social insurance premium and withholding income tax.  (2) Preparation of payroll details and summary in a prescribed format  (3) Provide electronic copies of payroll details	1 – 3	38,000
		4 – 5	45,500
		6 – 10	61,000
		11 – 20	76,000
		21 – 30	91,000
		Over 30	24,000 / every 10 persons
2	Companies' Social Insurance Registration	Per Instance	50,000
3	Companies' Social Insurance Deregistration	Per Instance	40,000
4	Employees' Social Insurance Enrollment Services	Per person Per Instance	30,000/up
5	Employees' Social Insurance Disenrollment Services	Per person Per Instance	55,000/up
6	Compile Standard Employment Contract (Japanese only, format specified by Kaizen)	Per Instance	35,000/up
7	Annual Renewal of Labor Insurance	Per Instance	30,000/up
8	Remuneration Report for Social Insurance Premium Calculation	Per Instance	30,000/up
9	Monthly Remuneration Changes Report	Per person Per Instance	15,000/up
10	Bonus Payment Report	Per person Per Instance	15,000/up

*The above quotation is for reference only and does not represent the final terms of transaction. The pricing for all services is subject to the final quotation issued by Kaizen for each individual case. Kaizen reserves the right to adjust prices at any time without prior notice.*