

Annex 4: Compulsory Insurance Scheme Applicable to Trainees under Japan’s Technical Internship Training Program (TITP)

Trainees/ migrant workers are obliged to participate in two separate insurance schemes, namely the labour insurance and social insurance schemes.

1. LABOUR INSURANCE SCHEME	
Labour insurance is a national system that provides benefits (workmen’s compensation insurance) for injuries and illnesses incurred at work or whilst commuting, including unemployment benefits in case of termination.	
Obligation	Participation in the labour insurance scheme is an obligation of any business that employs one or more employees, including foreign nationals except for a few exemptions.
Schemes	1.1 Workmen Compensation Insurance¹
About	<ul style="list-style-type: none"> In the event that a worker suffers injury at work or while commuting, necessary benefits will be provided to protect the worker and in the event of death their bereaved families.
Eligibility	<ul style="list-style-type: none"> This is compulsory insurance except for those employed in agriculture, forestry and the fisheries. For those employed in agriculture, forestry, and the fisheries, Workmen’s compensation insurance is voluntary. TITP workers employed in these sectors must enrol in private voluntary insurance.⁴
	1.2 Employment Insurance²
	<ul style="list-style-type: none"> A worker who loses their job due to the bankruptcy or the contraction of their employer’s business is entitled to receive unemployment benefit for a fixed period of time, while they seek new employment.³ A TITP worker who works at least 20 hours per week and is employed for at least 31 days is eligible to enrol in the scheme.⁵ Where a TITP worker becomes unemployed due to the bankruptcy or contraction of their employer’s business and wishes to continue on the programme, and was covered under the scheme for a total of 12 months or more in the past two years or for a total of 6 months or more in the past 1 year before becoming unemployed, they are eligible to claim benefits.⁶

¹ The Ministry of Health, Labour and Welfare, “Brochure about Industrial Accident Compensation Insurance for foreign workers”, accessible at <https://www.mhlw.go.jp/new-info/kobetu/roudou/gyousei/rou sai/gaikoku-pamphlet.html>.

² See HelloWork Internet Service about employment insurance, accessible at https://www.hellowork.go.jp/insurance/insurance_guide.html.

³ OTIT, “Technical Intern Trainee Handbook”, p. 53, accessible at <https://www.otit.go.jp/files/user/181003-eng.pdf>.

⁴ OTIT, “Technical Intern Trainee Handbook”, p. 52, above.

⁵ OTIT, “Technical Intern Trainee Handbook”, p. 53, above.

⁶ Ibid.

	<ul style="list-style-type: none"> The Immigration Control and Refugee Act mandates that any employer who employs TIP trainees must take out insurance or take equivalent measures.⁷ If contrary to the Act an employer fails to join the insurance scheme, an employee remains eligible for its benefits. An employee who is injured or becomes ill due to work or while commuting is eligible. 	
<p>Benefit</p>	<ul style="list-style-type: none"> Medical benefits: the insurance covers the full medical expenses of a worker who is injured or becomes ill due to work or while commuting. Temporary absence from work benefits: Where a worker is absent from work for medical treatment and is unable to work, they receive the basic amount of benefit per day, from the fourth day of their absence.⁸ Injury and sickness pension: Where an employee does not recover from their injury or sickness after 18 months from the beginning of treatment, the worker is eligible to receive the basic amount of benefit.⁹ Disability benefits: a worker who becomes disabled is eligible to receive pension or lump sum based on the degree of their disability and average salary.¹⁰ 	<ul style="list-style-type: none"> The benefit amounts to 50-80 percent of the person's wages (calculated by total monthly wages from the last 6 months before unemployment / 180 x 50-80 percent per day).¹¹

⁷ The Immigration Control and Refugee Act (2010), accessible at <https://www.mhlw.go.jp/stf/houdou/2r9852000002ag3s-att/2r9852000002ag9v.pdf>.

⁸ Workers' Compensation Department, accessible at <https://www.mhlw.go.jp/english/org/policy/p19.html> and OTIT, "Technical Intern Trainee Handbook", pp. 52-53, above.

⁹ Ibid.

¹⁰ Ibid.

¹¹ See HelloWork leaflet entitled "To those who left their jobs", accessible at <https://site.mhlw.go.jp/aichi-foreigner/var/rev0/0110/3906/201381165041.pdf>.

	<ul style="list-style-type: none"> • Surviving family benefits: when a worker has died due to work or while commuting, the bereaved family is eligible to receive a pension or lump sum.¹² • Funeral rites benefits: the bereaved family or the company that holds the deceased worker's funeral is eligible to receive JPY 315,000 plus the basic amount of benefit.¹³ • Nursing care benefits: Where a worker requires nursing care, the expense for this will be paid in cash.¹⁴ • Upon return to countries of origin, migrants cannot receive benefits for aftercare, provision of expenses for artificial limbs and other assistive devices, and post-surgical treatment. 	
<p>Contribution</p>	<ul style="list-style-type: none"> • The employer (implementing organization) is responsible for enrolling TITP workers and paying the insurance premiums. • The employee (TITP trainee) does not need to contribute. Japanese labour law prohibits employers making employees pay contributions. 	<ul style="list-style-type: none"> • The employer (implementing organization) is responsible for enrolling TITP workers in the scheme. • The contribution is based on the total salary of the employee, with the employer contributing 0.8 percent and the employee 0.3 percent in general sectors and 0.4 percent in agriculture, forestry, fisheries, and construction sectors.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

2. SOCIAL INSURANCE			
Social insurance is a system designed to cover the cost of medical expenses incurred due to illness and injury, and guarantee the lives of the subscriber and bereaved families through the payment of pensions, etc., in case of death due to illness or injury or in the event of certain disabilities.			
Obligation	TITP workers must join either the “Employee’s Health Insurance and Employees’ Pension” (2.1), or “National Health Insurance and National Pension” (2.2). ¹⁵		
Scheme	2.1.a Employee’s Health Insurance ¹⁶	2.1.b Employee’s Pension Insurance ¹⁷	2.2.a National Health Insurance
About	<ul style="list-style-type: none"> Provides migrant workers and their dependent family members with insurance benefits in the event of sickness, injury, childbirth or death. 	<ul style="list-style-type: none"> Employee’s Pension Insurance is a pension system which provides benefits to employees proportional to their remuneration on top of the basic national pension. If TITP workers entered into the employee’s pension insurance system, the person enters into the national pension system at the same time. 	<ul style="list-style-type: none"> Provides migrant workers who do not belong to the employee’s health insurance programs and their dependent family members with insurance benefits for sickness, injury, childbirth and death.
Eligibility	<p>TITP workers are employed by:</p> <ul style="list-style-type: none"> Corporations Private businesses employing at least 5 full-time workers 	<p>(i) TITP workers are employed by</p> <ul style="list-style-type: none"> Corporations Private businesses employing at least 5 full-time workers 	<ul style="list-style-type: none"> TITP workers attend post-arrival training (for the first one or two months once in Japan)
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¹⁵ OTIT, “Technical Intern Trainee Handbook”, p.48, above.

¹⁶ Japan Pension Service, accessible at <https://www.nenkin.go.jp/international/english/healthinsurance/employee.html>.

¹⁷ Ibid.

	<ul style="list-style-type: none"> Excluding private business in agriculture, forestry, fisheries, hospitality, and cleaning sectors.¹⁸ 	<ul style="list-style-type: none"> Excluding private business in agriculture, forestry, fisheries, inns, cleaning establishment.¹⁹ <ul style="list-style-type: none"> (ii) The employee (A)'s dependent family members can apply for coverage if they are A's first, second or third level of A's family members or relatives. To be approved as a covered dependent, they need to be financially supported mainly by A. When A's dependent has an income, he/she is applicable if <ol style="list-style-type: none"> he/she lives with A and has an income of less than JPY 1.3 million and less than half of A's annual income or he/she does not live with A and has an income of less than JPY 1.3 million and less than the total financial support amount provided by A. (* JPY 1.8 million if he/she is aged 60 or older or has certain level of disability). A's dependent needs not reside in Japan, and thus TITP trainees's dependent may enrol. 	<ul style="list-style-type: none"> Those who are not eligible for the Employee's Health Insurance scheme (2.1.a)²⁰ 	<ul style="list-style-type: none"> All TITP trainees who are at age of 20 or over, and are not eligible to the Employee's Pension Insurance scheme (2.1.b)²¹
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¹⁸ OTIT, "Technical Intern Trainee Handbook", p. 48, above.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

<p>Benefit</p>	<ul style="list-style-type: none"> Medical treatment: 70 percent of medical expenses arising from illness or injury outside work or commuting is covered by this insurance. Childbirth benefit, JPY 420,000 is paid. Absence from work benefit: In case of injury or illness, workers who are not receiving benefits from the workmen compensation insurance will receive the benefit. Maternity leave benefit, the employee receives 66 percent of their standard daily remuneration per absent day from 42 days prior to birth to 56 days after birth. In case of death, the benefit of JPY 50,000 is paid. 	<ul style="list-style-type: none"> Old-age employees' pension: the participant receives the pension on top of the national pension. The amount is based on the duration of work and salary, and the average is around 100,000-160,000 JPY per month. Disability employees' pension and disability allowance: the participant can receive it when they have a certain level of disability specified by law. The amount is based on their duration of work, salary, and level of disability. Survivors' employees' pension: a deceased person's survivors can receive their pension if they were financially dependent on the deceased person before his/her death. Lump sum payment: A non-Japanese citizen who contributed to this insurance (without participating in the employee's pension insurance) at least six months 	<ul style="list-style-type: none"> 70 percent of medical expenses arising from illness or injury outside work or commuting is covered by this insurance. In case of childbirth, JPY 420,000 is paid In case of death, 30,000-70,000 JPY is paid 	<ul style="list-style-type: none"> Old-age basic pension: Pension benefits are paid from age 65 to persons with contribution of 10 years or more. The amount for a person who has contributed for 40 years is JPY 780,100 per year. Disability basic pension: If a person becomes sick or gets injured while he/she is covered by this insurance and if that sickness or injury eventually causes such disability at Grade 1 or Grade 2, he/she is entitled to receive benefits of JPY 780,100 or JPY 975,125 respectively per year Survivor's basic pension: when an insured person dies, his/her dependent spouse who takes care of their child(ren) or his/her dependent child(ren), he/she/they receive JPY 1,004,600 per year (for spouse with one child).
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		<p>but less than 10 years can claim a lump sum of payment within two years after his/her return. The maximum lump sum is for 36 months of payment, and amounts to JPY 295,380.</p> <ul style="list-style-type: none"> • 20.42 percent of tax is deducted from this amount, and the person needs to ask a person with Japanese residence to file a document to a tax office to retrieve the deducted amount. • If a person continues to TITP-iii, he/she needs to apply for lump sum when he/she returns to their country of origin after TITP-ii and reapply after the completion of TITP-iii. 		<ul style="list-style-type: none"> • Lump sum payment: A non-Japanese citizen who contributed to this insurance (without participating in the employee's pension insurance) at least six months but less than 10 years can claim a lump sum payment within two years after his/her return to their country of origin. The maximum lump sum is for 36 months payments. • If a person continues to TITP-iii, he/she needs to apply for lump sum when he/she returns to their country of origin after TITP-ii and reapply after the completion of TITP-iii.
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Contribution	<ul style="list-style-type: none"> Both employer and TITP workers contribute at a rate depending on prefecture and insurance organization of the employee's standard monthly remuneration (remuneration includes every payment such as salary, wage and any allowance which you receive from the employer in return for service performed). 	<ul style="list-style-type: none"> Both the employer and TITP workers contribute 18.3 percent of the employee's standard monthly remuneration (remuneration includes every payment such as salary, wage and any allowance received from the employer in return for services performed).²² 	<ul style="list-style-type: none"> TITP workers contribute based on his/her salary and prefecture/city of residence. On average, a person with a salary of JPY 2 million per year pays a contribution of JPY 12,010 per month (7.2 percent).²³ 	<ul style="list-style-type: none"> The participant (TITP worker) pays JPY 16,490 per month.²⁴
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²² Ibid.

²³ Ibid.

²⁴ OTIT, "Technical Intern Trainee Handbook", p. 50, above.