

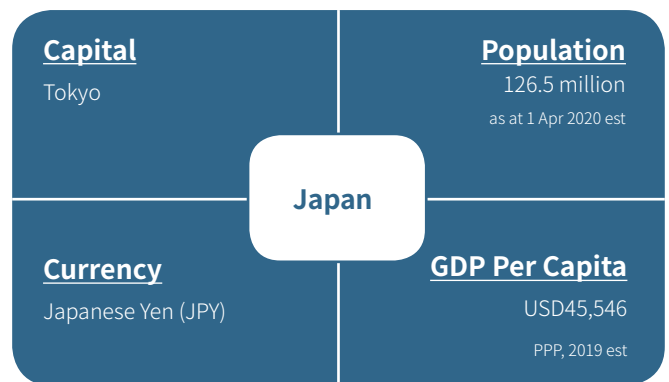
BIPO TIMES



Changes to Japan's Labour Regulations

A highly developed free-market economy, Japan is the third largest economy in the world by nominal GDP.

As the largest electronics goods industry, it is often ranked among the world's most innovative countries and is held in high regard for producing some of the most popular electronic products and hi-tech gadgets in the world.



Overview

A recent survey found that only 52.4% of Japanese employees took paid annual leave that they were entitled to in 2018.

The Japanese Government has recently implemented measures to help end the practice of long working hours, allow for flexible and diverse work styles and ensure that all workers receive fair treatment regardless of their employment type. Employees, whether full-time, part-time or fixed-term employment should be entitled to the same legal protection and employee benefits as their full-time, permanent counterparts.

The issue of Japan's working culture has resulted in the Government's new Work Style Reform Bill, which was passed by Japan's national legislature in 2018, and went into effect in April 2019.

Outline of the “Act on the Arrangement of Related Acts to Promote Work Style Reform” (Act No. 71 of 2018)

1. Review regulations on working hours (Labor Standards Act, Industrial Safety and Health Act)

Old Regulation	Revised (New) Regulation
Overtime limit at 45 hours a month or 360 hours a year in principle	Capped at 720 hours a year or less than 100 hours a month (including work on holidays) and an average 80 hours a month for a continuous period of several months (including work on holidays) in the event of special circumstances.

Exceptions on this legal cap on overtime, applies to :

Automobile drivers	The general regulations on overtime will apply to automobile drivers 5 years after the revised law comes into effect. An additional clause stipulates that the upper limit of overtime allowed for automobile drivers is set at 960 hours per year and that the government will continue discussing whether automobile drivers shall be covered by general regulations on overtime.
Construction workers	The general regulations on overtime will apply to construction workers 5 years after the revised law comes into effect. (However, the regulations limiting overtime work to less than 100 hours per month and an average 80 hours per month for continuous period of several months may not apply if workers are engaged in restoration/reconstruction from disasters. the government will continue discussing whether construction workers shall be covered by the general regulations on overtime even in the event of disaster.)
Doctors	The general regulations on overtime will apply to doctors 5 years after the revised law comes into effect. Specific overtime caps will be stipulated in the ministerial ordinance after representatives from the medical community and government offices discuss regulations on overtime hours and policy efforts to reduce doctors’ overtime to reach an agreement.
Sugar producer in Kagoshima and Okinawa	Sugar producers in Kagoshima and Okinawa prefectures will be exempt from the requirements to limit overtime work to less than 100 hours per month and an average 80 hours per month for continuous period of several months for 5 years after the revised law comes into effect. (The general regulations will apply to those producers 5 years after the revised law comes into effect.)
R&D for new technologies/products	No ceiling on overtime hours will be applied to those engaged in R&D while employers are required to introduce health measures for their workers such as ensuring that workers have an interview with a doctor and substituting overtime pay with time off. Employer are required to ensure that workers have an interview with a doctor if the said workers’ overtime hours exceed a certain threshold. (Revision of the Industrial Safety and Health Act)

1.1 Changes to the pay rate for overtime work exceeding 60 hours a month on SMEs

The impact on businesses is that it lifts a moratorium for SMEs on the extra pay rate (greater than 50% of regular pay) for overtime exceeding 60 hours a month

1.2 Employers shall designate 5 days of the total paid leave each year and ensure that workers who are entitled to take 10 days or more of annual paid leave take the compulsory 5 days within the designated period. Note: if paid leave is taken by workers’ request or in accordance with a planned paid leave scheme, employers do not need to designate the period for those paid leave days.)

1.3 Employers shall (in principle), keep track of employee’s time directly or use objective methods to check how much time an employee spent at a job site.

1.4 Revision of the flexi-time system from one month to three months.

1.5 Introduction of a system to exempt highly skilled professionals from work-hour regulations and reward workers based on performance (i.e. highly professional work system).

The system allows employers to exclude those earning at least JPY10 million per year and engaged in certain jobs requiring specialized skills and knowledge from regulations on working hours, holidays and extra pay for night work if they satisfy the following requirements: taking measures to maintain workers’ health including securing at least 104 days off a year for workers and obtaining a consent from workers when employers intend to apply the system to the said workers. The labor-management committee is also required to make a decision on whether the system is applicable.

As revised by the House of Representatives :

The introduction of a provision that allows workers to refuse their consent to their status as the highly skilled professionals even though they once accepted it.

1.6 To ensure effective implementation of measures to maintain workers' health, the Act requires an employer to keep track of employees' working hours and other conditions by the method provided for in the Ordinance of the Ministry of Health, Labour and Welfare. (Industrial Safety and Health Act)

As revised by the House of Representatives :

Introduce and promote the work-interval system (Act on Special Measures to Improve Working Hours Arrangements)

2. Introduction and promotion of the work-interval system (Act on Special Measures to Improve Working Hours Arrangements)

- Employers shall provide employees a certain rest period between the end of one workday and the start of the next.
- Increase efforts by labour and management to improve working hours arrangements Resolutions made by an enterprise committee in charge of improvement of working hours arrangements are deemed a labour–management agreement on planned paid leaves. The purpose is to promote efforts for improving working hours arrangements by labour and management in each company.

As revised by the House of Representatives :

Set up a provision that requires companies to make efforts to avoid asking clients to meet a short notice delivery deadline or frequently changing the orders they have placed.

3. Expand the duties of industrial physicians and strengthen the function of occupational health services (Industrial Safety and Health Act, etc.)

- To help strengthen the role of the industrial physician and the function of occupational health services, employers shall provide industrial physicians with information
- Employers shall report details on recommendations that industrial physicians have given them to manage workers' health (Businesses with 50 or more employees are obliged to appoint an industrial physician)
- Employers shall provide necessary information for an industrial physician to fulfil his/her tasks. (Businesses with 50 or more employees are obliged to appoint an industrial physician)

Outline of the Revision of the Part-time Employment Act, Labour Contract Act and the Worker Dispatching Act), which went into effect on April 1, 2020

1. Revised Labour Contract and Part-Time Employment Act

- "Equal pay for equal work", which is based on the principle that rejects any unreasonable differences in the treatment of full-time employees and fixed-time / part-time / temporary employees, such as wages, allowances, benefits and education
- Commuting allowance, overtime allowance and special leave for weddings and funerals, use of the company's cafeteria and lounge should be available on an equal basis to everyone working for the company.
- Base salaries, bonus, and pay increases are determined equally based on an employee's skills and performance instead of the status of their employment

2. Revised Worker Dispatching Act

To ensure "Equal pay for equal work" for temporary employees, agencies that hire such employees may choose either of these options :

Option 1 A system for equality and equitability enforced by the client company	Option 2 A system according to the staff agency's labour-management agreement
<p>A temporary agency worker receives the same treatment as the client company's employees, who perform the same job.</p> <p>The client company needs to provide information about such treatment as it will be made compulsory by law</p>	<p>The treatment may be determined if the Agency's labour-management agreement meets these 3 requirements :</p> <ol style="list-style-type: none"> 1. Wage level is equal to, or higher than that of other employees performing the same job. 2. A temporary agency worker's skills and abilities are properly evaluated and reflected in his / her wages to help with his / her career development. 3. The treatment that a temporary agency worker receives, other than wages, is not unreasonable compared to that given to the agency's permanent employees

2. Measures in Place

(a) Establish rules and regulations

- Fixed term workers
Employers are obliged to provide equal treatment with regular employees if (a) their duty and (b) the scope of shift in duties and personnel positioning is equal to that of regular employees
- Dispatched workers
Business operators must provide such workers with either (a) equal and/or balanced treatment with employees in dispatch destinations or (b) treatment based on a labor-management agreement that fulfil certain requirements such as ensuring a wage equal to or greater than the average pay for comp
- Legal basis for guidelines on such matters be put in place

(b) Full accountability by employers on working conditions

Employers are obliged to explain to part-time, fixed-term and dispatched workers if there are gaps in the treatment of such employees, how and on what grounds are such working conditions different from those of regular employees.

(c) Introduction of administrative measures

These ensure enforcement and Alternative Dispute Resolution (ADR) by the Government to address conflicts over balanced treatment and accountability about how and on what grounds the treatment is different

In summary :

Role of the Government	Employers Responsibilities
<p>In addition to the current employment-related measures, the Government will also</p> <ul style="list-style-type: none">• Introduce a basic policy (Cabinet decision)• Help reduce working hours and improve other working conditions• Ensure balanced treatment for workers having different employment status or those choosing different types of employment• Introduce a wide variety of work patterns• Achieve work-life balance (parenting, nursing care, medical treatment)	<p>Employers are required to take steps to provide employees with a better working environment that allow them to choose a working style from various options, according to the employees' willingness and abilities while balancing work and life.</p> <ul style="list-style-type: none">• Possible efforts include reducing working hours and improving other working conditions• Full accountability by employers deemed mandatory by law• Legislation that employers will need to abide by

Source:

[Economy of Japan](#) | [Japan Staffing Services Association](#) | [BBC](#)

To support business communities across the region, BIPO recently initiated a series of specially curated webinars with our global partners.

Taiwan

A fantastic effort by Team BIPO Taiwan to drive engagement via a live-stream event covering pointers on how businesses could effectively manage enhanced safety measures when resuming "back-to-work" activities, safety precautions while helping employees balance their professional and personal responsibilities. Interaction and engagement levels were at all time high post event as the live stream garnered numerous positive comments and re-shares among the HR community in Taiwan.

Singapore

Aimed at helping businesses adapt to a new way of working amidst the global pandemic, each webinar brought together the business and HR community. Highly engaging sessions on Singapore's Compensation & Benefits Landscape with Page Executive Group, informative sharing on Singapore's business grants and incentives to the benefits of value-based digital healthcare by Get-

Doc (a pioneer in the telehealth space), each webinar saw participants interacting with the speakers through joint Q&A sessions and discussions.

Hong Kong

Launched recently by the HKSAR Government under the Anti-Epidemic Fund, D-Biz provides funding support to local enterprises in Hong Kong, helping them continue their business operations and services during the pandemic through the adoption of IT solutions across 12 categories. These solutions range from online business, digital payment solutions, online / cloud-based human resources management systems to cybersecurity solutions.

Through the D-Biz Programme, BIPO Hong Kong will help businesses adopt online / cloud HRMS solutions to manage HR-related processes such as salary and expense reimbursement, attendance and leave, training, etc. Businesses that wish to continue implementing remote working and safe distancing measures for employees can also benefit from such online solutions.

“As a tech enabler, BIPO would like to lend our support to the business community in their digital transformation efforts”, said Florence Mok, BIPO’s Managing Director – North Asia. She added, “at the same time, we hope that such initiatives will help local enterprises remain operational as they prepare for the eventual business uptick.”

The first of BIPO’s webinars on D-Biz runs on 19 May (in Cantonese) and 21 May (in English), with more scheduled to follow in the upcoming months.

Mainland China

Recognising the differences between labour laws in China and the United States, BIPO recently collaborated with Interlink to organise a workshop on US labour law and practices. Aimed at helping employers and employees identify the connection between the Federal Government and different states, the workshop was delivered by Mr. Wang Yiqi of Interlink. The workshop touched on legal definitions of workers employed under the US Labour Law. From the session, participants gained a better understanding of the subject – from employing American employees to avoiding common employment errors in order to facilitate overseas business structures.

In addition, BIPO recently launched a series of webinars dedicated to labour laws and employment practices around the region. Kick-starting the first webinar on 20 May was Francis Koh, Country Head – BIPO Vietnam who provided key insights on compliance and labour regulations. Future sessions will include Malaysia on 18 June, Indonesia on 27 July followed by other regions in the coming months.

About Us

BIPO is a leading one-stop human resources provider in Asia Pacific, focused on providing organisations with innovative ways to manage complex end-to-end HR processes. Through our cloud and mobile-based Human Resources Management system as well as industry-leading solutions such as Payroll Outsourcing, Attendance Automation, Business Intelligence, HR Consulting, Recruitment & Business Process Outsourcing and Flexible Employee Management, we help companies transform their HR operations to and beyond their expectations, while achieving business goals related to cost and profitability.

Founded in 2004, our APAC headquarters is in Singapore and R&D centre in Indonesia. We have offices in Australia, China, Hong Kong, India, Japan, New Zealand, Philippines, Vietnam, Taiwan and Thailand with business links in over 10 countries and regions.

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