

# For Business Owners

## On Enrolment in Labour Insurance

“Labour Insurance (Rodo Hoken)” means “Industrial Accident Compensation Insurance (Rodo Saigai Hoshō Hoken)” and/or “Employment Insurance (Koyo Hoken)”.

To confirm if businesses you own are obligated to apply for the labour insurance, read these leaflets. If an application is required, consult about what to do at your nearest prefectural labour bureau, labour standards inspection office, or jobcentre (nicknamed “Hello Work”).

### Businesses that have a duty to apply for the Labour Insurance

◆ The following businesses must apply for the labour insurance by law (compulsorily covered businesses).

**Businesses that are employing any workers must enrol in the labour insurance** regardless of employment classification such as a regular or part-time worker, and types of employment status.

- ※ Some of agricultural, forestry, and fishery businesses that employ less than 5 workers are excluded from the compulsorily covered business.
- ※ If all enrolment conditions are met, non-compulsorily-covered businesses can also apply for the labour insurance.

### Who is a Worker?

Workers are, regardless of types of jobs, all employees who receive wages in exchange for work.

#### On Part-time Workers

Industrial Accident Compensation Insurance covers all employees including part-time workers.

To enrol in the employment insurance, part-time workers should meet all enrolment conditions.

- ※ Officers of corporations and family members who live together with business owners may not be able to apply for both insurances.

### What Are Labour Insurance Premiums Spent For?

◆ Labour insurance premiums you pay are spent for the following cases in the labour accident compensation insurance and the employment insurance.

Industrial  
Accident  
Compensation  
Insurance

If a worker gets injured, becomes sick, or dies due to work or commuting, the labour accident compensation insurance pays insurance benefits to financially support him/her or his/her families.

- ※ In the 2021 fiscal year, about 680,000 new applicants received benefits for medical care (or

compensation) and about 200,000 workers accepted labour accident pensions.



If a worker loses or cannot continue his/her current job, or if a worker takes part in a vocational training, the employment insurance pays insurance benefits to maintain his/her life and employment, and to encourage to find a new job.

※In the 2021 fiscal year, general jobseeker's benefits (so-called an unemployment benefit) were paid to about 1,130,000 new applicants.

## Who Pays Labour Insurance Premiums?

◆ Your labour insurance premiums are respectively calculated using the total amount of all workers' salaries you pay and two insurance rates (labour accident compensation insurance rate & employment insurance rate).

The labour accident compensation insurance premium is charged to only an employer. The employment insurance premium is paid by both the employer and an employee.

※Insurance rates are calculated based on types of businesses. Therefore, the labour insurance premiums each business owner pays vary according to the types of businesses.

## What Happens If You Do Not Enrol in the Labour Insurance?

### 1. You need to pay not only past insurance premiums but also supplementary charges.

If not applying for the labour insurance, a labour bureau exercises its legal authority to issue a labour accident compensation insurance number and/or an employment insurance number instead of you. Furthermore, you are imposed to defray past insurance premiums and a supplementary charge. If not paying them, you may suffer a confiscation of your properties.

### 2. If labour disasters have happened, you should fully or partially refund benefits paid by the labour accident compensation insurance.

labour accident compensation insurance has compensated victims of labour accidents in your workplace when you intendedly or by gross negligence do not pay the premiums, within the amount of compensation provided by Labour Standards Act, you should fully or partially defray insurance costs equivalent to paid benefits.

### 3. You cannot claim any subsidies for business owners.

If not paying premiums for the employment insurance, you may not be able to claim any subsidies for business owners such as Employment Adjustment Subsidy (a subsidy that supports business owners who are trying to keep employment by ordering temporary leaves and vocational trainings) and Employment Development Subsidy for Specific Jobseekers (a subsidy for business owners to employ jobseekers who have difficulties in finding jobs due to their disabilities and ages).

## Where to Apply for the Labour Insurance?

You can apply for the labour insurance at your nearest labour standards inspection office and jobcentre (nicknamed “Hello Work”). If not yet, go to put in an application there **Today**.

## **A bank transfer service is available to pay labour insurance premiums.**

- You can pay labour insurance premiums and general contributions through a bank transfer service.
- To use the bank transfer service, take an application form to the bank where you have your bank account.
- For further information about how to apply for the bank transfer service, go to the official website of Ministry of Health, Labour, and Welfare.



**Ministry of Health, Labour and Welfare · Prefectural Labour Bureau ·**

**Labour Standards Inspection Office · Public Employment Security Office**