

NEWSLETTER

Topics:

Maximum grade of pension insurance has been raised from September 2020 ;

New remuneration grade applied from September, 2020				Unit: JPY
Pension insurance		9.150%	9.150%	0.36%
Standard monthly remuneration		Company's portion	Employee's portion	Contribution on childcare
620,000	(605,000 ~ 635,000)	56,730	56,730	2,232
650,000	new (635,000 ~)	59,475	59,475	2,340

Each company which has an employee whose monthly salary is more than JPY635,000 (including a fixed allowance and commuting allowance), will receive a notification from the pension office. As the revised standard remuneration is mentioned on the document, once you receive the notification, please inform that to our person in charge. *The premiums rate remained unchanged.

<Economic impact of COVID-19>

The number of people dismissed from their job due to the impact of COVID-19 reached over 50,000 as of August 31, 2020. The number of such people are mainly non-regular workers. Many companies have been trying to get over the situation by implementing temporarily shutdown or reducing working hours however experts have prospect there is possibility the unemployment rate will decline to 4% on average as of the end of 2020 (the unemployment rate as of July 2020 was 2.9%).

In Japan there is a strict rule on dismissal. When a company considers the dismissal, it needs to have "an objective and reasonable reason based upon social convention". If the dismissal is judged to be unjustified, it is deemed as abuse of the employer's termination right. We would like to consider the alternative or how we can reduce the risks so please ask our person in charge if you start to consider the personnel reduction.

When a company considers the dismissal for the purposes of reorganization (redundancy), the following things is required to consider;

- Refraining the recruitment of new employees
- Cutting the executive's remuneration
- Cutting the employee's bonuses etc.

It is necessary to be considered that the company falls in severe financial situation such as staff downsizing is unavoidable to keep the company's business.

<Work from home>

There is a research result that at the peak in June 2020, the share of companies that implemented remote work due to COVID-19 in Tokyo was around 56% however close of half of the companies went back to commuting to office at the end of July 2020. On the other hand, some major companies continues the basic policy of working from home. It can see some differences between major companies and small and medium-sized companies, type of business and type of a job.

~Q&A~

Q1. Is it possible to order to work from home to an employee who refuse to work from home from the reason that it is difficult to create an environment for doing work at home?

J) It is needed to have the rational reason to allow the exception. In a case like that an employee's spouse also needs to work from home, and they have difficulties to create the workspace for both, it can be considered that the employee has the rational reason. The company is required to give consideration and need to allow the exception to this employee.

Q2. How the company can manage an employee when he refused to commute to the office from the fear of the possibility of the infection?

J) The company is required to give consideration and necessary support to the employee, but it is acceptable to reject the employees request when the company judges that it is difficult to perform his duty at home.



For further information, contact:

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