

3. Status of Implementations of Measures by Field

(1) Working and Income

- In view of the rapidly aging population and declining birthrate, the “Law to Partially Amend the Law Concerning Stabilization of Employment of Older Persons (Law No. 103, 2004)” was enacted and promulgated in June 2004. Under the law, employers are obligated to take measures, in April 2006 or thereafter, for allowing their employees to continue to work at least up to the age when public pensions start to be paid. Specifically, they must take measures such as introducing the continuous employment system and gradually extending the retirement age up to 65 by 2013 according to the schedule for extending the age when public pensions start to be paid for male workers.

- Public employment security offices have instructed employers to take measures such as extending the retirement age and introducing the continuous employment system. The prefectural offices of the Association of Employment Development for Senior Citizens have employment advisers, called Elderly Employment Advisers. They accompany employers receiving such instructions at public employment security offices, while providing them with follow-up counseling services. This close cooperation with the association allows prefectural Labour Bureaus to provide employers with effective and efficient instructions and aids.

- In order to promote and establish the continuous employment system, the government has provided employers with the Subsidy for Promoting the Settlement of Continued Employment on the condition that the percentage of the elderly to all employees of their companies exceeds a certain level as result of launching the continuous employment system or extending the retirement age.

- The government has promoted the activities of Silver Human Resources Centers which provide the elderly hoping to participate in and contribute to society with temporary, short-time, or easy work in their communities (as of the end of 2005, the number of Silver Human Resources Centers is 1,820 with about 0.77 million members). In addition, the government has implemented the Child-care Support Project in which the members of Silver Human Resources Centers provide child-care support services, including care for infants and transportation to and from daycare centers (in FY2005, the number of organizations providing child-care support services is 118).

- Since FY2004, the Japan Organization for Employment of the Elderly and Persons with

Disabilities (JEED) has been conducting the Age-free Project aiming to develop infrastructures required to create a society that allows people in all age groups to work. Specifically, JEED conducts research into detailed know-how to create a system for assisting older workers with recruitment, employment, and adjustment to a new workplace, while providing counseling/support services for individual companies and conducting a variety of activities for raising awareness and disseminating information among people.

- Since the “7th Basic Plan for Human Resources Development” (Plan Period: FY2001-2005) was formulated in May 2001, the government has been promoting infrastructure improvement for the appropriate functioning of the labour market, from the viewpoint of resolving increased mismatches of workers’ skills and job requirements. Based on the plan, in FY2005, as in the previous year, the Prefectural Centers of the Employment and Human Resources Development Organization of Japan operated Career Development Support Corners, while the government fostered career counselors and provided Career Development Promotion Grants for employers supporting the career development of each worker.

- The “Law Concerning Temporary Measures for the Promotion of Shorter Working Hours” (Law No. 90, 1992), which aims to promote across-the-board shorter working hours on a planned basis, was amended to establish the “Law Concerning Special Measures for the Improvement of Setting of Working Hours” (Law No. 90, 1992). The new law aims not only to promote shorter working hours, but also to improve the setting of working hours, holidays, and paid vacations by taking into account a variety of working styles and the health conditions and lifestyle of each worker. (Chart 2-3-4)

Chart 2-3-4. Amendment of the “Law Concerning Temporary Measures for the Promotion of Shorter Working Hours” to Establish the “Law Concerning Special Measures for the Improvement of Setting of Working Hours”

○ The law was amended not only to promote shorter working hours, but also to improve the setting of working hours by taking into account a variety of working styles and the health conditions and lifestyle of each worker.

(The amended law came into force on April 1, 2006)

Shorter Working Hours Law	Law for the Improvement of Setting of Working Hours
○ Name of the law <u>The Law Concerning Temporary Measures for the Promotion of Shorter Working Hours (abbr. Shorter Working Hours Law)</u> The law was established in 1992 and was amended in 1997 and 2001 to extend the expiration date therefor. ○ <u>Plan for the Promotion of Shorter Working Hours (decided by the Cabinet)</u> The unified objective (reduction of average annual working hours to 1,800 hours) was set for all workers. ○ <u>The Committee for the Promotion of Shorter Working Hours</u> ○ <u>Implementation Plan for the Promotion of Shorter Working Hours</u> If an implementation plan for the promotion of shorter working hours is jointly prepared by two or more employers and is granted ministerial approval, the Fair Trade Commission and the minister in charge will examine whether the plan conflicts with the Anti-Trust Law. ○ <u>Support Center for Shorter Working Hours</u> ○ Expiration Date: <u>March 31, 2006</u>	○ Name of the law <u>Law Concerning Special Measures for the Improvement of Setting of Working Hours (abbr. Law for the Improvement of Setting of Working Hours)</u> The law provides for the setting of working hours, start and finish times, numbers of holidays and annual paid vacation days, the season in which employees are allowed to take paid vacation, and other working hour-related issues. ○ <u>Guidelines for the Improvement of Setting of Working Hours (decided by the Minister)</u> The guidelines provide employers with the information that enables them to take appropriate specific measures to fulfill their obligation of making efforts to improve the setting of working hours. ○ <u>The Committee for the Improvement of Setting of Working Hours</u> * The Safety and Health Committee will have the same function as the Committee for the Improvement of Setting of Working Hours in the cases where a certain requirement is satisfied. ○ <u>Implementation Plan for the Improvement of Setting of Working Hours</u> If an implementation plan for the improvement of setting of working hours is jointly prepared by two or more employers and is granted ministerial approval, the Fair Trade Commission and the minister in charge will examine whether the plan conflicts with the Anti-Trust Law. ○ <u>Support Center for Shorter Working Hours</u> → <u>Abolished</u> from the viewpoint of reforming non-profit corporations ○ Expiration Date → <u>Deleted (because this law has become a permanent law.)</u>

- The “Law to Partially Amend the Law Concerning the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave, etc. (Law No. 160, 2004)” was enacted in December 2004 and came into force in April 2005. The law aims to make the child and family care leave system more convenient and accessible by expanding the range of workers eligible for the system, extending the child-care leave period, and relaxing limitations on the number of child-care leaves taken by parents.

- In principle, the amount of pension benefits is automatically revised in accordance with price fluctuation. In FY2005, the amount of benefits was not revised because the Consumer Price Index (overall index including perishable goods) in FY2004 had remained the same as in the previous year. In FY2006, however, the amount of benefits actually provided based on the specially determined indexation level will be decreased by 0.3% according to the percentage decrease of the FY2005 Consumer Price Index.

- The “Liaison Committee among Ministries and Agencies on the Integration of Employee Pension Schemes” was established in October 2005, and issued the “Summary Points of Controversy on the Integration of Employee Pension Schemes” in December. Meanwhile, the Council of Ruling Parties for Pension System Reform issued the “Concepts and Prospects for the Integration of Employee Pension Schemes” in the same month.

Under these circumstances, the “Council of the Government and Ruling Parties for the Integration of Employee Pension Schemes” held the first meeting in January 2006 and presented the strategy in which the government and ruling parties will jointly address this issue to obtain the Cabinet decision on basic principles for the integration of employee pension schemes by the end of April 2006.

- With regard to the reforms of the Social Insurance Agency, detailed reform strategies have been discussed since July 2005 at the meetings of the Intellectuals Council for the Establishment of a New Social Insurance Organization, presided over by the Minister of the Ministry of Health, Labour and Welfare, to promote further operational reforms required to establish a new social insurance organization. Meanwhile, the “Bill for the Public Pension Service Organization Law” and the “Bill for Partial Amendment to the National Pension Law, Etc. for the Improvement of Operation of National Pension Services” were submitted to the 164th Diet session. Through these measures, the government intends to steadily implement fundamental reforms that enable public confidence in social insurance systems to be restored.

- In FY2005, the following three measures were enforced under the Law to Partially Amend the National Pension Law, Etc. (Law No. 104, 2004) in order to stabilize and enhance corporate pension plans: 1) Lifting the freeze on the exempted premium rate of the Employees’ Pension Fund; 2) Easing the requirement for redemption before maturity of the defined contribution pension plan; 3) Improving convenient measures to add up each person’s pension premiums related to different corporate pension plans of the defined-benefit type.

- The Prefectural Council of Social Welfare established the Long-term Life Support Fund Loan System in 2002, in order to allow elderly households on a low income wishing to continue to live in their house to receive loans for living expenses by mortgaging the house and the land on which the house is located. As of December 31, 2005, 46 prefectures had already started this system, issuing loan permits for 378 cases.

- In order to protect human rights of elderly people with dementia and others who need protection, the government has widely provided information regarding the Adult Guardianship System that

supports activities for the elderly, including property management.