



Labor Update No.63 June 14, 2019

***This bulletin contains information on law changes that have either passed, or are being discussed, in parliament, court decisions, and other labor issues in Japan that are of interest to activists.***

## 1. Law/Policy

### (1) How much will pensions shrink? Government soon to publish financial verification

What will happen to the level of pensions from now on? The government will soon publish the results of their pension finance verification, the once-in-five-years check on the outlook for pensions for the next hundred years. The focus will be on how low future pensions will go as a percentage of the working-age generation's income.

The pension finance verification inspects the National Pension of a model generation who start receiving their pension at 65 (company employees who've worked for 40 years, and full-time homemakers) to see what percentage of the then working-age generation's average income it will amount to. The government has promised to keep this number at at least 50%.

This time, it will also calculate the figures for if it becomes possible to choose an age over 70 to begin receiving a pension, and for if the eligibility for national pensions is expanded.

### (2) LDP proposes raising the minimum wage to an average of 1,000 yen or more

In regard to the minimum wage, the Liberal Democratic Party has made a proposal to Health, Welfare and Labor Minister Nemoto that it be raised as early in the 2020s as possible to a national average of at least 1,000 yen.

They also have stated that eliminating wage disparities between men and women should be another goal.

### (3) Government's Regulatory Reform Promotion Council makes report: proposes "limited regular employee" legislation, calls for making it mandatory to give written confirmation of working conditions

The government's regulatory Reform Promotion Council has made a report on regulatory reforms to Prime Minister Abe Shinzo. It suggests revision of systems for managing the work hours of people who work in multiple jobs, with an eye to the expansion of side work and second jobs. Putting the emphasis on work-style reform, it includes making it possible to take nursing leave by the hour, as well as making it mandatory to give written confirmation of working conditions to "job-type regular

employees" (*jobu-gata seishain*)--whose working hours, work location, etc. are limited.

It also indicates a policy of promoting side work and second jobs. While giving attention to the need to guarantee working people's health, it calls for a revision of current systems to keep track of and calculate the working hours of people who work for multiple employers.

Nursing leave is currently based on half-day units, and it is difficult to take it in smaller increments than that. The report says the law should be revised to make it possible to take nursing leave in hourly units.

"Report #5 on Promoting Regulatory Reform" linked below (in Japanese):

[https://www8.cao.go.jp/kisei-kaikaku/suishin/meeting/committee/20190606/190606\\_honkaigi01.pdf](https://www8.cao.go.jp/kisei-kaikaku/suishin/meeting/committee/20190606/190606_honkaigi01.pdf)

(4) Reconsidering pension reductions for working people to encourage more to work, and increase the base of pension support: MHWL

Concerning the Working Elderly Pension System, which reduces the amount of pension for elderly people with at least a certain wage income, the Ministry of Health, Welfare and Labor has settled on a policy to consider abolishing this or at least scaling it down. The aim is to prevent the elderly from ceasing to work because their pension will decrease, thus having them continue paying premiums to support the system.

"The Working Elderly Pension System, which hinders people's will to work, should be abolished or cut back" is included in the campaign promises announced by the LDP for the upcoming House of Councillors election.

One problem will be financial resources. The age to begin receiving a public pension is being raised in stages to 65; by fiscal year 2025 there will be no men between 60 and 64 who are eligible, and by 2030 no women either. But if this system is eliminated sooner than that, payments will have to increase by about one trillion yen. Pension finances will become tighter by that amount, and this might lead to lessening amounts of pension for future generations.

(5) For the "employment ice-age generation", increasing the number of those in regular employment by 300,000 in three years is touted as goal: this year's draft "Basic Policy on Economic and Fiscal Management and Reform" (*Honebuto no Hoshin*)

The government's Council on Economic and Fiscal Policy has released a draft of this year's "Basic Policy on Economic and Fiscal Management and Reform" (*Honebuto no Hoshin*). Concerning the "employment ice-age generation", considered to be those now between their mid-30s and mid-40s, the centerpiece is establishing a support program that includes as a numerical goal increasing the number in regular employment by 300,000. The *Honebuto no Hoshin* will be decided on in Cabinet as soon as the end of this month.

Concerning the minimum wage (hourly pay), in regard to the Abe government's goal--approximately 3% raises each year to eventually make the nationwide average 1,000 yen--the draft says this should be achieved "sooner". Labor-related measures also stand out, such as the promotion of employment for the elderly even over 70,

which will also be included in the growth strategy. By increasing the number of working people amid a worsening labor shortage, the goal is to raise productivity.

(6) MHWL considers extending the limit on claiming back wages from two years to five

In regard to the period for which a worker can claim back-payment of unpaid wages (such as overtime) from a company, a panel of experts in the Ministry of Health, Welfare and Labor has put together an opinion statement calling for the current limit of two years to be extended to five. The opinion refers to the limits on claims in the civil law, which, starting next April, will be standardized in principle as five years. Beginning this summer, MHWL will be discussing the extension, centering on a figure of five years, at the Labor Policy Council (an advisory body to the Ministry).

According to the Ministry, a total of 1,870 companies nationwide were given citation guidance by Labor Standards Inspection Offices for cases of unpaid overtime in fiscal year 2017. The total amount of augmented wages paid was approximately 44.6 billion, an all-time record. For the past ten years the number has fluctuated at about 12 billion yen each year; increasing awareness of work-style reform seems to be behind the sudden increase.

“Results of Rectification of Unpaid Overtime by Supervision and Guidance (Heisei 29[2017])” linked below (in Japanese):

[https://www.mhlw.go.jp/stf/newpage\\_00831.html](https://www.mhlw.go.jp/stf/newpage_00831.html)

## 2. Legal Violations/Struggles

(1) Illegal overtime at Nara City government--some City employees without an overtime agreement

It came to light on the 5<sup>th</sup> that Nara City had been making some City employees work overtime illegally, without concluding a so-called “three-six agreement” (*sabu-roku kyotei*) with their union regarding limits on overtime, etc. (Translator’s note: the “three-six” nickname comes from the agreement’s basis in Article 36 of the Labor Standards Act.) The City explains that “we were aware of the illegality, but had put off signing the agreement”, saying “we would like to sign the agreement soon”.

In June of last year, Nara City began talks with the union aiming to conclude an overtime agreement. According to the City’s personnel department, the agreement would cover 760 people, or 15.5% of the total staff as of April this year, and their average amount of overtime work per person was 12.7 hours. In January there is said to have been one man working there who went over the “*karoshi* line” of 80 hours.

(2) Nagoya University of the Arts settles with faculty union: rescinds disciplinary dismissals, pays financial settlement

A lawsuit that was filed at Nagoya District Court by the chair and vice-chair of the faculty union at Nagoya University of the Arts--who claimed they had been dismissed from their jobs unfairly due to their union activity, and sued Nagoya Jiyu Gakuin, the educational corporation that runs the university, seeking to void the dismissals--has ended in a settlement, with the school corporation withdrawing the dismissals and

agreeing to pay settlement money.

The two were subjected to disciplinary dismissal on October 25, 2017, on grounds that they had repeatedly engaged in acts that interfered with the running of the university; that when classes were assigned, they had refused without a legitimate reason; that they had used faculty mailboxes for purposes other than intended, by distributing the “Union News” in them; and that they had engaged in union activities during class hours. In March of this year, the prefectural Labor Commission gave an order to the effect that “distributing union news does not amount to interference”.

(3) Uber Eats delivery staff preparing to unionize: company criticized for avoiding responsibility by treating staff as individual contractors

Delivery staff at the food-delivery service run in Japan by U.S. ridesharing-app giant Uber Technologies are preparing to form a union. Uber is a huge IT enterprise that connects workers with service customers. There has been criticism of them for avoiding the responsibilities of an employer--such as not paying for *Shakai Hoken*--by treating their workers not as employees, but as individual contractors. In Europe and America, they are frequently sued over pay and other issues. Here in Japan too, it seems awareness of the relationship between workers and giant IT “platformers” is growing.

The name of the service is Uber Eats, and it does business in ten metropolitan areas across the country. The number of their delivery staff in Japan is said to be over 15,000.

(4) School corporation in Nagoya leaves 27 staff members’ family allowances unpaid for 10 years

It has become known that school corporation Yamada Gakuen (Higashi-ku, Nagoya), which runs Nagoya Future Culture College and Nagoya Fashion and Beauty Institute, has not paid a family allowance to teaching staff for nearly ten years. Nagoya Kita Labor Standards Inspection Office has issued a citation instructing the corporation to pay this in accordance with their own regulations.

Yamada Gakuen had also received a citation for having teaching staff work overtime without a labor agreement. After that, they say they did conclude an agreement with a faculty representative, and are paying for the overtime.

### 3. Situation/Statistics

(1) The continuing spread of “partnership oath systems”

-Hamamatsu

It has become known that Hamamatsu City is considering the establishment of guidelines aimed towards the creation of a “partnership oath system” to give public recognition to sexual-minority (LGBT) couples, including same-sex couples. There are currently six “designated cities” in Japan that have an oath system, but there is none yet in any municipality within Shizuoka Prefecture. The city will hold a public meeting for city residents on July 10, and aims to implement the system within this fiscal year.

-Miyazaki City will be the first in its prefecture to introduce a “partnership oath system” to grant public recognition to sexual-minority couples (LGBT and others). They will issue a certificate to those who swore an oath before the City to be partners to each other. This will have no legal binding force, but the hope is that the City government services can lead the way for LGBT support to spread among private organizations, medical institutions, and so forth.

The City plans to carry out lectures to raise awareness at junior high schools in Miyazaki. Mayor Tojiki Tadashi explained at a regular press conference on the 6<sup>th</sup> that “when the administration expresses its intentions on the matter, this should create an opportunity for the general public to gain proper understanding about sexual minorities.”

-Mitoyo, Kagawa

This city has expressed its intention to introduce a “partnership system”, recognizing a relationship that corresponds for marriage for same-sex couples, within this fiscal year. The mayor explained this at a City Council meeting.

(2) ILO to ban harassment: draft treaty to be adopted at Annual General Meeting

The Annual General Meeting of the International Labor Organization (ILO) was held in Geneva, Switzerland, on the 10<sup>th</sup>. A draft treaty was debated that would completely ban workplace harassment, including sexual harassment as well as power harassment, etc., and it is likely to be adopted during the meeting session, which lasts until the 21<sup>st</sup>. Japan, citing the question of consistency with domestic law, says their position on it is still undetermined.