

Introduction to the Smaller Enterprise Retirement Allowance Mutual Aid (SERAMA) Scheme “Chutaikyo” Scheme 2009 Edition

Briefing by motion picture is available at our website:
<http://chutaikyo.taisyokukin.go.jp/naruhodo/index.html>

Organization for Workers' Retirement Allowance Mutual Aid
Smaller Enterprise Retirement Allowance Mutual Aid (SERAMA) Office
CHUTAIKYO

Taisyokukin Kiko Building,
1-7-6 Shibakoen,
Minato-ku, Tokyo 105-8077
TEL: 03-3436-0151
FAX: 03-3436-0400

What's SERAMA? A state-supported scheme for securing retirement allowance scheme among smaller enterprises

The Smaller Enterprise Retirement Allowance Mutual Aid (SERAMA) scheme was established in 1959 based on the Smaller Enterprise Retirement Allowance Mutual Aid Law as part of national support to smaller companies.

Taking into consideration that it is difficult for smaller businesses to afford their own retirement allowance schemes, the SERAMA is aimed to collectively establish a retirement allowance scheme based on the spirit of mutual aid and national support, which should promote wellbeing of employees in smaller enterprises and stabilize their employment, and ultimately contribute to promote and grow smaller businesses.

The scheme is run by Smaller Enterprise Retirement Allowance Mutual Aid (SERAMA) Office, Organization for Workers' Retirement Allowance Mutual Aid.

Significance of Retirement Allowance Plan:

Become an Attractive Employer, and Motivate Workers

Promote Motivation and Productivity

Introduction of a retirement allowance scheme will enhance employees' trust with the enterprise.

Promise of retirement allowance payment as reward for long-time service should promote employees' motivation, which will vitalize the enterprise and raise its productivity.

Stabilize Post-retirement Life

An employee who attains the retirement age after long service has to manage his/her post-retirement life. The retirement allowance should work as an indispensable fund for sustaining and enriching his/her post-retirement life.

Surely Attract and Retain Employees

Attraction / retention of excellent workers are critical for an enterprise. The retirement allowance scheme works favorably for retention and longer service of employees. The employer should appreciate the positive effect of plan introduction.

Law Requires Employers to Make Best Effort to Secure Payment of Retirement Allowance

The Security of Wage Payment Law requires the employer to make best effort to secure the fund for retirement allowance. The employer participating in the SERAMA scheme is regarded to have taken the measure for securing the fund.

Enhance Mutual Trust by Introduction of a Retirement Allowance Scheme

Introduction of the scheme by establishing plan provisions and other procedures, in other words, the employer's commitment to retirement allowance will enhance the mutual trust between the employer and employees. For securing the commitment to retirement allowance, it is important to fund rather than to reserve in the book.

As of the end of August 2009, participant workers in the SERAMA scheme amount to 3018 thousand due to its safety, certainty and advantages.

Number of Participant Establishments: (Unit: Thousand)

March 1966: 85
March 1976: 183
March 1986: 255
March 1996: 405
March 2006: 385
March 2009: 374
August 2009: 372

Number of Participant Workers: (Unit: Thousand)

March 1966: 1,055
March 1976: 1,458
March 1986: 1,966
March 1996: 2,806
March 2006: 2,759
March 2009: 2,951
August 2009: 3,018

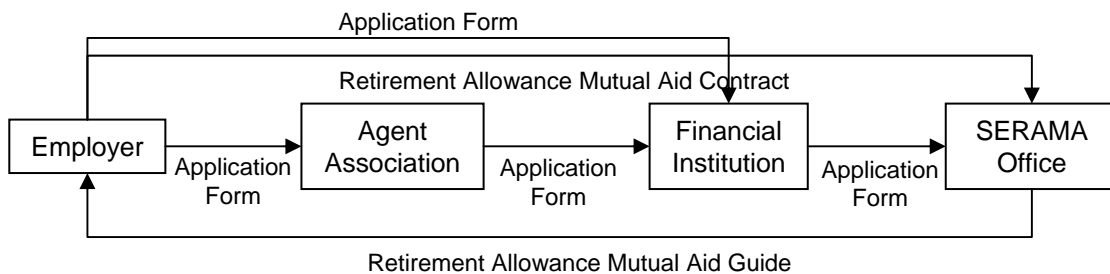
Value of Assets Managed:(Unit: JPY billion)

March 1966: 22
March 1976: 202
March 1986: 1,069
March 1996: 2,777
March 2006: 3,424
March 2009: 3,306
August 2009: 3,386

Overview of SERAMA Scheme a funding vehicle secured by law

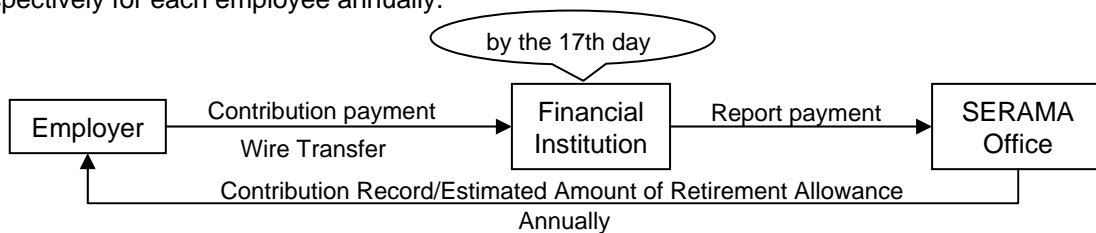
Application: The employee is to conclude a “Retirement Allowance Mutual Aid Contract” with the SERAMA Office of the Organization specifying the employees to be covered

- The applicant employer should submit an “Application for New Participation” to a financial institution or an agent association of employers commissioned by the SERAMA Office of the Organization.
- The Contract will be effective as of the date the above organization received your application form.
- Later, we will send you a (three-sheet) “Retirement Allowance Mutual Aid Guide” for each of your employee.



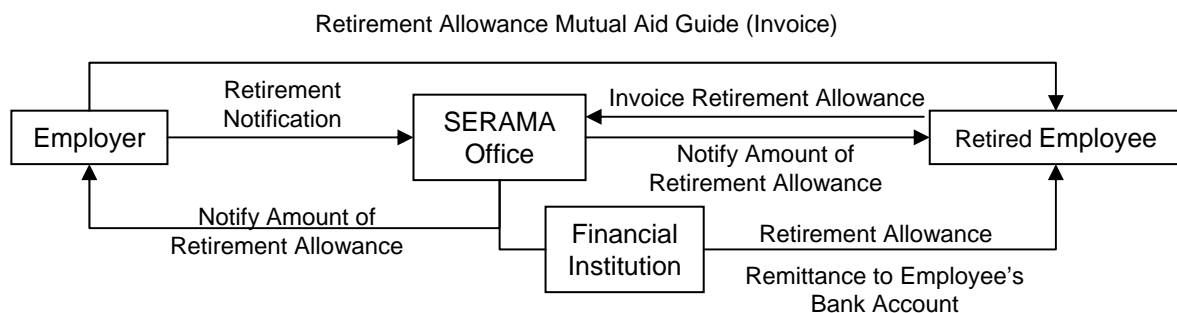
Contribution: The monthly contribution should be fully borne by the employer, and paid to the designated financial institution

- You are required to deposit the monthly total contributions for all participant employees in the bank account it designated by the 17th day of the month as wire transfer will be done on the 18th (in case it falls on a holiday, the following day).
- You should pay an employee’s contribution from the month the “effective contract date” for the employee falls to the month the employee’s “retirement date” falls.
- We sent you our “Contribution Record” and “Estimated Amount of Retirement Allowance” respectively for each employee annually.



Retirement: Per claim by the retired employee, the SERAMA Office of the Organization will pay the retirement allowance directly to the employee

- Upon receipt of notification of an employee's retirement by the employer, the SERAMA Office of the Organization will stop collecting the contribution for the employee by wire transfer.
- The employee's "retirement date" is the date when the employment contract with the employee is terminated.
- You should provide the retired employee with "Retirement Allowance Mutual Aid Guide", which should work as an "invoice" for the employee to claim his/her retirement allowance.
- In turn, the retired employee should send the "invoice" to the SERAMA Office of the Organization.
- Upon receipt of the "invoice", the SERAMA Office of the Organization will remit the retirement allowance to the bank account designated by the retired employee.
- We will notify the "amount of retirement allowance" to you and the retired employee prior to our remittance.



Features of SERAMA Scheme

Safety first asset management as a state-run scheme

National Subsidy for Contribution – an Advantage (See Page 11 and Page 12 for detail)

For a newly-participated employer and an employer who increases the amount of monthly contribution, the national subsidy is to be provided.

Contribution is Expensed before Tax

The incorporated company and sole proprietorship can fully expense the total contributions, including that for past service liabilities, as necessary expense.

(Note) The legal entity capitalized or invested in with more than JPY 100 million shall be levied corporate tax on the basis of the size of business.

Favorable Treatment for Part-time Workers (See Page 10 for detail)

You can take advantage of “Special Contribution,” which is for part-time workers and its monthly contribution amount is lowered compared to that for regular full-time employees.

Easy Administration

You can easily administer your retirement allowance scheme as we regularly inform you of contribution status and amount of retirement allowance at notification date for each of your employees.

Multiple Monthly Contribution Amounts for Your Choice (See Page 10 and Page 32 for detail)

You can choose an appropriate amount of monthly contribution for each employee among 16 alternatives.

Also you can change the individual amount of monthly contribution at anytime after participation.

Advance Payment of Monthly Contributions (See Page 32 for detail)

You can pre-pay contributions to the upper limit of 12 months

Payment of Past Service Liabilities and Rollover are Available (See Page 13 - 15 for detail)

You can pay contributions for an employee’s past service before participation in the SERAMA scheme.

Also, a new employee having worked for an employer participating in the SERAMA or similar scheme can rollover his/her accumulated retirement allowance into his/her new account you sponsor.

Direct Payment of Retirement Allowance to Employee (See Page 16 and Page 17 for detail)

We, the SERAMA Office of the Organization, will directly remit retirement allowance to the retired employee.

If the retired employee is 60 years old or older at retirement, he/she can choose installment payment of the allowance in lieu of lump-sum payment.

Tax Qualified Pension Plan (TQPP) Can Transfer to the SERAMA Scheme

As a result of enforcement of the Defined Benefit Corporate Pension Law, a TQPP has to be transferred to other schemes by March 31, 2012. The SERAMA scheme is one of alternatives available for you. (For detail, see "Guidance for Transition from TQPP to SERAMA," which you can obtain by requesting our offices shown on the back cover.)

Subsidizing by Local Municipalities (See Page 18 - 23 for detail)

Certain local municipalities provide their own subsidies in addition to the national subsidy.

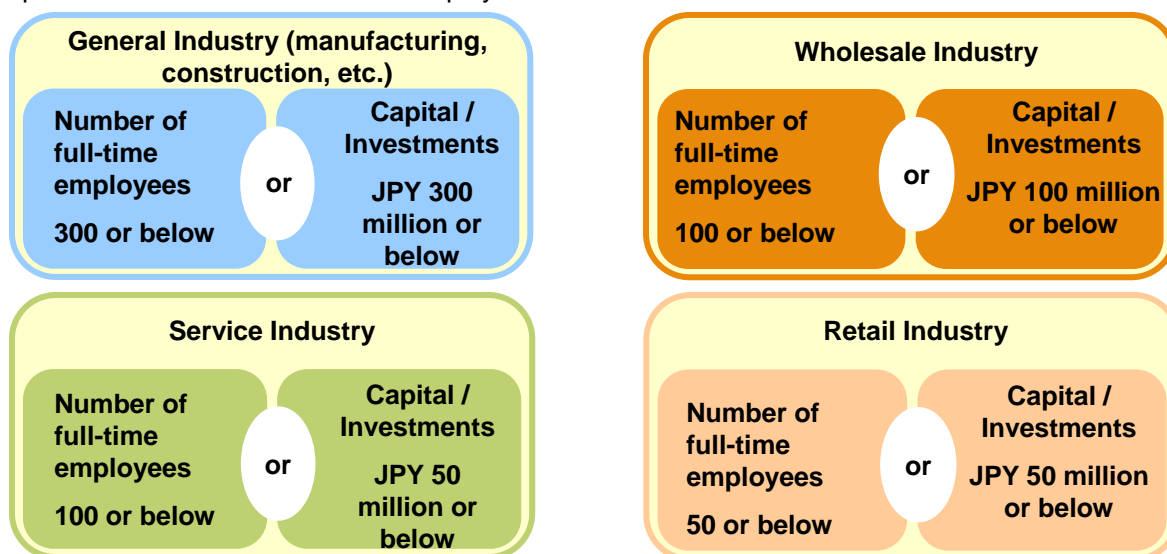
- **Recreational Facilities / Services Available with Discounted Fees** (See our Home Page for detail)

The participant company in the SERAMA scheme can use such services with discounted fees as hotel accommodation, package tours, rental cars, correspondence courses, recreational facilities through organizations in alliance with the SERAMA Office of the Organization.

Eligibility for Participation It depends on your business

Eligible Enterprises (as the Contractor of Mutual Aid contract)

The eligibility depends on the industry categories. Any employer whose full-time employee headcount or whose capital is within the following can participate in the scheme. For sole proprietorship, eligibility depends on the number of full-time employees.



Full-time employees refer to those whose normal weekly working hours are approximately the same as those of regular employees in the same company and includes 1. those whose employment period is not specified, and 2. those who are employed for a period exceeding two months.

● In the event an enterprise has grown and exceeds the conditions above, under certain requirements, it can transfer its liabilities / assets in the SERAMA Scheme to a defined benefit corporate pension plan or the special retirement allowance mutual aid scheme.

Eligible Employees (Beneficiary of Mutual Aid)

In principle, all employees should participate in the scheme.

The employee is defined as the person who has employment relation with the employer, and is paid wage.

However, you are not required to enroll the employee who meets either of the following conditions.

1. On a definite-term employment contract
2. On probation
3. On leave of absence
4. Person who is anticipated to retire shortly, for instance, due to mandatory retirement age

Note

1. The proprietor, his/her spouse or a family member in the same household is not eligible to participate in the scheme. However, a family member in employment relationship with the proprietor such as being treated similarly with other employees is allowed to participate.
 2. The board director of an incorporated company is not eligible to participate in. However, in case the person is also paid as an employee such as director, branch head, etc, he/she is eligible.
 3. A company participating in the SERAMA Scheme can also participate in the Specified (construction, sake brewery, and forestry) Industry Retirement Allowance Mutual Aid Scheme. (See Reference for [detail](#)) However, an individual employee cannot participate in the two schemes at the same time.
- * *The “Law concerning Retirement Allowance Mutual Aid for Social Welfare Facility Employees” prohibits the employee who participates in the Retirement Allowance Mutual Aid for Social Welfare Facility Employees scheme to participate in the SERAMA Scheme.*

Application filing:

Financial institutions – Banks, Shinkin Banks / Cooperative Banks, Labor Credit Associations and Central Co-operative Bank for Commerce and Industry

Agent Employers’ Associations – Labor Insurance Administration Association, Central Association for Employers of Medium- / Small-size Companies, Chambers of Commerce, Societies of Commerce and Industry, Blue Return Association, Labor Standards Associations, Japan Federation of Taxicab Associations, Social Insurance & Labor Consultant Associations, Junior Chamber Internationals, Welfare Service Centers for Medium- / Small-size Company Workers, Japan Federation of CPTAs Cooperative Association, etc.

Relevant Authorities: Workers’ Life Section, Workers’ Life Department, Labor Standards Bureau, Ministry of Health, Labor and Welfare, Section for Labor Welfare Administration / Labor bureaus at local municipalities

Allied Organizations: Life insurance companies

Reference: The Organization provides Retirement Allowance Mutual Aid for workers on definite term employment contract in specific Industries (construction, sake brewery, and forestry) in addition to the SERAMA scheme for workers in other industries

Construction Industry Retirement Allowance Mutual Aid Office:

TEL: 03-5400-4316, <http://www.kentaikyo.taisyokukin.go.jp/>

Sake Brewery Industry Retirement Allowance Mutual Aid Office:

TEL: 03-5400-4350, <http://www.seitaikyo.taisyokukin.go.jp/>

Forestry Industry Retirement Allowance Mutual Aid Office:

TEL: 03-5400-4334, <http://www.rintaikyo.taisyokukin.go.jp/>

For the owner or the board director of a small enterprise, Small-size Enterprise Retirement Allowance Mutual Aid is available. For this scheme, please contact Organization for Small & Medium Enterprises and Regional Innovation, Japan, an independent administrative agency

Organization for Small & Medium Enterprises and Regional Innovation, Japan

Mutual Aid Consulting Office TEL: 050-5541-7171, <http://www.smri.go.jp/>

Choice of Monthly Contribution Amounts

You can choose appropriate amounts for your employees taking into consideration their ages, experiences and years of service

You can choose an appropriate monthly amount of contribution for each employee

Monthly Contribution (in Yen)			
5,000	6,000	7,000	8,000
9,000	10,000	12,000	14,000
16,000	18,000	20,000	22,000
24,000	26,000	28,000	30,000

Special Contribution for Part-timers (in Yen)		
2,000	3,000	4,000

- You can change the amount of monthly contribution. (See Page 32)
 - ⊙ Increase of amount: At any time
 - ⊙ Reduction of amount: Can do either of the cases below
 1. The employee agrees the reduction
 2. The Ministry of Health, Labor and Welfare determines the reason for reduction legitimate
- You as the employer have to bear the full amount of the monthly contribution for each employee. You cannot have the employee bear the monthly contribution partly or fully for whatever reason you have.
- You can choose lower monthly contributions for part-timers*.

* Part-timers refers to employees whose normal weekly working hours are shorter than those of regular employees in the same company and less than 30 hours.

Note

For part-time employee's participation, you have to submit the duplicates of "Notice of Labor Terms and Conditions or Employment Contract" for evidencing as his/her part-time working. Without such documents, we do not accept your application for Special Monthly Contribution (SMC) or change of monthly contribution for SMC.

Subsidizing for Monthly Contribution

The amount of contributions the employer bears is reduced by national subsidizing

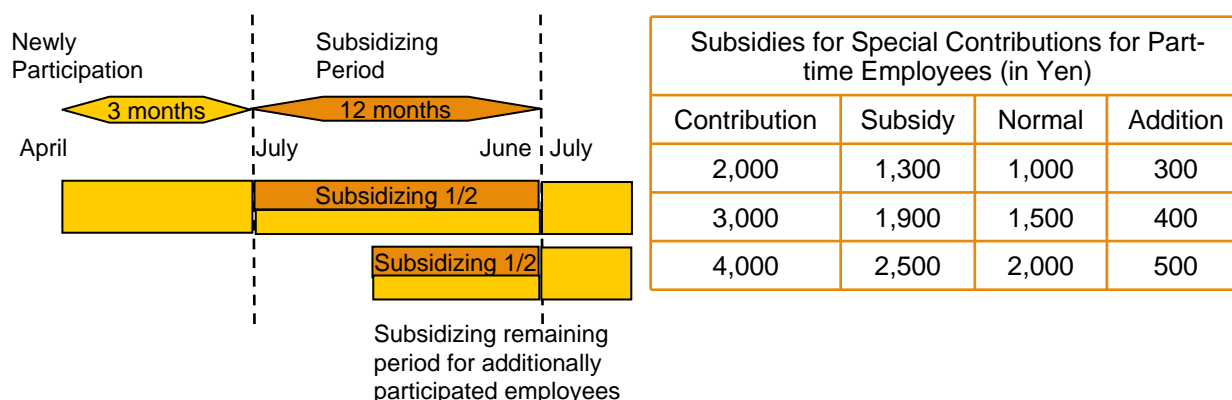
During the subsidizing period, your actual contribution amount for an employee equals the balance after deducting the subsidy.

Subsidizing for New Participation (Note) Plan sponsors being transferred from TQPP or participating in the Retirement Allowance Mutual Aid for Social Welfare Facility Employees scheme should be exempted from the subsidizing.

For the newly participated plan sponsor, subsidizing will commence four months after participation, and end after 12 months' subsidizing.

During the subsidizing period, 50% of each participant employee's monthly contribution is subsidized with a cap of JPY 5,000 per month.

The amount of subsidies for Special Contribution for part-time employees is a sum of the normal subsidy equaling 50% of contribution and special addition shown in the table below.



Subsidizing for Increase of Contribution (Note) Increases of contributions amounting JPY 20,000 or more are exempted from subsidizing.

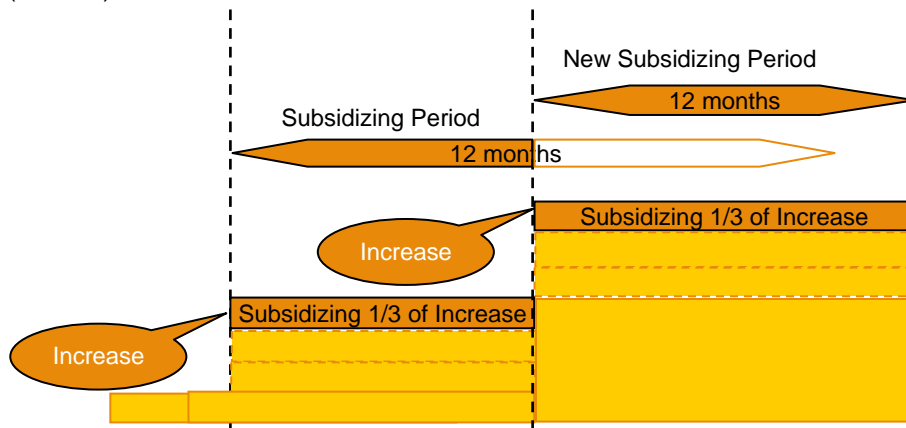
For the plan sponsor increasing monthly contributions, subsidizing will commence as of the month amount change takes place, and end 12 months from commencement.

In the event the employer increases monthly contributions amounting JPY 18,000 or below for an employee, one third of the difference between Before* and After contribution amounts is borne by the state as a subsidy. An employee for whom JPY 20,000 or more contribution was made in the past shall be exempted from subsidizing.

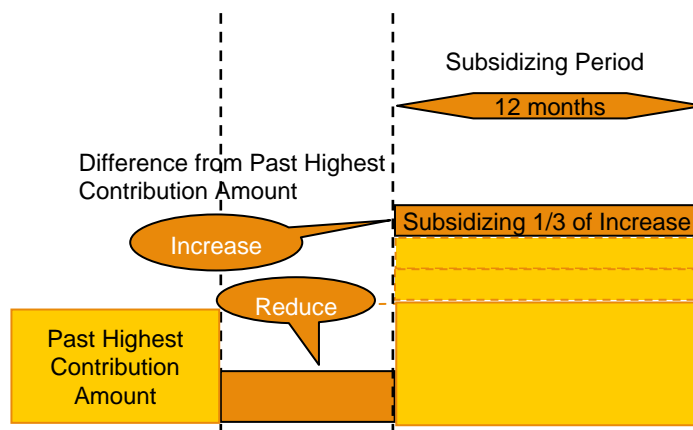
In case the employer increase the contribution amount for an employee in the middle of the subsidizing, the new subsidizing will begin and last for 12 months while the old subsidizing will end (See Chart 1).

* The Before (contribution increase) monthly contribution amount is defined as the highest monthly contribution amount for the employee (See Chart 2).

(Chart 1)



(Chart 2)



In case a newly participated sponsor increases the monthly contribution amount for an employee during the subsidizing period, subsidizing for increase of contribution will be provided in addition to the subsidizing for the newly participated.

Both Contributions for Past Service and Transfer of Accrued Benefit to Other Plan are Available

This enables for an employer to provide higher amounts of retirement allowance

Contributions for Past Service (Note) Not applicable for plan participants transferred from a tax qualified pension plan – TQPP.

Exclusively for the newly participated plan sponsor, we allow contributions corresponding to an employee’s past service prior to participation in the SERAMA scheme.

1. Period of Past Service

Defined as the period begins on the employment date with the previous employer and ends one day prior to the date when the current plan sponsor contracted with SERAMA while any non-working period such as that on leave of absence shall be deducted from the period for past service. Notwithstanding the prior sentence, the plan sponsor is not allowed to contribute for the period exceeding 10 years, which is counted with a year rounding off months less than one year.

2. Choice of Basic Contribution Amount for Past Service

You can choose the base contribution amount from monthly contribution amount alternatives shown on Page 10 provided the amount is the same as the amount chosen at newly participation or less. For part-timer, the Special Contribution shall apply.

(Note) You cannot change the basic monthly contribution amount after the contract for contribution for past service becomes effective.

3. Payment Period of Contribution for Past Service

Period of Past Service	1	2	3	4	5	6	7	8	9	10
Payment Period (months)	12	24	36	48	Payment Period: 60 months					

4. Actual Amount of Contribution for Past Service:

$[Actual\ Amount] = 2 [Basic\ Monthly\ Contribution\ Amount\ chosen] \times 1 [Multiple\ corresponding\ to\ Past\ Service\ Period\ in\ the\ table\ below]$

(Note) No subsidy applied to “Monthly Contribution for Past Service”. You cannot change the amount throughout the payment period.

Period of Past Service	1	2	3	4	5	6	7	8	9	10
Multiple	1.01	1.02	1.03	1.04	1.05	1.27	1.49	1.71	1.93	2.16
<i>The actual multiple applied to the monthly contribution is a sum of a multiple in this table and the rate annually determined by the Ministry.</i>										

•The multiples are subject to change due to amendment of laws / regulations and/or performance of asset management.

Illustration of Calculation for Actual Amount of Monthly Contribution for Past Service:

An employee newly participated in the SERAMA with the monthly contribution of JPY 6,000 while having a past service period of 3 years and 11 months

1. The applicable past service period should be 3 years due to rounding off.
2. The basic monthly contribution amount should be JPY 6,000 (the same amount) or JPY 5,000 (only one choice below JPY 6,000).
3. The payment period should be 36 months according to the first table.

4. Assuming JPY 6,000 was chosen for the basic, and the Ministry rate was zero, the actual monthly contribution amount should be JPY 6,180 [6,000 x 1.03].

◎ For the employee, you have to pay contributions for present and past service. In the above example, your total payment should be JPY 12,180 [6,000 + 6,180].

Note

In case the employee retires in the middle of payment period for past service, he/she will be paid a sum of contributions for past service in addition to normal retirement allowance calculated from SERAMA participation.

Transfer of Accrued Benefit to Other Plan

In general, retirement allowance is not transferable. But we provide you with benefit transfer from one plan sponsor to another under certain conditions.

Transfer between Enterprises participating in SERAMA

In case an employee of “SERAMA participating enterprise” retires, and is hired by another “enterprise also participating in SERAMA”, if needed, you can accept his/her accrued benefit in his/her account in your plan under certain conditions, including he/she has not submit the claim for payment of retirement allowance corresponding to the service for the previous employer.

Requirement:

- The previous employer had contributed to the SERAMA for the employee for 12 months or more (*note*)
- The claim for transfer should be done within two years from the employee’s retirement from the previous employer

(Note) In case the employee retired from the previous enterprise due to difficulty for continued working such as business reason or his/her disability, accrued benefit transfer is allowed even if the contribution payment period is less than 12 months provided the Ministry determines the reason for retirement from the previous enterprise is unavoidable.

Transfer between SERAMA and Specific Industry Retirement Allowance Mutual Aid (SIRAMA)*1 participant Enterprises

In case an employee’s eligibility for SERAMA / SIRAMA changes due to change of job within the same employer, the transfer of accrued benefit between two schemes is allowed.

Further, when a worker changes job from/to “SERAMA / SIRAMA participating enterprises”, if needed, you can accept his/her accrued benefit in his/her account in your plan under certain conditions, including he/she has not claimed for payment of retirement allowance from the previous employer.

Requirement:

- The request for transfer should be done within two years from the employee’s retirement from the previous employer
- The Ministry determines if the reason for retirement is legitimate

*1 For SIRAMA, see [Reference in Page 9](#).

Transfer between SERAMA and Specific Industry Retirement Allowance Mutual Aid (SRAMA)*² participant Enterprises

In case an employee of “SERAMA participating enterprise” retires the enterprise, and is hired by another “enterprise also participating in the SRAMA”, if needed, you can accept his/her accrued benefit in his/her account in your plan under certain conditions, including he/she has not claimed for retirement allowance from the previous employer.

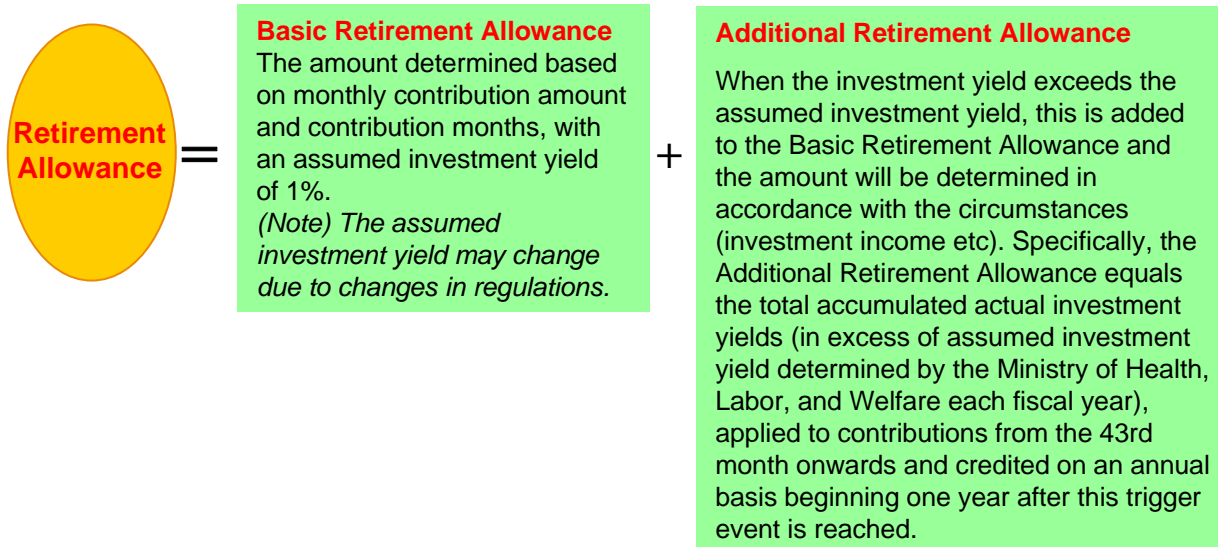
Requirement:

- The SRAMA in which previous employer participates concludes an accrued benefit transfer agreement with the SERAMA Office of the Organization.
- The request for transfer should be done within two years from the employee’s retirement from the previous employer.

**² The SRAMA indicates the retirement allowance mutual aid schemes managed by Chambers of Commerce, Societies of Commerce and Industry, etc.*

Amount of Retirement Allowance Amount determined by law

The retirement allowance is a combination of the basic retirement allowance and the additional retirement allowance, and that constitutes the receivable retirement allowance amount.



Note

The retirement allowance is not paid when the contribution period is less than one year. The allowance will be less than the aggregate contribution amount equivalent if the contribution period is more than one year but less than two years. The allowance will be equivalent to the aggregate contribution amount if the period is more than two years but less than three years and seven months (this allows long-term participants to receive more generous retirement allowances than short-term participants). The allowance will exceed the aggregate contribution amount when the period exceeds three years and seven months (43 months).

Table for Basic Retirement Allowance – not inclusive of “Additional”

Effective since November 1, 2002 – The table is subject to change due to amendment of laws / regulations (Unit: Yen)

1,000 (hypothetical)	Contribution Amount		5,000	10,000	20,000	...	30,000
	Contributed Years						
0	Less than 1		0	0	0	...	0
3,600	1		18,000	36,000	72,000	...	108,000
:	:		:	:	:	...	:
682,630	45		1,365,260	2,047,890	2,730,520	...	20,478,900

[Note] Figures in parentheses indicate the monthly contribution for part-time employees.

Payment Method of Retirement Allowance To be transferred into the Retired Employee's deposit account

The retirement allowance is to be paid as a lump-sum at retirement.

A retired employee who is 60 years old or older on his/her retirement date can choose 5 year / 10 year installment payment of "full" or "partial" amount of retirement allowance under conditions described below.

Retired Age Age 60 or Older	Payment Duration	Full Amount in Installment	Partial Amount in Installment		Payment Frequency	Coefficient for Installment ^(*)
	5 Years	Amount of Retirement Allowance should be JPY 800,000 or greater	Amount of Retirement Allowance should be JPY 1,000,000 or greater	Lump-sum Payment: 200,000 or greater and Amount in Installment: 800,000 or greater	20 times	51.0 / 1,000 (an equivalent of 1.00 % annual interest rate) + Rate determined by the Ministry
10 Years	Amount of Retirement Allowance should be JPY 1,500,000 or greater	Amount of Retirement Allowance should be JPY 1,700,000 or greater	Lump-sum Payment: 200,000 or greater and Amount in Installment: 1,500,000 or greater	40 times	26.0 / 1,000 (an equivalent of 1.00 % annual interest rate) + Rate determined by the Ministry	

(Note) It works as an applicable interest rate for installment payment. The rate above is subject to change due to amendment of laws / regulations as well as performance of asset management.

- Month of Payment: Four times a year, namely, February, May, August and November
- Amount of Payment in Installment: **[Amount of Retirement Allowance for Installment] x [Coefficient for Installment]** (Amount set first will not change until payment completion.)

Note

- The beneficiary of retirement allowance is the retired employee. In case of retirement due to the employee's death, the beneficiary should be the survivor.
- The employer is not allowed to receive the retirement allowance for an employee.
- For tax purposes, the retirement allowance paid as a lump-sum is deemed to be retirement income while installment payments are deemed as miscellaneous income which is subject to deduction for the national pension contribution.

Subsidizing by Municipalities You can get support also from the municipality

The participant company in SERAMA can get subsidizing from the listed municipalities.

The contents of subsidizing vary from one municipality to another.

In total 297 municipalities provide as of July 31, 2009

Broken down into 4 Prefectures, 211 Cities, 2 Wards, 66 Towns, and 14 Villages

(Note) In the municipalities with asterisk, the subsidizing is handled by a mutual aid association / society. The eligible workers are limited to the member of local mutual aid association except Koganei City, Tokyo.)

[Hokkaido \(10\)](#)

Shibetsu City, Nayoro City

Esashi Town, Kyowa Town, Shihoro Town, Otofuke Town

Hiroo Town, Taiki Town, Takinoue Town, Bifuka Town

[Iwate Prefecture \(11\)](#)

Kamaishi City, Ofunato City, Oshu City

Hanamaki City, Kitakami City, Kuji City, Tono City

Rikuzentakata City

Shiwa Town, Yahaba Town, Ichinohe Town

[Akita Prefecture \(1\)](#)

Ikawa Town

[Fukushima Prefecture \(1\)](#)

Fukushima Prefecture (Limited to owner of forestry business)

[Ibaraki Prefecture \(4\)](#)

Mito City, Tsuchiura City, Joso City

Ushiku City

[Tochigi Prefecture \(7\)](#)

Utsunomiya City, Ashikaga City, Sano City, Oyama City

Nasushiobara City

Awano District (Kanuma City), Nasu Town

Gunma Prefecture (16)

Gunma Prefecture (Limited to owner of forestry business)

Maebashi City, Takasaki City, Iseaki City, Ota City

Numata City, Tomioka City, Fujioka City, Shibukawa City

Annaka City, Midori City, Tatebayashi City

Nakanojo Town, Naganohara Town

Tamamura Town, Ora Town

Saitama Prefecture (18)

Kawagoe City, Kumagaya City, Chichibu City, Tokorozawa City

Kazo City, Kasukabe City, Sayama City, Honjo City

Fukaya City, Warabi City, Hatogaya City, Shiki City

Yashio City, Fujimi City, Misato City

Fujimino City, Toda City, Tokigawa Town

Chiba Prefecture (18)

Ichikawa City, Kisarazu City, Matsudo City, Noda City

Sakura City, Narita City, Togane City, Narashino City

Kashiwa City, Ichihara City, Yachiyo City

Abiko City, Kamagaya City, Kimitsu City

Futtsu City, Urayasu City, Sodegaura City, Shiroy City

Tokyo Metropolis (13)

Arakawa Ward*, Katsushika Ward

Hachioji City, Musashino City*, Mitaka City

Ome City, Fuchu City, Machida City

Nishitokyo City, Koganei City*, Hino City*

Kokubunji City*, Tama City*

Kanagawa Prefecture (23)

Hiratsuka City, Kamakura City, Odawara City
Sagamihara City, Hadano City, Miura City, Atsugi City
Yamato City, Isehara City, Ebina City
Zama City, Minamiashigara City, Ayase City
Samukawa Town, Oiso Town, Ninomiya Town, Nakai Town
Oi Town, Matsuda Town, Hakone Town, Yugawara Town
Aikawa Town, Kaisei Town

Toyama Prefecture (12)

Toyama City, Takaoka City, Uozu City
Himi City, Namerikawa City, Tonami City
Oyabe City, Imizu City, Nanto City
Kamiichi Town, Tateyama Town, Nyuzen Town

Ishikawa Prefecture (4)

Komatsu City, Wajima City, Kaga City, Hakusan City

Fukui Prefecture (6)

Fukui City, Tsuruga City, Ono City
Echizen City
Mihama Town, Echizen Town

Yamanashi Prefecture (1)

Kofu City

Nagano Prefecture (41)

Nagano City, Matsumoto City, Ueda City, Iida City
Suwa City, Suzaka City, Komoro City, Ina City
Nakano City, Iiyama City, Chino City
Shiojiri City, Saku City, Chikuma City, Tomi City
Koumi Town, Karuizawa Town, Miyota Town
Tateshina Town, Shimosuwa Town, Tatsuno Town, Minowa Town
Anan Town, Hata Town, Sakaki Town, Obuse Town,
Yamanouchi Town*, Iizuna Town, Shinshushinmachi Town
Miyada Village, Minamiminowa Village, Nakagawa Village
Shimojo Village, Yasuoka Village, Kiso Village, Omi Village
Yamagata Village, Asahi Village, Takayama Village, Kijimadaira Village
Sakae Village

Gifu Prefecture (5)

Mizunami City, Minokamo City
Toki City, Yamagata City (Limited to owner of forestry business)
Higashishirakawa Village

Shizuoka Prefecture (15)

Shizuoka City*, Hamamatsu City*, Iwata City*
Yaizu City*, Fuji City*, Fujieda City*
Gotemba City*, Susono City*
Fujinomiya City*, Fukuroi City*
Shibakawa Town*, Nagaizumi Town*, Oyama Town*, Mori Town*
Tenryu Ward (Hamamatsu City) - (Limited to owner of forestry business)

[Aichi Prefecture \(17\)](#)

Ichinomiya City, Seto City, Kasugai City, Toyokawa City
Hekinan City, Kariya City, Gamagori City, Inuyama City
Tokoname City, Konan City, Komaki City, Inazawa City
Tokai City, Owariasahi City
Iwakura City, Takahama City
Togo Town

[Mie Prefecture \(2\)](#)

Suzuka City, Nabari City

[Shiga Prefecture \(9\)](#)

Otsu City, Nagahama City
Omihachiman City, Kusatsu City
Moriyama City, Ritto City, Yasu City
Higashiomi City
Takashima City

[Kyoto Prefecture \(1\)](#)

Nantan City

[Osaka Prefecture \(11\)](#)

Sennan City, Kishiwada City, Izumiotsu City
Kaizuka City, Hannan City, Hirakata City, Izumisano City
Izumi City, Minoh City, Takaishi City
Tadaoka Town

[Hyogo Prefecture \(3\)](#)

Kasai City, Nishiwaki City*
Tamba City

[Nara Prefecture \(1\)](#)

Shimokitayama Village (Limited to owner of forestry business)

[Wakayama Prefecture \(1\)](#)

Aridagawa Town Shimizu Office(Limited to owner of forestry business)

[Ehime Prefecture \(3\)](#)

Imabari City, Niihama City, Saijo City

[Yamaguchi Prefecture \(18\)](#)

Shimonoseki City, Ube City, Yamaguchi City, Hagi City

Hofu City, Kudamatsu City, Iwakuni City, Hikari City

Nagato City, Yanai City, Mine City,

Shunan City, Sanyo Onoda City

Waki Town, Hirao Town, Tabuse Town

Ato Town, Abu Town

[Oita Prefecture \(3\)](#)

Nakatsu City*, Bungotakada City*, Usa City

[Nagasaki Prefecture \(4\)](#)

[Nagasaki Prefecture*](#)

Sasebo City

Naru Town Office(Goto City) – (Limited to owner of “maki-ami” fishery business)

Shinkamigoto Town

[Kumamoto Prefecture \(1\)](#)

Kumamoto City

[Miyazaki Prefecture \(13\)](#)

Miyazaki Prefecture

Miyazaki City, Miyakonojo City, Nobeoka City, Kobayashi City

Saito City, Hyuga City

Takachiho Town*, Hinokage Town, Gokase Town

Kiyotake Town, Mimata Town, Nojiri Town

[Kagoshima Prefecture \(2\)](#)

Kagoshima City, Amami City

[Okinawa Prefecture \(3\)](#)

Ginowan City, Urasoe City, Okinawa City

Clues for Determining Monthly Contribution Amounts in Your Plan

Determination of contribution amount is the key to the effective use of SERAMA

You can determine the amount of monthly contribution for each employee based on salary or position while you can firstly determine the amount of retirement allowance based on the retirement age and/or years of service, then, determine the amount of monthly contribution.

Salary-based Approach

Example: 5% of Monthly Salary for Contribution

Monthly Salary	Monthly Contribution
Below 160,000 Yen	8,000 Yen
160,000 – 200,000	10,000 Yen
200,000 – 240,000	12,000 Yen
240,000 – 280,000	14,000 Yen
280,000 – 320,000	16,000 Yen
320,000 – 360,000	18,000 Yen
360,000 – 400,000	20,000 Yen
400,000 and More	22,000 Yen

Position-based Approach

Example: Determine the amount based on six position classes

Position	Monthly Contribution
General Staff (Entry-level Employee)	5,000 Yen
“Shunin” (Middle-level Non-Manager)	8,000 Yen
“Kakaricho” (Middle-level Non-Manager)	12,000 Yen
“Kacho-hosa” (Senior Non-Manager)	18,000 Yen
“Kacho” (Junior Manager)	24,000 Yen
“Bucho” (Senior Manager)	30,000 Yen

Years-of-Service-based Approach

Example: Determine the amount based on years of service (YOS) so as to pay 10 million yen to the employee who has worked for 35 years

YOS	Monthly Contribution
Below 2 years	5,000 Yen
2 – 5 years	8,000 Yen
5 – 10 years	12,000 Yen
10 – 15 years	18,000 Yen
15 – 20 years	24,000 Yen
20 years and more	30,000 Yen

Fixed Amount Approach

Example: To provide an employee with YOS 35 with a 10 million yen retirement allowance, you can make it by monthly contributing 20,000 yen throughout his/her employment.

Retirement allowance amount is generally determined based on salary or years-of-service!

Typical Amounts of Retirement Allowance in Tokyo

YOS	High School Graduate; Hired at Age 18		Technical / Junior College Graduate; Hired at Age 20		University Graduate; Hired at Age 22	
	Age	Average Retirement Allowance (Yen)	Age	R / A (Yen)	Age	R / A (Yen)
5	23	328,000	25	390,000	27	425,000
10	28	966,000	30	1,048,000	32	1,161,000
15	33	1,813,000	35	2,119,000	37	2,268,000
20	38	3,042,000	40	3,486,000	42	3,806,000
25	43	4,658,000	45	5,275,000	47	5,792,000
30	48	6,461,000	50	7,260,000	52	7,980,000
	55	9,848,000	55	9,826,000	55	10,261,000
Retirement		11,301,000		11,687,000		12,250,000

Source: "Wage and Retirement Situation among Medium- and Small Companies", Industry and Labor Bureau, Tokyo Metropolitan Government, 2008 – <http://www.sangyo-rodo.metro.tokyo.jp/>

The average amounts of retirement allowance for YOS 5 – 30 segments above indicate the allowance paid for voluntary resignation while the age groups of "55 and 60" indicate the average amounts of retirement allowance paid for involuntary resignation.

Retirement Allowance Plan Regulations

Having well-written regulations prevents you from troubles

Example of Regulations: Solely depends on SERAMA without specifying the amount of retirement allowance

Article 1

1. The Company shall provide the employee with retirement allowance at his/her retirement in accordance with these Regulations.

2. The Company shall secure the payment of retirement allowance stated in the preceding paragraph by concluding a retirement allowance mutual aid contract for each employee with the Independent Administrative Agency, Workers' Retirement Allowance Mutual Aid Organization / Smaller Enterprise Retirement Allowance Mutual Aid Office (hereinafter called as the SERAMA Office of the Organization).

Article 2

The Company shall conclude a retirement allowance mutual aid contract for a newly hired employee with the SERAMA Office of the Organization upon completion of his/her probation period.

Article 3

The Company shall make monthly contribution based on the attached table, and shall review the amount in [month] annually.

Article 4

The Company shall suspend contribution for the employee whose non-working days exceed one half of the month's regular working days due to any reason except for being on leave of absence or work-related illness or injury.

Article 5

The amount of retirement allowance equals the amount obtained based on the contributed months and the monthly contribution stipulated in the Smaller Enterprise Retirement Allowance Mutual Aid Law.

Article 6

The Company may ask the SERAMA Office of the Organization to reduce the amount of retirement allowance for an employee who was disciplinarily dismissed.

Article 7

1. The employee or his/her survivor in case of the employee's death shall be paid his/her retirement allowance by the SERAMA Office of the Organization in exchange for submission of Retirement Allowance Mutual Aid Guide.

2. In the event of an employee's retirement or death, the Company shall provide the retired employee or his/her survivor with the Retirement Allowance Mutual Aid Guide without any delay after the employee's retirement or death so as to prompt his/her claim for retirement allowance to the SERAMA Office of the Organization.

Article 8

The Company may amend these regulations based on consultation with the representative of employees in the event of amendment of related laws and/or regulations, change of social situation or other considerable reasons.

<Supplementary Rule>

Article 1

The Retirement Allowance Plan Regulations become effective as of [Month Day, Year].

Article 2

For the employees working for the Company prior to the effective date, the Company shall conclude an agreement for contributing for each employee's past service with the SERAMA Office of the Organization.

Sample of Attached Table: Monthly Salary-based

Monthly Salary	Monthly Contribution
Below 160,000 Yen	8,000 Yen
160,000 – 200,000	10,000 Yen
200,000 – 240,000	12,000 Yen
240,000 – 280,000	14,000 Yen
280,000 – 320,000	16,000 Yen
320,000 – 360,000	18,000 Yen
360,000 – 400,000	20,000 Yen
400,000 and More	22,000 Yen

Sample of Attached Table: Position-based

Position	Monthly Contribution
General Staff (Entry-level Employee)	5,000 Yen
“Shunin” (Middle-level Non-Manager)	8,000 Yen
“Kakaricho” (Middle-level Non-Manager)	12,000 Yen
“Kacho-hosa” (Senior Non-Manager)	18,000 Yen
“Kacho” (Junior Manager)	24,000 Yen
“Bucho” (Senior Manager)	30,000 Yen

Example of Regulations: Amount of Retirement Allowance is set by the Company

Article 1

The Company shall provide the employee with retirement allowance at his/her retirement in accordance with these Regulations.

Article 2

The amount of retirement allowance equals the product of monthly base salary at retirement and the multiple by years of service in the Attached Table 1.

Article 3

For an employee who retires due to involuntary reasons, including work-related illness or injury, or attainment of retirement age after 10 or more years of service, the Company may provide additional retirement allowance, which should not exceed 30% of the amount obtained by calculation stipulated in the preceding article.

Article 4

The Company shall secure the payment of retirement allowance stated in these regulations by concluding a retirement allowance mutual aid contract for each employee with the Independent Administrative Agency, Workers' Retirement Allowance Mutual Aid Organization / Smaller Enterprise Retirement Allowance Mutual Aid Office (hereinafter called as the SERAMA Office of the Organization).

Article 5

The Company shall conclude a retirement allowance mutual aid contract for a newly hired employee with the SERAMA Office of the Organization upon completion of his/her probation period.

Article 6

The Company shall make monthly contribution based on the Attached Table 2, and shall review the amount in (month) annually.

Article 7

The Company shall suspend contribution for the employee whose non-working days exceed one half of the month's regular working days due to any reason except for being on leave of absence or work-related illness or injury.

Article 8

In case the amount of retirement allowance to be paid by the SERAMA Office of the Organization is less than the amount obtained based on Article 2 and Article 3, the Company shall directly provide the retired employee with the difference. In case the amount of retirement allowance to be paid by the SERAMA Office of the Organization is more than the amount obtained based on Article 2 and Article 3, the Company shall regard the amount paid by the SERAMA Office of the Organization as the retirement allowance Company should provide.

Article 9

The Company may reduce the amount of retirement allowance for an employee disciplinarily dismissed. In this case, the Company may ask the SERAMA Office of the Organization for reduction of retirement allowance.

Article 10

1. The years of service referred in Article 2 and Article 3 should begin from the date of hire and end on the day of retirement. With regard to months below one year, five months or less shall be rounded off for the purpose of years of service calculation while six months or more shall be rounded up to one year.

2. The period on leave of absence as well as absence exceeding six months except for that due to work-related injury or illness shall not be counted in the years of service.

Article 11

The employee or his/her survivor in case of the employee's death shall be paid his/her retirement allowance by the SERAMA Office of the Organization in exchange for submission of Retirement Allowance Mutual Aid Guide.

In the event of an employee's retirement or death, the Company shall provide the retired employee or his/her survivor with the Retirement Allowance Mutual Aid Guide without any delay after the employee's retirement or death so as to prompt his/her claim for retirement allowance to the SERAMA Office of the Organization.

In case the Company is to provide the difference stipulated in Article 8, except for the Company has unavoidable reason for not prompting payment, it shall provide the difference to the retired employee or his/her survivor as shortly as possible after his/her retirement or death.

Article 12

The Company may amend these regulations based on consultation with the representative of employees in the event of amendment of related laws and/or regulations, change of social situation or other considerable reasons.

<Supplementary Rule>

Article 1

The Retirement Allowance Plan Regulations become effective as of [Month Day, Year].

Article 2

For the employees working for the Company prior to the effective date, the Company shall conclude an agreement for contributing for each employee's past service with the SERAMA Office of the Organization.

Sample of Attached Table 1: Coefficients by YOS

YOS	Coefficient	YOS	Coefficient
1	0.3	21	16.5
2	0.7	22	17.5
3	1.5	23	18.5
4	2.0	24	19.5
5	2.5	25	20.5
6	3.0	26	21.6
7	3.5	27	22.7
8	4.0	28	23.8
9	4.5	29	24.9
10	5.5	30	26.0
11	6.5	31	27.0
12	7.5	32	28.0
13	8.5	33	29.0
14	9.5	34	30.0
15	10.5	35	31.0
16	11.5	36	32.0
17	12.5	37	33.0
18	13.5	38	34.0
19	14.5	39	35.0
20	15.5	40	36.0

(Note) The coefficient for YOS 41 or more can be obtained by adding 1.0 for the additional year.

Sample of Attached Table 2 – YOS-based Monthly Contribution

YOS	Contribution
Below 2 Years	5,000
2 – 5 Years	8,000
5 – 10 Years	12,000
10 – 15 Years	18,000
15 – 20 Years	24,000
20 or More Years	30,000

Sample of Attached Table 2 – Fixed Amount Contribution

Contribution	20,000
--------------	--------

Participation / Administration Procedures Easy!

Participation Procedures

- You can get an “Application Form for New Participation” at financial institutions or commissioned employers’ associations (See [Page 4](#)).
- If you are going to newly participate in the SERAMA scheme, please complete the Form, and sign or seal in the designated space.
- If you want to contribute for each employee’s past service, please complete “Past Service Crediting column”. In turn, we will send you our “Recognition of Past Service Crediting Request” later.
- Please have your bank, which will transfer your contributions to us, affix their seal on the designated space in “Deposit Account Transfer Request”, which is enclosed in the “Form for New Participation” package.
- You can choose two kinds of transfer, i.e., “current month” and “following month”.
For instance, contributions for April can be transferred by current month transfer on April 18 or by following month transfer on May 18.
- Please turn in the complete “Form” to your financial institution or commissioned employers’ association.

* After participation, when you want to have a new employee enroll in the SERAMA scheme, such a case as hiring a new employee, please turn in “Additional Participation Form” to your financial institution.

Note

- In case you are going to have a part-timer enroll in the scheme, please attach such document for evidencing being a part-time worker as copies of “Notice of Working Terms and Conditions (Notice of Employment)” or “Employment Contract”.
- In case you hire more employees than the criteria shown below, you have to attach an “Evidence of a Smaller Enterprise”, which will be provided by your chamber of commerce, society of commerce and industry or relevant branch office of prefectural government. Please contact one of them for consultation.

◎General Industry (manufacturing, construction, etc.): 250

◎Wholesale and Service Industry: 90

◎Retail Industry: 40

If your capital or investment amount falls within the range for smaller enterprises defined by law, your certified copy of commercial register can work as the evidence.

Filing for Change of Amount of Monthly Contribution or Request of Advance Payment

- You can change the amount of monthly contribution for each employee. To change the amount, you have to submit to us “Request for Change of Monthly Contribution Amount” by the 15th day of prior month for your planned change.
For instance, if you want to change the amount for April contribution, the Request should be submitted by March 15.
- You can make an advance payment up to 12 months. To make an advance payment, you have to submit to us “Request for Advance Payment” by the 25th day of prior month to your planned advance payment.
For instance, if you want to make an advance payment for April and following months, the Request should be submitted by March 25.

Claim for Payment of Retirement Allowance

- You, as the employer, have to send us “Notice of Retirement” for the retired employee when retirement is approved. In response, we will stop transferring contribution for the employee from your account to us. (The last transfer will be made in the month the retirement date falls).
- You have to provide “Request for Retirement Allowance” after completing columns for the employer to the retired employee at his/her retirement.
- The retired employee, in turn, has to complete designated columns for the employee in “Request”, then, has his/her bank assure his/her deposit account available for transfer of retirement allowance by affixing the bank’s seal.
- Further, the retired employee has to obtain either of the “certificate of his/her registered seal” or “resident’s card” for the purpose of identification and verification of him-/herself and his/her residence, and send it to us. (For people who are going to receive retirement allowance exceeding 3 million yen, the necessary document is limited to the “certificate of registered seal”.)

Note

- In case of cancellation of the retirement allowance mutual aid contract before retirement, exactly speaking, voiding or enrollment of the employee from the SERAMA Office of the Organization as well as cancellation of the contract between the employer and the SERAMA Office of the Organization, the SERAMA Office of the Organization will provide the employee with Cancellation Allowance, which may be subject to tax as “temporary income”.
- The formula for obtaining the amount of Cancellation Allowance is the same as that for retirement allowance. In case you are subsidized for your contribution, the lesser of the amount of subsidy provided or 30 / 100 of Cancellation Allowance shall be deducted from the allowance.

Smaller Enterprise Retirement Allowance Mutual Aid Law

A scheme built on the platform laid out by legislation

Abstract of Smaller Enterprise Retirement Allowance Mutual Aid Law

(Purpose)

Article 1

This law aims to facilitate the retirement allowance mutual aid scheme for employees of smaller enterprises based on the spirit of mutual aid among employers of smaller enterprises who are to contribute to the scheme, to promote welfare of these employees and to grow smaller enterprises.

(Definition)

Article 2

1. The “employer of smaller enterprise” in this law is defined as a business proprietor described in the following paragraphs (except for similar employers defined by the state, local municipalities or the Order of the Ministry of Health, Labor and Welfare)

i. The business proprietor who regularly employs fewer than 300 employees or the business proprietor of a legal entity with capitalization or total amount of investment less than 300 million yen (exclusive of the employer of an entity whose main business belongs either of the industries described in the paragraphs 2 to 4)

ii. The business proprietor whose main business belongs to the wholesale industry, and regularly employs fewer than 100 employees and his/her legal entity’s capitalization or total investment is less than 100 million yen

iii. The business proprietor whose main business belongs to the service industry, and regularly employs fewer than 100 employees and his/her legal entity’s capitalization or total investment is less than 50 million yen

iv. The business proprietor whose main business belongs to the retail industry, and regularly employs fewer than 50 employees and his/her legal entity’s capitalization or total investment is less than 50 million yen

2. In this law, “retirement” is defined as termination of the employment contract.

3. The retirement allowance mutual aid contract is defined in this law as: Per the business proprietor’s commitment to payment of contribution to the independent administrative agency, Organization for Worker’s Retirement Allowance Mutual Aid (hereinafter called as “Organization” except for Article 56 and Article 57), the Organization shall commit to providing retirement allowance to the employee employed by the business proprietor at his/her retirement in accordance with this law. However, the Specific Industry Retirement Allowance Mutual Aid contract is excluded from the contract defined in the preceding sentence.

(Conclusion of Contract)

Article 3

The eligible sponsor who can conclude the retirement allowance mutual aid contract shall be limited to the employer of smaller enterprise.

Article 4

The retirement allowance mutual aid contract shall be concluded for each beneficiary of mutual aid with the determined amount of monthly contribution.

(Benefits for Beneficiary)

Article 5

The beneficiary and his/her survivor shall be rightly provided benefits from the retirement allowance mutual aid contract.

(Taking Effect of Contract)

Article 7

1. When the Organization accepts application for the retirement allowance mutual aid contract, the contract shall be regarded as being concluded as of the date of acceptance of application and it will become effective on this date.

2. When the retirement allowance mutual aid contract becomes effective, the sponsor is required to notify the beneficiary of effective conclusion of the contract without any delay.

(Cancellation of Contract)

Article 8

1. The Organization or the sponsor is not allowed to cancel the retirement allowance mutual aid contract except for the case specified in paragraph 2 or paragraph 3 of this article.

2. The Organization shall terminate the retirement allowance mutual aid contract in the cases described in the following items. However, in case Item ii applies, if the sponsor obtains the approval of Ministry of Health, Labor and Welfare in advance in pursuant to the Order of Ministry of Health, Labor and Welfare, he/she shall be exempted from cancellation.

i. When the sponsor of the mutual aid fails to provide contributions for certain months specified by the Order of the Ministry of Health, Labor and Welfare except for the failure due to legitimate reason stipulated in the Order

ii. When the sponsor of the mutual aid becomes a business proprietor who no longer meets the requirements of the employer of smaller enterprise

iii. When the beneficiary receives or attempts to receive retirement or cancellation allowance (hereinafter called "retirement allowance or similar benefit") by false or other illegal means

3. The sponsor of mutual aid may terminate the retirement allowance mutual aid contract in the case fallen into either of the following items

i. When the sponsor obtains the beneficiary's consent

ii. When the Ministry of Health, Labor and Welfare determines the continued contribution is significantly difficult for the sponsor

4. The cancellation of contract shall be effective exclusively from the date of cancellation onwards

(Change of Amount of Monthly Contribution)

Article 9

1. The Organization must accept the request for increase of amount of monthly contribution by the sponsor of mutual aid.

2. The Organization is not allowed to accept the request for reduction of amount of monthly contribution except for the case the paragraph 3 of the preceding article applies.

(Retirement Allowance)

Article 10

1. When the beneficiary retires, the Organization shall provide the beneficiary (or his/her survivor in case of retirement due to death) with a retirement allowance. However, in the event that the contributed months for the beneficiary (hereinafter called "Contributed Months") are fewer than 12, the preceding sentence will not apply.

5. In the event that the beneficiary retires due to disciplinary reasons, and the sponsor of mutual aid requests for reduction of amount of retirement allowance, and the Ministry of Health, Labor and Welfare determines that the reduction should be reasonable based on the standards set by the Order of the Ministry of Health, Labor and Welfare, the Organization shall provide the beneficiary with a reduced retirement allowance pursuant to the Order of the Ministry of Health, Labor and Welfare.

(Payment Method of Retirement Allowance)

Article 11

The retirement allowance shall be paid as a lump-sum.

(Installment Payment of Retirement Allowance)

Article 12

Despite of the rule stipulated in the preceding article, the Organization can pay full or part of retirement allowance in installments per the beneficiary's request except for cases as described in the following paragraphs.

i. The amount of the retirement allowance is less than the amount stipulated by the Order of the Ministry of Health, Labor and Welfare

ii. The beneficiary has not attained age 60 on his/her retirement date

iii. Where the beneficiary requests the Organization to pay part of his/her retirement allowance in installments, and the amount to be paid in installments is less than the amount stipulated in the following paragraph by the Order of the Ministry of Health, Labor and Welfare, or the difference obtained by deducting the amount to be paid in installments from the amount of retirement allowance is less than the amount stipulated by the Order of the Ministry of Health, Labor and Welfare

(Cancellation Allowance)

Article 16

The Organization shall provide the beneficiary with a Cancellation Allowance in the event that the retirement allowance contract is cancelled.

(Transfer of Contributed Period)

Article 18

In case the beneficiary, who resigned a previous employer voluntarily, is employed by a new employer of smaller enterprise, and becomes a beneficiary of mutual aid while not claiming for the retirement allowance for his/her service for the previous employer within two years from his/her retirement from the previous employer, and the beneficiary requests the Organization to transfer the accrued benefit from his/her previous service to the retirement allowance mutual aid contract concluded by the new employer provided the contributed period for the previous service exceeds 12, and the Ministry of Health, Labor and Welfare determines the reason for retirement from the previous employer should not to be attributed to the beneficiary's responsibility or discretion, the transfer shall be allowed in accordance with the Order of the Ministry of Health, Labor and Welfare.

Despite the ruling of the preceding paragraph, the beneficiary whose full or part of the accrued benefit, equaling the amount of retirement allowance payable, has been transferred to an organization stipulated in the paragraph one, Article 31, he/she shall be exempted from the transfer.

Also, the retirement based on his/her discretion in the first paragraph shall not apply when the Ministry of Health, Labor and Welfare determines unavoidable.

The matters needed to calculate the amount of retirement allowance shall be stipulated in an Order of the Ministry of Health, Labor and Welfare.

(Prohibition of Transfer of Right for Retirement Allowance Payment)

Article 20

The right for retirement allowance payment shall not be transferred, pledged as collateral or seized. However seizure in case of delinquency in national tax obligation (or disposition for the delinquency) shall be exempted.

(Payment of Contribution)

Article 22

The sponsor of mutual aid must pay the monthly contribution, whose amount is to be confirmed by the end of the month, by the end of the following month from the date when the retirement allowance mutual aid contract becomes effective, to the date when the contract is terminated.

For the month in which the retirement / contract termination day falls, confirmation of the amount of monthly contribution shall be done as of the retirement / contraction termination date.

For the month in which the day when the retirement allowance mutual aid contract becomes effective falls, the initial payment should be made by the end of two months from the month of effective contract commencement.

(Reduction of Contribution for Promoting Participation)

Article 23

In accordance with the Order of the Ministry of Health, Labor and Welfare, the Organization may reduce the amount of monthly contribution for a certain period to promote the employers of smaller enterprises to conclude the retirement allowance mutual aid contract as well as to increase the amounts of monthly contributions stipulated in the first paragraph, Article 9.

(Reduction of Amount of Monthly Contribution Applicable to Advance Payment)

Article 24

In accordance with the Order of the Ministry of Health, Labor and Welfare, the Organization may reduce the amount of monthly contribution in case payment of the monthly contribution is made before the end of prior month to the payment month.

(Extension of Payment Period)

Article 26

1. For the sponsor of mutual aid regularly employing fewer than five employees, in accordance with the Order of the Ministry of Health, Labor and Welfare, the Organization may extend the contribution period stipulated in the first paragraph, Article 22 by three months at maximum.

2. When the Organization decides the sponsor of mutual aid will not be able to make timely payment of monthly contribution due to legitimate reasons such as natural disaster or other unavoidable situations, the Organization may extend the payment period.

(Presentation of Retirement Allowance Mutual Aid Guide)

Article 35

1. The sponsor of mutual aid is required to present the retirement allowance mutual aid book when requested by the beneficiary

2. In the event of the beneficiary's retirement or cancellation of the contract, the sponsor of mutual aid has to provide the beneficiary or his/her survivor or heir with the retirement allowance mutual aid book without any delay except for the situations he/she has a unavoidable reason

3. When the sponsor of mutual aid is requested of the certificate needed for payment of retirement allowance by the beneficiary or his/her survivor or heir, he/she must provide it without any delay

(Prohibition of Discriminative Treatment)

Article 36

The employer of smaller enterprise should not treat any employee discriminatively with regard to the retirement allowance mutual aid contract.

(Review of Amount of Monthly Contribution and Retirement Allowance)

Article 85

The Organization will review the amounts of monthly contributions and retirement allowance based on the records and projections of the costs for retirement allowance payment as well as revenue from asset management at least every five years.

Please Stop by Our Consultation Centers for Smaller Enterprise Retirement Allowance Mutual Aid Scheme for Any Consultation

Take a Look at Our Home Page

Chutaikyo

Search

<http://chutaikyo.taisyokukin.go.jp/>

Please feel free to contact our Centers

SAPPORO	(Sapporo MN bldg. 6F) 3-3, Nishi, Kita 1-jo, Chuo-ku, Sapporo, 060-0001 TEL: 011-241-0351 FAX: 011-241-0369
SENDAI	(Nihon Seimei Sendai Koutoudai minami bldg. 3F) 1-5-15, Kamisugi, Aoba-ku, Sendai, 980-0011 TEL: 022-263-8651 FAX: 022-263-8653
TOKYO	(Taisyokukin Kiko bldg. 1F) 1-7-6, Shibakoen, Minato-ku, Tokyo, 105-8077 TEL: 03-3436-4351 FAX: 03-3433-4078
TOYAMA	(Wohfahrt Toyama 6F) 8-1, Okudashinmachi, Toyama, 930-0857 TEL: 076-444-5851 FAX: 076-444-3593
NAGOYA	(Sumitomo Seimei Chikusa-daisan bldg. 2F) 3-15-31, Aoi, higashi-ku, Nagoya, 461-0004 TEL: 052-856-8151 FAX: 052-856-8155
OSAKA	(Shoko Chukin Awaza bldg. 7F) 1-7-13, Awaza, Nishi-ku, Osaka, 550-0011 TEL: 06-6536-1851 FAX: 06-6536-1850
HIROSHIMA	(Daiko Hiratsuka bldg. 9F) 1-14, Higashihiratsukacho, Naka-ku, Hiroshima, 730-0025 TEL: 082-240-7151 FAX: 082-240-7153
FUKUOKA	(Sumitomo Seimei Hakata bldg.6F) 3-2-8, Hakataekimae, Hakata-ku, Fukuoka, 812-0011 TEL: 092-287-9217 FAX: 092-287-9216

Directions to Chutaikyo, Headquarters