

**Introduction to the Smaller Enterprise  
Retirement Allowance Mutual Aid (SERAMA)**

# **"Chutaikyo" Scheme**



## What is SERAMA?

### I've never heard of this scheme. What is SERAMA?

#### **A state-supported scheme for securing retirement allowance for small- and medium-sized enterprises**

The Smaller Enterprise Retirement Allowance Mutual Aid (SERAMA) Scheme was established in 1959, based on the Small and Medium Sized Enterprise Retirement Allowance Cooperative Act as part of a national support system for small- and medium-sized enterprises.

Because it is difficult for smaller businesses to afford their own retirement allowance schemes, the SERAMA Scheme was designed to collectively establish a retirement allowance scheme based on a spirit of mutual aid and national support, which promotes the wellbeing of employees in small- and medium-sized enterprises, as well as their job stability, and ultimately contributes to the promotion and development of smaller businesses.

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

#### **The SERAMA Scheme has 3.27 million members.**

As of November 2011

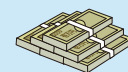
◆ **Number of member companies: 368,000**



◆ **Number of member workers: 3.27 million**



◆ **Managed assets: JPY 3.599 trillion**





# Become familiar with all of the features of SERAMA

— A scheme that is safe and secure because it is run by the national government.

1

## National Subsidy for Contribution

➔ P7

There is a national subsidy for newly participating employers, and for employers who increase the amount of their monthly contribution.

2

## Easy to Administer

➔ P3

Your retirement allowance scheme is easy for you to administer, as we regularly inform each employee of their contribution status and retirement allowance estimate.

3

## Tax-free Contribution

Contributions, including those for past services, are calculated as deductible expenses for incorporated companies, and as necessary expenses for private enterprises.  
*(Note) A legal entity capitalized or invested in with more than JPY 100 million is levied corporate tax on the basis of business size.*

4

## Many Options for Monthly Contribution Amount

➔ P6

You can choose the appropriate monthly contribution for each employee from among 16 options. In addition, you can change the monthly contribution anytime after joining.

5

## Favorable Treatment for Part-time Workers

➔ P6

For part-time employees, there is a special monthly contribution amount that is lower than that for full-time employees. Also, there is an additional subsidy for new part-time employees.

6

## Advance Payment of Monthly Contributions

➔ P13

7

## Substantial Retirement Allowance with Contribution for Past Services and Contribution Rollover Systems

➔ P8

8

## Retirement Allowance Paid Directly to Employees

➔ P11

9

## Discounts for Recreational Facilities / Services

The member companies can use our affiliate hotels and recreational facilities with discounted fees for the welfare of their employees.

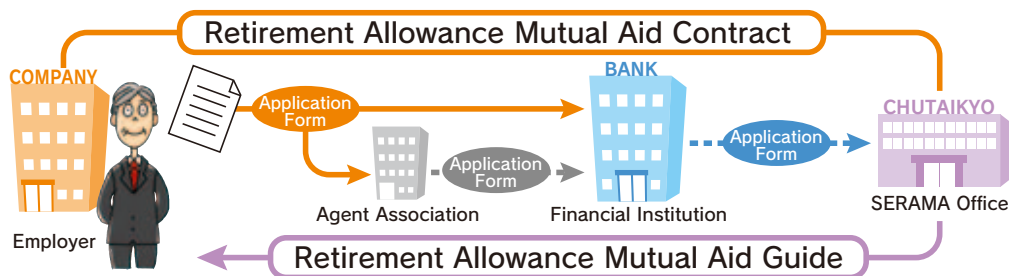


# Overview of SERAMA Scheme

Once the employer concludes a contract with us, the retirement allowance is paid directly to the retired/resigned employee.

## Application

The employer concludes 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\*.

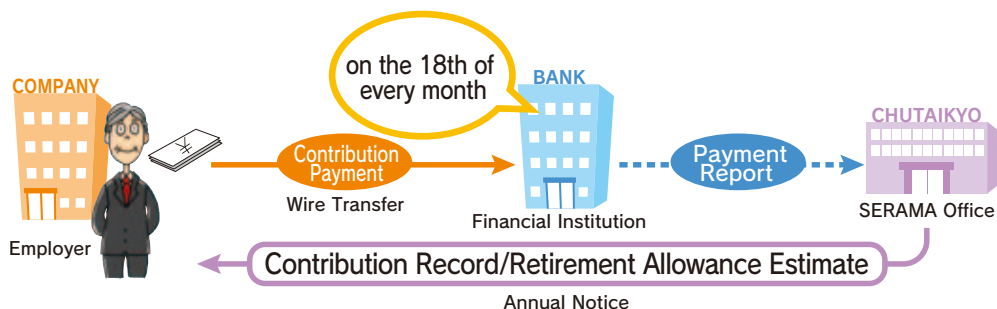
\*See Page 5 for list of agent associations.

The “effective date” of the contract is the date the above organization receives your application.

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.



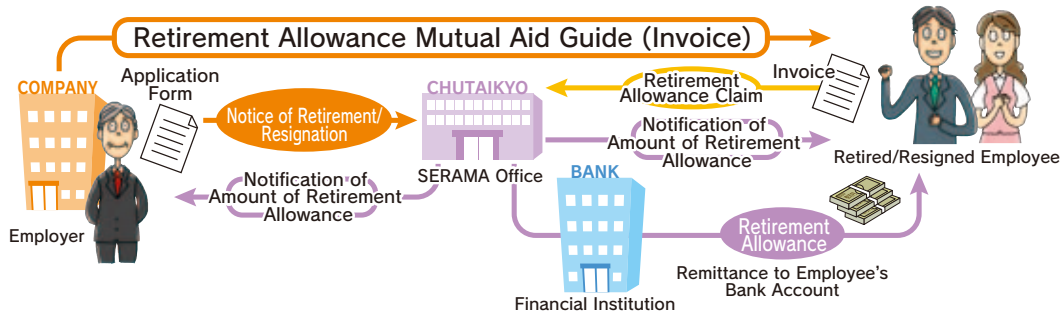
An employee’s contribution should be paid from the month of the “effective date” until the month of the employee’s “retirement date.”

You are required to deposit the total monthly contributions for all participating employees in the bank account you designated by the 17th of each month, as a wire transfer will be made on the 18th (or on the following day if the 18th is a holiday).

Once a year, you will be provided with a “Contribution Record” and a “Retirement Allowance Estimate” for each employee.

## Retirement/Resignation

If so requested by the retired/resigned employee, the SERAMA Office of the Organization pays the retirement allowance directly to the employee.



Upon receiving an employee's "Notice of Retirement/Resignation" issued by the employer, the SERAMA Office of the Organization stops the collection of contributions by wire transfer for the retired/resigned employee. (The employee's "retirement/resignation date" is the date the employment contract between the employer and the employee terminates.)

The employer gives the "Retirement Allowance Mutual Aid Guide" to the retired/resigned employee. The Guide is used as an "invoice" for the employee to claim his/her retirement allowance.

Next, the retired/resigned employee sends the "invoice" to the SERAMA Office of the Organization. Upon receiving the "invoice", we remit the retirement allowance to the bank account designated by the retired/resigned employee.

The employer and the retired/resigned employee are notified of the amount of the retirement allowance before it is remitted.

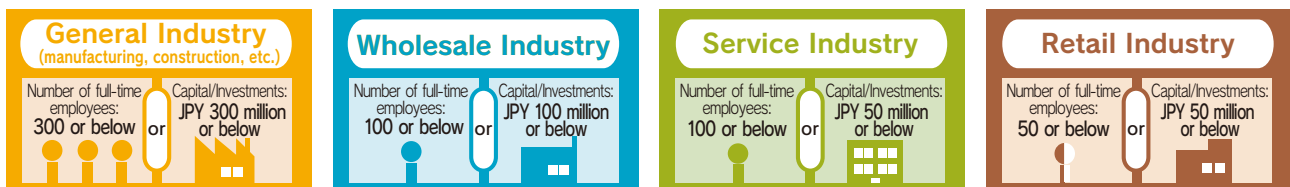
## ? Eligibility for Participation

**Any small- and medium-sized enterprises that meet the requirements for participation can join the scheme.**

\* The requirements depend on your business category.

### Eligible Companies

Eligibility depends on the business category. Any employer whose number of full-time employees or whose capital is within the following ranges can join the scheme. For sole proprietorships and other type of businesses such as public service corporations, eligibility depends on the number of full-time employees.



**Full-time employees** refers to employees 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 longer than two months.

If a company grows, and exceeds the conditions above after joining the scheme, under certain conditions, it can transfer an amount equivalent to the retirement allowance in the SERAMA Scheme to the Defined Benefit Corporate Pension Plan or the Special Retirement Allowance Mutual Aid Scheme.

## Eligible Employees

In principle, all employees\* should participate in the scheme.

\*An employee is defined as a person who has an employment relationship with the employer and is paid wages.

However, you are not required to enroll employees who meet any of the following conditions.

- 1. On a definite-term employment contract**
- 2. On probation**
- 3. On leave of absence**
- 4. Expected to resign shortly, for instance, due to mandatory retirement age**

### Notes

1. Proprietors and those participating in the Small-scale Enterprise Mutual Aid System are not eligible to join the SERAMA scheme.
2. The director of the board of an incorporated company is not eligible to join the SERAMA scheme. However, a director who receives wages, such as a paid employee serving as a director, is eligible to join.
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, which is also run by the Organization. (See Reference for details.) However, an individual employee cannot participate in both schemes at the same time.

\* The Act on Mutual Aid Association for Retirement Allowances for Personnel of Social Welfare Facilities and Other Personnel prohibits employees who participate in the Retirement Allowance Mutual Aid for Social Welfare Facility Employees Scheme from participating 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 Associations

Labor Insurance Administration Association, Federations of Small Business Associations, Chambers of Commerce and Industry, Societies of Commerce and Industry, Blue Return Association, Labor Standards Associations, Japan Federation of Hire-Taxi Associations, Social Insurance & Labor Consultant Associations, Welfare Service Centers for Medium- / Small-size Company Workers, Japan Federation of CPTAs Cooperative Association, TKC Enterprise Mutual Aid Foundation, etc.  
Other associations entrusted to process applications

## Relevant Authorities

Workers' Life Division, Labour Standards Bureau, Ministry of Health, Labour and Welfare, Section for Labor Welfare Administration / Labor Bureaus of local municipalities

## Allied Companies

Life insurance companies (in alphabetical order) – Daido Life Insurance Co., Fukuoka Mutual Life Insurance Co., Meiji Yasuda Life Insurance Co., Nippon Life Insurance Co., Sumitomo Life Insurance Co., Taiyo Life Insurance Co., and The Dai-ichi Life Insurance Co.

## Notes

The Organization provides the Specified Industry Retirement Allowance Mutual Aid Scheme for workers on a definite-term employment contract in construction, sake brewery, and forestry in addition to the SERAMA Scheme, which is for general industry workers. For details, please contact the main offices for each industry listed below.

**Construction Industry Retirement Allowance Mutual Aid Office: TEL: 03-6731-2866**

**Sake Brewery Industry Retirement Allowance Mutual Aid Office: TEL: 03-6731-2887**

**Forestry Industry Retirement Allowance Mutual Aid Office: TEL: 03-6731-2887**

For proprietors of small-sized businesses, company board directors and proprietors' business partners, the following organization offers Small-size Enterprise Retirement Allowance Mutual Aid. For this scheme, please contact the Organization for Small & Medium Enterprises and Regional Innovation, Japan.

### ■ Organization for Small & Medium Enterprises and Regional Innovation, Japan

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



## Monthly Contribution Amounts

**You can choose appropriate amounts for your employees based on their age, experience and years of service. Reduce your burden with a government subsidy!**

### Choice of Monthly Contribution Amounts

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

#### Monthly Contribution (16 options / JPY)

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

You can increase or reduce the amount of monthly contribution. (See Page 13)

You can reduce the amount of monthly contribution in either of the following cases:

- 1) The employee agrees to the reduction
- 2) The Minister of Health, Labour and Welfare approves of the reason for the reduction

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, either in part or in full, for whatever reason.

#### Special Monthly Contribution for Part-time Employees (3 options / JPY)

2,000

3,000

4,000

Monthly contributions for part-time employees\* can be selected from three special monthly contribution options in addition to the 16 monthly contribution options.

## Note

When enrolling a part-time employee, we require that you submit a duplicate of either the "Notice of Labor Terms and Conditions" or the "Employment Contract" as evidence of the employee's working conditions.

Without either of those documents, we do not accept applications for or changes to the special monthly contribution amount.

\* Part-time employee refers to an employee whose normal weekly working hours are shorter than those of regular employees in the same company, and fewer than 30 hours.

## Subsidy for Monthly Contribution

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

## Subsidy for New Members

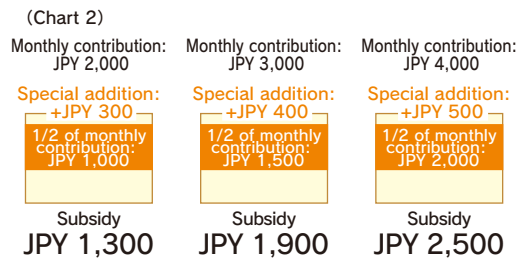
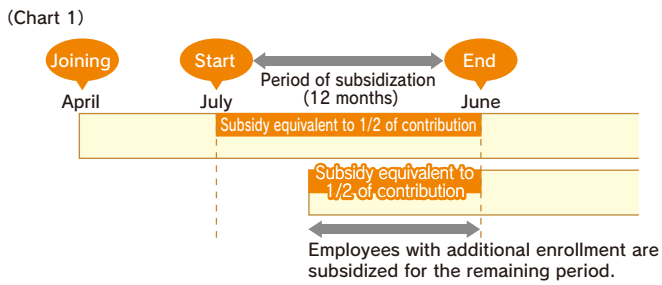
**Note :**

Employers participating in the Retirement Allowance Mutual Aid for Social Welfare Facility Employees Scheme are not eligible for this subsidy.

**For an employer who is a new member, subsidizing will commence four months after enrollment and end after a 12-month period of subsidization (Chart 1).**

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

The amount of subsidy for the special monthly contribution for part-time employees is the sum of 50% of the contribution amount and the special addition shown in Chart 2.



## Subsidies for Increased Contribution

**Note:**

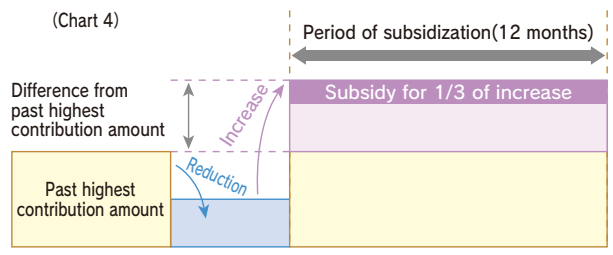
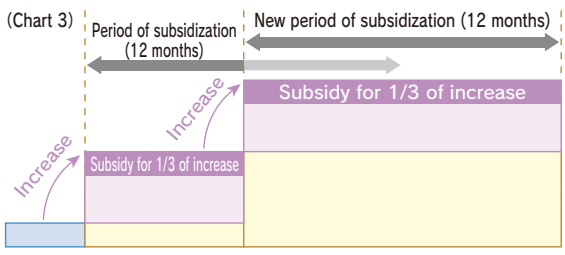
Increases to contributions of JPY 20,000 or more do not qualify for subsidies.

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

In the event the employer increases monthly contributions from JPY 18,000 or less for an employee, one third of the difference between the amount before the increase\* and the amount after the change is borne by the state as a subsidy. Increases to contributions of JPY 20,000 or more do not qualify for a subsidy.

If the employer increases the contribution amount for an employee again in the middle of the period of subsidization, subsidizing for the previous change will end, and subsidizing for the new change will begin, and last for 12 months (See Chart 3).

\* The amount before the increase to monthly contribution is defined as the highest monthly contribution amount for the employee on record (See Chart 4).





If a new member employer increases the monthly contribution amount for employees during the period of subsidization, a subsidy for the increase in contribution will be provided in addition to the subsidy for new membership.

**Note**

A business employing only relatives who are part of the household of the employer is not eligible for the subsidies for new membership or increased contribution.



## Contributions for past service and transfer of accrued benefits are possible.

**This enables an employer to provide higher amounts of retirement allowance.**

### Contributions for Past Service

Only for the new member businesses, we allow contributions corresponding to an employee’s past service prior to participation in the SERAMA Scheme. This makes it possible for employers to provide a retirement allowance that corresponds to each employee’s cumulative service.

#### 1.Period of Past Service

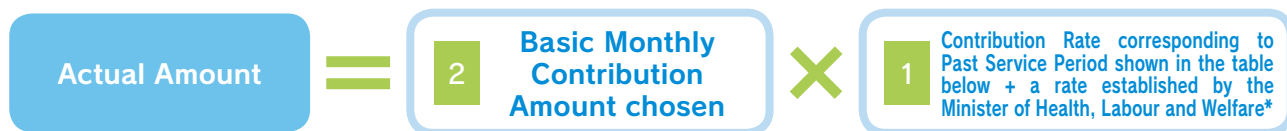
The period of past service is defined as the period beginning on the employment date and ending one day prior to the “effective date” of the SERAMA retirement allowance mutual aid contract”. (Any non-working period such as a leave of absence can be deducted from the period of past service.) However, the maximum period for past service contribution is 10 years. Past service is counted in years; extra months are rounded off.

#### 2.Choice of Basic Monthly Contribution Amount for Past Service

You can choose the basic monthly contribution amount for the past service of each employee from the monthly contribution amount options shown on Page 7. However, the amount should be the same as or less than the amount chosen at the time of joining the scheme. For part-time employees, the special monthly contribution options can be selected.

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

#### 3.Actual Amount of Contribution for Past Service



(Note)

There is no subsidy for the “actual monthly contribution amount for past service”. Also, no changes are made to this amount throughout the payment period.

Period of Past Service	1years	2years	3years	4years	5years	6years	7years	8years	9years	10years
Payment Period	12months	24months	36months	48months	60 months (60 months for past service of 5 or more years)					
Contribution Rate	1.01	1.02	1.03	1.04	1.05	1.27	1.49	1.71	1.93	2.16

\*The rate established by the Minister of Health, Labour and Welfare used in the formula shown in 3 for the calculation of the “actual monthly contribution amount for past service” is changed every fiscal year according to the employee’s current income.

The contribution rate in the above chart changes when laws are amended.

## **Example: An employee who is a new participant in the SERAMA Scheme with a monthly contribution of JPY 6,000 and a past service period of 3 years and 11 months**

1. The applicable past service period is 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). For part-time employees, monthly contribution options include JPY 2,000, JPY 3,000, and JPY 4,000.
3. The payment period should be 36 months according to the above chart.
4. Assuming JPY 6,000 is chosen for the basic monthly contribution and the rate set by the Minister is zero, the actual monthly contribution amount for past service is JPY 6,180 [6,000 × 1.03].
  - For the monthly payment, the employer must pay contributions for present and past services. In the above example, the employer's total monthly payment for the employee would be JPY 12,180 [6,000 + 6,180].

### **Note**

- If there was a period of participation in the Small-scale Enterprise Mutual Aid System, that period cannot be included in the period of past service.
- If the employee resigns before the end of the payment period for past service, the period of past service will not be taken into account for the retirement allowance.
- Even if payments are made for 11 months or less, an amount equivalent to the contributions made for past service is paid as retirement allowance.

## **Transfer of Accrued Benefits from Employee's Previous Company**

Usually, retirement allowance is not transferable between companies. However, the SERAMA Scheme makes it possible to transfer a newly hired employee's accrued benefits from the previous company under certain conditions.

## **Transfer between SERAMA Participant Companies**

When an employee of a "SERAMA participant company" leaves the company and is hired by another "SERAMA participant company", if the employee does not claim the retirement allowance corresponding to his/her service for the previous employer, the employee's accrued benefits can be transferred to his/her account with the new employer under the following conditions:

### **Requirements:**

1. The previous employer had contributed to the SERAMA Scheme for the employee for 12 months or more (or even in cases of a contribution period of less than 12 months if the reason for resigning from the previous company was approved by the Minister of Health, Labour and Welfare).
2. The claim for transfer of benefits should be made within two years of the employee's resignation from the previous company.

## **Transfer between SERAMA and Specific Industry Retirement Allowance Mutual Aid (SIRAMA) Participant Companies**

If an employee's eligibility for SERAMA/SIRAMA changes due to a change in job description within the same company, transfer of accrued benefits between the two schemes is allowed.

When a worker changes his/her job from/to "SERAMA/SIRAMA participant companies", if the worker does not claim the retirement allowance corresponding to his/her service for the previous employer, the employee's accrued benefits can be added to the new account under the following conditions:

### Requirements:

1. The request for transfer should be made within two years of the employee's resignation from the previous company.
2. The Minister of Health, Labour and Welfare acknowledges that the cause for resignation was not due to personal reasons.

### Transfer between SERAMA and Specific Retirement Allowance Mutual Aid (SRAMA)\* Participant Companies

\* SRAMA refers to retirement allowance mutual aid schemes managed by Chambers of Commerce and Industry, Societies of Commerce and Industry, etc.

If an employee changes jobs from/to a "SERAMA/SRAMA participant company", and the employee does not claim the retirement allowance corresponding to his/her service for the previous employer, the employee's accrued benefits can be transferred between the SERAMA Office of the Organization and the relevant SRAMA association.

### Requirements:

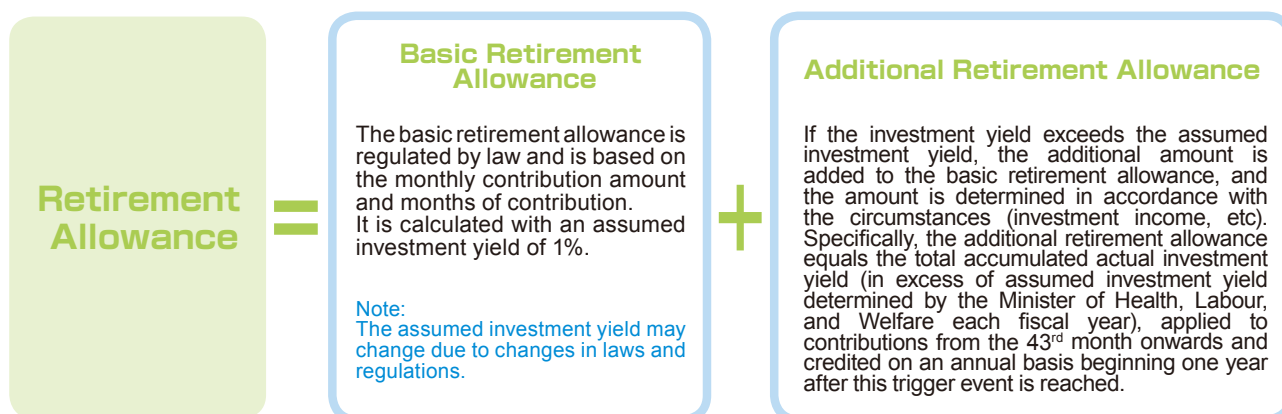
1. An accrued benefit transfer agreement is concluded between the SERAMA Office of the Organization and the relevant SRAMA association.
2. The request for transfer should be made within two years of the employee's resignation from the previous company.



## Amount of Retirement Allowance

### Did you know that the amount of retirement allowance in the SERAMA Scheme is determined by law?

The retirement allowance an employee receives is the sum of the basic retirement allowance and the additional retirement allowance.



### Note

- The retirement allowance is not paid if the contribution period is less than one year. The allowance will be less than the aggregate contribution amount if the contribution period is 12 months or more but less than two years. The allowance will be equivalent to the aggregate contribution amount if the period is two years or more but three years and six months or less (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 is three years and seven months (43 months) or more.
- Employers cannot receive a retirement allowance on behalf of an employee.

## Table of Basic Retirement Allowance (additional allowance not included)

Note:

Effective Nov. 1, 2002. The basic retirement allowance is subject to change due to amendments to laws and regulations. Subject to change due to amendments to laws and regulations. (Unit: JPY)

Amount per JPY 1,000 contribution (hypothetical)	Years of contribution	Special monthly contribution			Monthly contribution			
		2,000	3,000	4,000	5,000	10,000	20,000	30,000
0	1~11 months	0	0	0	0	0	0	0
3,600	1	7,200	10,800	14,400	18,000	36,000	72,000	108,000
24,000	2	48,000	72,000	96,000	120,000	240,000	480,000	720,000
126,560	10	253,120	379,680	506,240	632,800	1,265,600	2,531,200	3,796,800
266,660	20	533,320	799,980	1,066,640	1,333,300	2,666,600	5,333,200	7,999,800
421,310	30	842,620	1,263,930	1,685,240	2,106,550	4,213,100	8,426,200	12,639,300
591,790	40	1,183,580	1,775,370	2,367,160	2,958,950	5,917,900	11,835,800	17,753,700

Note: Special monthly contribution applies only to part-time employees.



## Method of Payment of Retirement Allowance

### The retirement allowance is directly remitted to the retired/resigned employee's savings account.

The retirement allowance is paid in a lump-sum at retirement/resignation.

However, a retired employee who is 60 years old or older on his/her retirement date and meets the following conditions can choose installment payments over five years or ten years of the full or partial amount of retirement allowance.

#### Note

- The beneficiary of retirement allowance is the retired employee. In the case of retirement due to the employee's death, the beneficiary should be the survivor.
- For tax purposes, the retirement allowance paid as a lump-sum is considered to be retirement income, while installment payments are considered as miscellaneous income which is subject to deduction for the national pension contribution.



# Procedure for joining the SERAMA Scheme

## Enrollment is easy!

### Enrollment Procedure

- If it is your first time to enroll in the SERAMA Scheme, please complete the “Application for First-time Enrollment” and sign or affix your seal in the designated space.
  - If you would like to contribute for each employee’s past service, please complete the “Past Service Contribution column.” We will send you a “Recognition of Past Service Contribution Request” at a later date.
  - Please have your bank, which will transfer your contributions to us, affix their seal in the designated space on the “Deposit Account Transfer Request” form, which is enclosed in the “Application for First-time Enrollment” package. You can choose to have monthly contributions transferred in the current month or the 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 submit the completed “Application for First-time Enrollment” to your financial institution or one of our agent associations. After you have joined, when you want to enroll a new employee in the SERAMA scheme, please submit the “Additional Enrollment Form” to your financial institution.
- \* To obtain the “Application for First-time Enrollment” form, please visit/contact the SERAMA Office specified on the back of this booklet.



### Note

- To enroll a part-time employee, we require that you submit a duplicate of either the “Notice of Labor Terms and Conditions” or the “Employment Contract” as evidence of the employee’s working conditions.
- If you have more employees than the number in the criteria below at the time of applying for enrollment, we require that you attach a “Proof of Being a small- and medium-sized enterprise” which is issued by your district’s Chamber of Commerce and Industry, Society of Commerce and Industry or relevant branch office of the prefectural government. Please contact one of these offices to obtain the document.  
General Industry (manufacturing, construction, etc.): 250  
Wholesale and Service Industry: 90  
Retail Industry: 40  
If your number of employees exceeds the above criteria, but your capital or investment amount falls within the range for small- and medium-sized enterprises defined by law, a certified copy of your commercial register can be submitted as evidence.
- For participating family employees who share a residence and living expenses with the employer, see Page 14 “Participation of a Business Employing Relatives of the Same Household”.

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

- You can change the amount of monthly contribution for each employee. To change the amount, submit the “Request for Change of Monthly Contribution Amount” by the 15th day of the month before the month of your planned change.  
For instance, if you want to change the amount for the April contribution, the request should be submitted by March 15.
- You can make an advance payment for up to 12 months. To make an advance payment, submit the “Request for Advance Payment” by the 25th day of the month before the month of your planned advance payment.  
For instance, if you want to make an advance payment for April and the following months, the request should be submitted by March 25.  
\*However, a lump-sum payment consisting of only contributions for past service is not allowed.

## Claim for Payment of Retirement Allowance

- You, as the employer, are required to send a “Notice of Retirement/Resignation” to the SERAMA Office of the Organization for the retiring/resigning employee when the date of retirement/resignation has been decided. In response, we will stop transferring contributions for the employee from your account to us. (The last transfer will be made in the month of the retirement/resignation date.)
- **The employer should provide the retiring/resigning employee with a “Request for Retirement Allowance” form after completing the columns for the employer and affixing the employer’s seal.**
- Then the retiring/resigning employee should complete the columns for the employee, affix his/her seal, and have his/her bank affix the bank’s seal to the “Request for Retirement Allowance” form to ensure that his/her deposit account is available for the transfer of the retirement allowance.
- After completing the above procedure, the retiring/resigning employee is required to obtain either the “certificate of his/her registered seal” or a “resident’s card” and send it to the SERAMA Office of the Organization for the purpose of confirming his/her identification and address. (For those receiving a retirement allowance exceeding 3 million yen, the “certificate of registered seal” must be submitted.)



### Note

- If the retirement allowance mutual aid contract is cancelled before retirement by the SERAMA Office of the Organization and the employer, the employee is provided with a cancellation allowance, which may be subject to tax as “temporary income”.
- The formula for calculating the amount of cancellation allowance is the same as that for retirement allowance. If the employer’s contribution is subsidized, the lesser of the amount of subsidy provided or 30% of the cancellation allowance is deducted from the allowance.
- For the retirement/resignation of a family employee who shares a residence and living expenses with the employer, see Page 14 “Participation of a Business Employing Relatives of the Same Household”.



# Enrolling Relatives of the Same Household

## Family employees can participate in the SERAMA Scheme!

### Participation of a Business Employing Relatives of the Same Household

Employees of a business that employs only relatives who share a residence and living expenses with the employer can also participate in the SERAMA Scheme under certain conditions.



## Determining the Monthly Contribution

### Which option should I select?

You can determine the amount of monthly contribution for each employee based on their salary or position, or calculate the amount by first determining the amount of retirement allowance based on the retirement age and/or years of service.

#### Example: Salary-based approach

Contribution of 5% of monthly salary

Monthly salary	Monthly contribution
Below JPY 160,000	8,000
Below JPY 160,000 ~200,000	10,000
Below JPY 200,000 ~240,000	12,000
Below JPY 240,000 ~280,000	14,000
Below JPY 280,000 ~320,000	16,000
Below JPY 320,000 ~360,000	18,000
Below JPY 360,000 ~400,000	20,000
JPY 400,000 or more	22,000

The retirement allowance amount is generally determined based on salary or years of service.



#### Example: Position-based approach

Determination of the amount based on six position levels

Position	Monthly contribution
General Staff (Employee without a managerial position)	5,000
"Shunin" (Senior Staff)	8,000
"Kakaricho" (Section Chief)	12,000
"Kacho-hosa" (Assistant Manager)	18,000
"Kacho" (Manager)	24,000
"Bucho" (General Manager)	30,000

#### Example: Years of service (YOS-based approach)

Determine the amount based on YOS so as to pay 10 million yen to the employee who has worked for 35 years.

YOS	Monthly contribution
Less than 2 years	5,000
Less than 2~5 years	8,000
Less than 5~10 years	12,000
Less than 10~15 years	18,000
Less than 15~20 years	24,000
20 years or more	30,000

#### Example: Fixed-amount approach

To provide an employee with 35 YOS with a 10 million yen retirement allowance, the monthly contribution would be JPY 20,000 throughout his/her employment.

## Typical Amounts of Retirement Allowance

### Typical Amounts of Retirement Allowance in Tokyo

The table shows amounts of retirement allowance based on YOS for voluntary and involuntary resignation.

### Typical Amounts of Retirement Allowance in Tokyo (Lump-sum Retirement Allowance)

High school graduate; hired at age 18				Technical/Junior college graduate; hired at age 20				University graduate; hired at age 22			
YOS	Age	Voluntary resignation	Involuntary resignation	YOS	Age	Voluntary resignation	Involuntary resignation	YOS	Age	Voluntary resignation	Involuntary resignation
5	23	318,000	478,000	5	25	353,000	519,000	5	27	399,000	591,000
10	28	912,000	1,253,000	10	30	999,000	1,367,000	10	32	1,113,000	1,524,000
15	33	1,781,000	2,322,000	15	35	1,955,000	2,520,000	15	37	2,205,000	2,825,000
20	38	2,999,000	3,742,000	20	40	3,294,000	4,048,000	20	42	3,663,000	4,488,000
30	48	6,275,000	7,188,000	30	50	6,618,000	7,621,000	30	52	7,513,000	8,551,000
Retirement		-	10,386,000	Retirement		-	10,783,000	Retirement		-	11,542,000

Source: "Wages and Retirement Allowance Situation of Small- and Medium-sized Enterprises", Bureau of Industrial and Labor Affairs, Tokyo Metropolitan Government, 2010, <http://www.sangyo-rodo.metro.tokyo.jp/>



## Retirement Allowance Plan Regulations

### Become a trusted company by creating adequate regulations!

#### Sample regulations for a company that solely depends on SERAMA without specifying the amount of retirement allowance

##### Article 1

1. The Company shall provide the employee with a retirement allowance at his/her retirement/resignation 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, Organization for Workers' Retirement Allowance Mutual Aid / Smaller Enterprise Retirement Allowance Mutual Aid Office (hereinafter called 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 a 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.

Sample table (based on monthly salary)

Monthly salary	Monthly contribution
Less than JPY 160,000	JPY 8,000
JPY 160,000 - 200,000	JPY 10,000
JPY 200,000 - 240,000	JPY 12,000
JPY 240,000 - 280,000	JPY 14,000
JPY 280,000 - 320,000	JPY 16,000
JPY 320,000 - 360,000	JPY 18,000
JPY 360,000 - 400,000	JPY 20,000
JPY 400,000 or more	JPY 22,000



Article 5

The amount of retirement allowance equals the amount obtained based on the contributed months and the monthly contribution stipulated in the Small- and Medium-sized Enterprise Retirement Allowance Cooperative Act.

Article 6

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

Article 7

1. The employee or his/her survivor in the 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 the Retirement Allowance Mutual Aid Guide.
2. In the event of an employee's retirement/resignation or death, the Company shall provide the retired/resigned employee or his/her survivor with the Retirement Allowance Mutual Aid Guide without any delay after the employee's retirement/resignation or death, except in the case of a delay due to unavoidable circumstances, so as to facilitate his/her claim for retirement allowance to the SERAMA Office of the Organization.

Article 8

The Company may amend or abolish these Regulations based on consultation with the representative of employees in the event of amendments to related laws and/or regulations, change of social conditions or other reasons.

<Supplementary Rules>

Article 1

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

Article 2

For 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 table (based on position)

Position	Monthly contribution
General staff (employee without a managerial position)	JPY 5,000
"Shunin" (Senior Staff)	JPY 8,000
"Kakaricho" (Section Chief)	JPY 12,000
"Kacho-hosa" (Assistant Manager)	JPY 18,000
"Kacho" (Manager)	JPY 24,000
"Bucho" (General Manager)	JPY 30,000

**Sample regulations for a company that sets the amount of retirement allowance**

Article 1

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

Article 2

The amount of retirement allowance equals the product of the monthly base salary at retirement/resignation and the multiple by years of service.

Article 3

For an employee who resigns for involuntary reasons, including work-related illness or injury, or attainment of retirement age after 10 or more years of service, the Company may provide an additional retirement allowance, which should not exceed 30% of the amount obtained according to the 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, Organization for Workers' Retirement Allowance Mutual Aid / Smaller Enterprise Retirement Allowance Mutual Aid Office (hereinafter called 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 contributions 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 for any reason other than being on leave of absence, or work-related illness or injury.

Article 8

If 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/resigned employee with the difference. If 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 the Company should provide.

Article 9

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

Article 10

1. The years of service referred to in Article 2 and Article 3 should begin from the date of hiring and end on the day of retirement/resignation. 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. Periods of leaves of absence as well as absences exceeding six months except for those due to work-related injury or illness shall not be included in the years of service.

Article 11

1. The employee or his/her survivor in the 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 the Retirement Allowance Mutual Aid Guide.
2. In the event of an employee's retirement/resignation or death, the Company shall provide the retired/resigned employee or his/her survivor with the Retirement Allowance Mutual Aid Guide without any delay after the employee's retirement or death, except in the case of a delay due to unavoidable circumstances, so as to facilitate his/her claim for retirement allowance to the SERAMA Office of the Organization.
3. If the Company is to provide the difference stipulated in Article 8, unless there is a delay due to unavoidable circumstances, it shall provide the difference to the retired/resigned employee or his/her survivor after his/her retirement/resignation or death without any delay.

Article 12

The Company may amend or abolish these Regulations based on consultation with the representative of employees in the event of amendments to related laws and/or regulations, change of social conditions or other reasons.

<Supplementary Rules>

Article 1

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

Article 2

For 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.



## Contributions subsidized by municipalities

### Which subsidy programs are available in your town?

The SERAMA Office calls municipalities that offer subsidies for monthly contributions to the SERAMA Scheme “Contribution Subsidizing Municipalities.”

The conditions, subsidy amounts and periods of subsidy programs differ with each municipality or subsidizing organization.

For the latest information on the subsidy programs offered by Contribution Subsidizing Municipalities, please go to the links section of our website.



## Small- and Medium-sized Enterprise Retirement Allowance Cooperative Act

### Our reliable scheme is based on legislation.

#### ■ Abstract of Small- and Medium-sized Enterprise Retirement Allowance Cooperative Act

##### (Purpose)

###### Article 1

This law aims to facilitate the use of the retirement allowance mutual aid scheme by employees of small- and medium-sized enterprises based on a spirit of mutual aid among employers of small- and medium-sized enterprises who are to contribute to the scheme, to promote the welfare of these employees and to grow small- and medium-sized enterprises.

##### (Conclusion of Contract)

###### Article 3

Only a small- and medium-sized enterprise employer can conclude a retirement allowance mutual aid contract.

###### 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 with benefits according to the retirement allowance mutual aid contract.

##### (Retirement Allowance)

###### Article 10

1. When the beneficiary retires/resigns, the Organization shall provide the beneficiary (or his/her survivor in the case of retirement due to death) with a retirement allowance. However, in the event that the months of contribution for the beneficiary (hereinafter called “Months of Contribution”) are fewer than 12, the preceding sentence will not apply.
5. In the event that the beneficiary is dismissed for disciplinary reasons, and the sponsor of mutual aid requests for reduction of the amount of retirement allowance, and the Minister of Health, Labour and Welfare determines that the reduction is reasonable based on the standards set by the Order of the Ministry of Health, Labour 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.

##### (Cancellation Allowance)

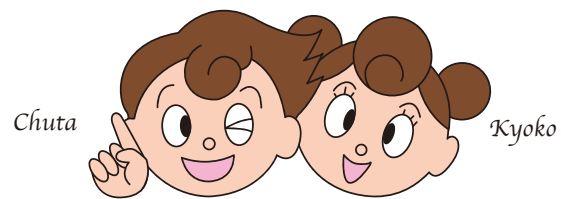
###### Article 16

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

##### (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 the case of delinquency with regard to national tax obligation (or disposition for the delinquency) shall be exempted.



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

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