

Social Security in Japan

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The Nation-wide System

- Japan has a nation-wide social security system, designed and supervised by the Ministry of Health, Labour, and Welfare (MHLW) .
- The system has been developed across the three major fields of social welfare provision.
 - Pension
 - Health Care
 - Elderly Care

Separated Plans

- Social security provision is designed separately for Employees and Retired citizens.
- Employees are supposed to join the insurance system managed by the their employers.
 - Employees pay insurance premiums, and receive the specified benefits.
- All business corporations, central/local governments, and teachers unions are mandated to found their insurance unions.
- Private business owners and retired individuals are covered by the national health care/pension system, managed directly by the government.

Pension

- If you are
 - Employed by business corporations, you are covered by the *Welfare Pension*.
 - Public officers or teachers, you are covered by the *Mutual Pension*.
 - If you are owners of small business or temporary workers, you are covered by the *National Pension*.
- You need to pay pension premiums until your retirement (age of 60), and will receive benefits after age of 65.

Gaps in Coverage

- If you join a welfare/mutual pension, a half of your pension premiums are paid by your employers.
- However, if you join the National Pension, you have to pay all the pension premiums.
- If you are a housewife, your payment obligation is waived: you can receive a full benefits after the age of 65.

The Three Tier System

- The baseline benefits are common across the three systems.
- The benefits in the middle range are proportional to your contribution you paid when young.
- The benefits in the top range are optional.
- Only the baseline benefits are available for the small business owners and temporary workers.
 - Because there is no mandatory retirement for small business owners, and they hate the burden to pay insurance premiums.

Health Care

- Health care benefits are provided by your companies' insurance union.
- If you are a small business owner, or a temporary worker, you join the National Health Care.
- Prices for treatments and medicines are strictly controlled by the government.
- No matter which health care system you join, you have to pay 30% of the cost of all the treatments and medicines that you receive at any medical care institutions, if you are younger than 65.

Free Access

- You are allowed to visit any medical care institutions (hospitals, clinics, and individual doctors) on your choice.
- However, in order to avoid congestions, you need to ask your home doctors to write a reference letter, before going to major hospitals that can provide high-quality medical services. Otherwise you have to pay extra fees at the front desk of major hospitals.

Elderly Care

- As you get old, you can request public physical supports that are financially operated by the government.
- The care level you can request depends on how disabled you are.
- Again, the care service price is strictly regulated, and the government directly pays the operation costs to the elderly care agents.
- Elderly citizens are allowed to order care services at the predetermined prices.

Supply Shortage

- The national elderly care system suffers major financial problems, because it is difficult to find enough number of certificated care workers.
- The elderly care agents do not have enough budgets to pay competitive wages to care workers.
- The government considers to train foreign immigrants and hire them in the elderly care industry.