



Japan's Workstyle Reform Act – What Is the Compliance Deadline for Your Organization?

Insights

1.06.20

To tackle the *karoshi* (“death by overwork”) problem, Japan enacted the Workstyle Reform Act in June 2018. The Act requires employers to implement specific measures to limit employees’ working hours and create a healthier and more flexible work environment. The Ministry of Health, Labour and Welfare has set different compliance deadlines ranging from April 1, 2019 to April 1, 2023 for different requirements of the Act. This staggered schedule gives employers sufficient time to amend their work rules and put compliance mechanisms in place. The compliance deadlines also depend on the size of the employer as defined below.

An employer is considered a “large company” under the Act if it does not fall under any of the items in Table 1 and Table 2 below. All other companies are considered mid-sized to small companies.

Table 1

Registered Capital or Contributed Capital:

Retail	Under 50 million JPY
Service	Under 50 million JPY
Wholesale	Under 100 million JPY
Others	Under 300 million JPY

OR

Table 2

Number of Full-Time Employees:

Retail	Under 50
Service	Under 100
Wholesale	Under 100
Others	

Timing of Implementation

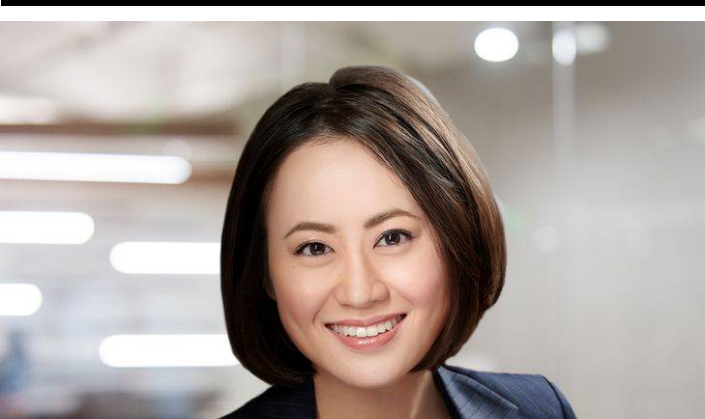
Requirement

Deadline for

Maximum hours limit and setting of penalties (including criminal penalties) for exceeding maximum hours	Implementation Large Companies: April 2019 Mid/Small Companies: April 2020
Mandatory five paid vacation days	All Companies: April 2019
Interval system between working days	All Companies: April 2019 Large Companies: already implemented
Increased wage rates for different types of overtime	Mid/Small Companies: April 2023
Strengthening the function of industrial physicians (including companies' obligations to monitor working hours)	All Companies: April 2019 Large Companies: April 2020
Equal work, equal pay	Mid/Small Companies: April 2021
Establishment of highly skilled professional system	All Companies: April 2019
Three months of flexible time	All Companies: April 2019

The above table only provides a rough summary of the compliance deadlines of the main requirements under the Act. You should take the time to understand the details behind each requirement. All employers with more than 10 employees are required to have a set of work rules and register such rules with the local Labor Inspection Office. The same applies to any changes and amendments to the work rules. When amending your work rules, it is advisable to utilize implementation procedures that do not create a constructive dismissal situation.

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