



# COVID-19 FAQs for Employers with Operations or Interests in Japan

Insights

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## **Does Japan have any travel restrictions?**

Yes. Starting on March 26, Japan will require all travelers arriving from the U.S. to self-quarantine for two weeks.

Japan currently restricts the entry of the following groups barring special circumstances:

- People who have been in the following regions in the 14 days prior to arriving in Japan:
  - The following provinces in China: Hubei and Zhejiang
  - Nine regions and municipalities in Korea
  - 11 provinces in Iran
  - Nine regions in Italy
  - San Marino
  - The following cantons of Switzerland: Ticino and Basel-Stadt
  - The following communities of Spain: Navarra, Basque, Madrid, and La Rioja
  - Iceland
- Holders of Chinese passports issued in the Hubei Province or Zhejiang Province
- Passengers who were on the Westerdam cruise ship

## **Has the government imposed any restrictions on the movement of people within the country?**

Generally no. Some prefectures and municipalities with a high-level of infection have imposed temporary restrictions on travel and gatherings. All elementary, junior high, and high schools are currently closed, but they are expected to reopen in April.

## **Are there restrictions on business operations?**

Although not an order, the Japanese government has requested its residents to avoid large-scale gatherings and places with bad ventilation, and to keep distance from other people. Companies are asked to promote telework and flexible working hours to enable their employees to avoid crowded public transit during rush hours. Many companies have voluntarily asked all of their non-essential workforce to work from home and have cancelled large meetings.

### **Can an employer furlough employees?**

Yes, but very stringent requirements must be satisfied. Furlough without pay from the employer should be used as the absolute last resort. The employer must be able to show that the continued operation of the business would be impossible unless it puts employees on furlough without pay. Mere loss of profits is insufficient.

If at all possible, employers should offer to put employees on leave with 60% of their regular pay.

### **Can an employer revise the employment agreements to reduce the pay rates or workload?**

Any changes to working conditions, including pay and amount of work, must be voluntarily consented to by the affected employees. Given the current situation, it is difficult to obtain consent that is truly voluntary, and the validity of the consent may be disputed later. Therefore, we generally do not recommend this approach unless there are special circumstances.

### **Is there any economic relief provided by the government?**

Yes. Large employer may qualify for 1/2, and mid-sized/small employers may qualify for 2/3 of the payments made to employees during their leave, up to 8,330 yen per day if the employer is able to show a 10% loss of revenue or sales.

### **What are the consequences of a wrongful furlough or reduction?**

In addition to civil penalties such as fines and reinstatement of employment, the employer may be criminally prosecuted under the Labor Standards Act.

### ***Related People***



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