

Employment Status of the Elderly and Employment Measures in Japan



Employment Measures for the Elderly Div.
Employment Development Dept.
Employment Security Bureau
Ministry of Health, Labour and Welfare

June 28th, 2021

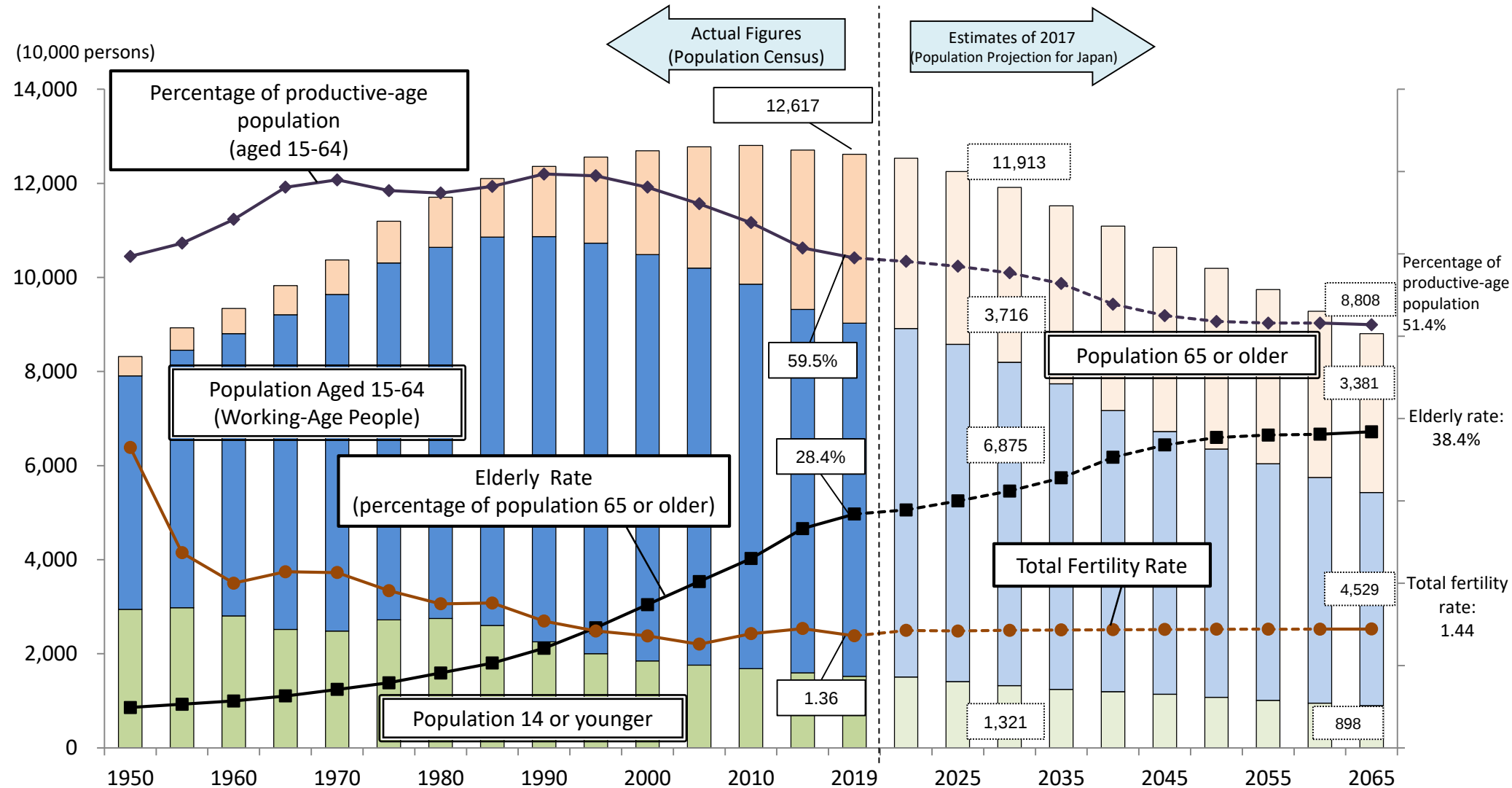
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1. Employment Status of the Elderly

Population Trends of Japan

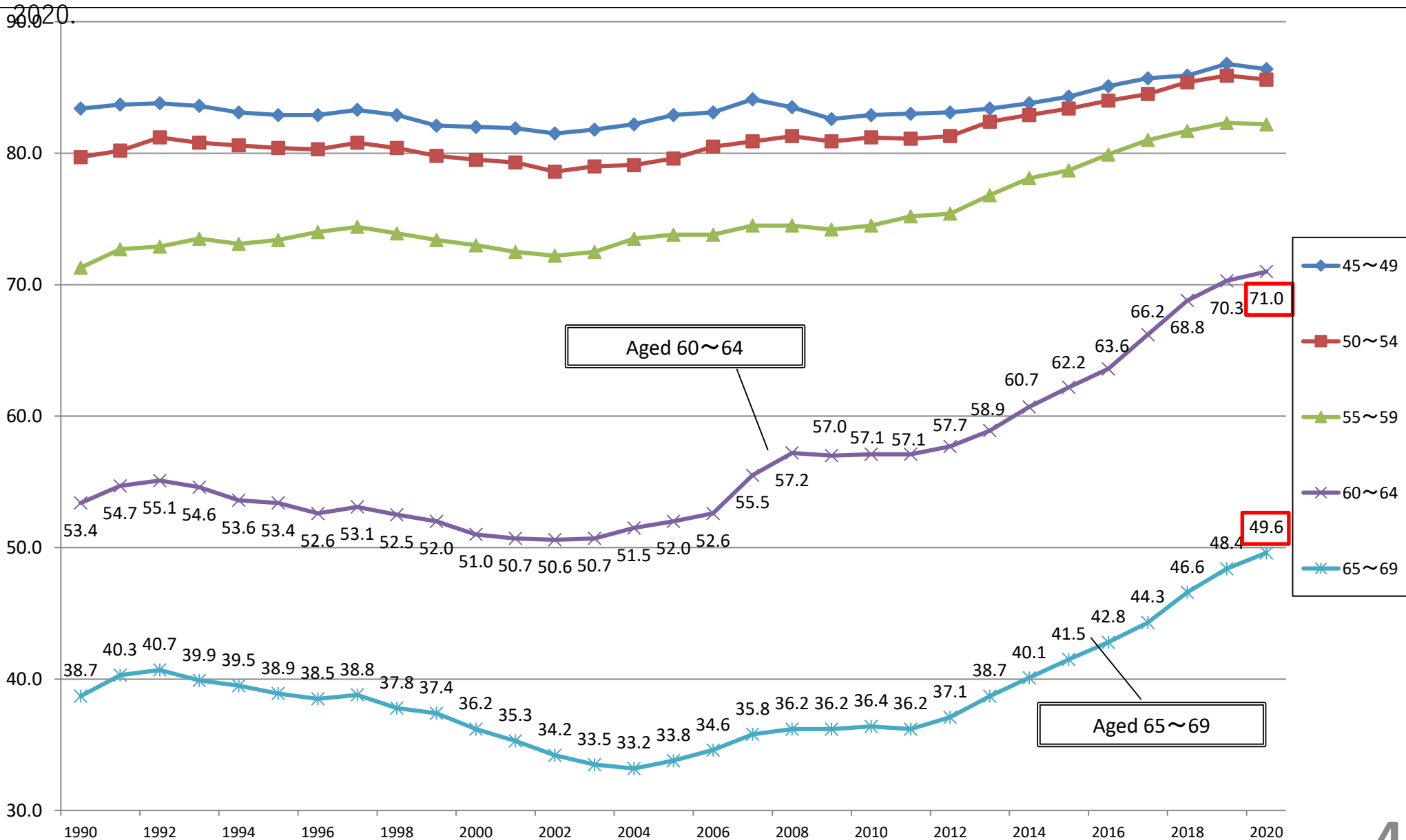
The population of Japan has been entering a declining phase in recent years. In 2065, it is estimated that the total population will fall below 90 million and the ageing rate will be in the 38% range.



Sources: Population statistics : "Population Prospect" by the Ministry of Internal Affairs and Communications (MIC)(as of Oct. 1st each year)
 The National Population-aging Rate and the Working Population Rate : "The National Census" by MIC
 Total Fertility Rate: "Vital Statistics" by the Ministry of Health, Labour and Welfare (MHLW), "Population Projection for Japan" by the National Institute of Population and Social Security Research (IPSS)

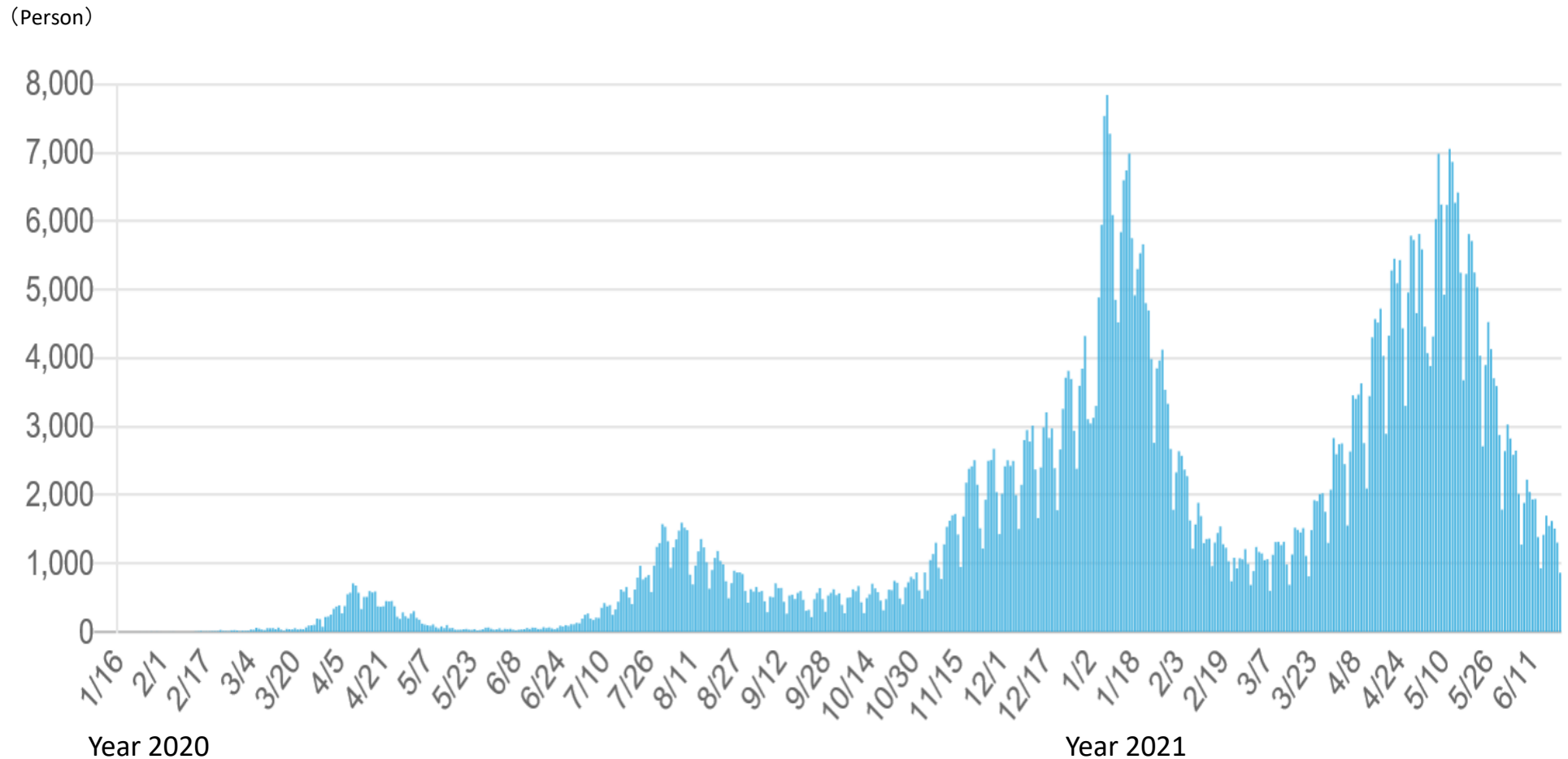
Changes in Employment Rate

The employment rate of people aged 60 or over has been on a rising trend in recent years, and reach highest level in 2020.



Source: "Labour Force Survey" by MIC

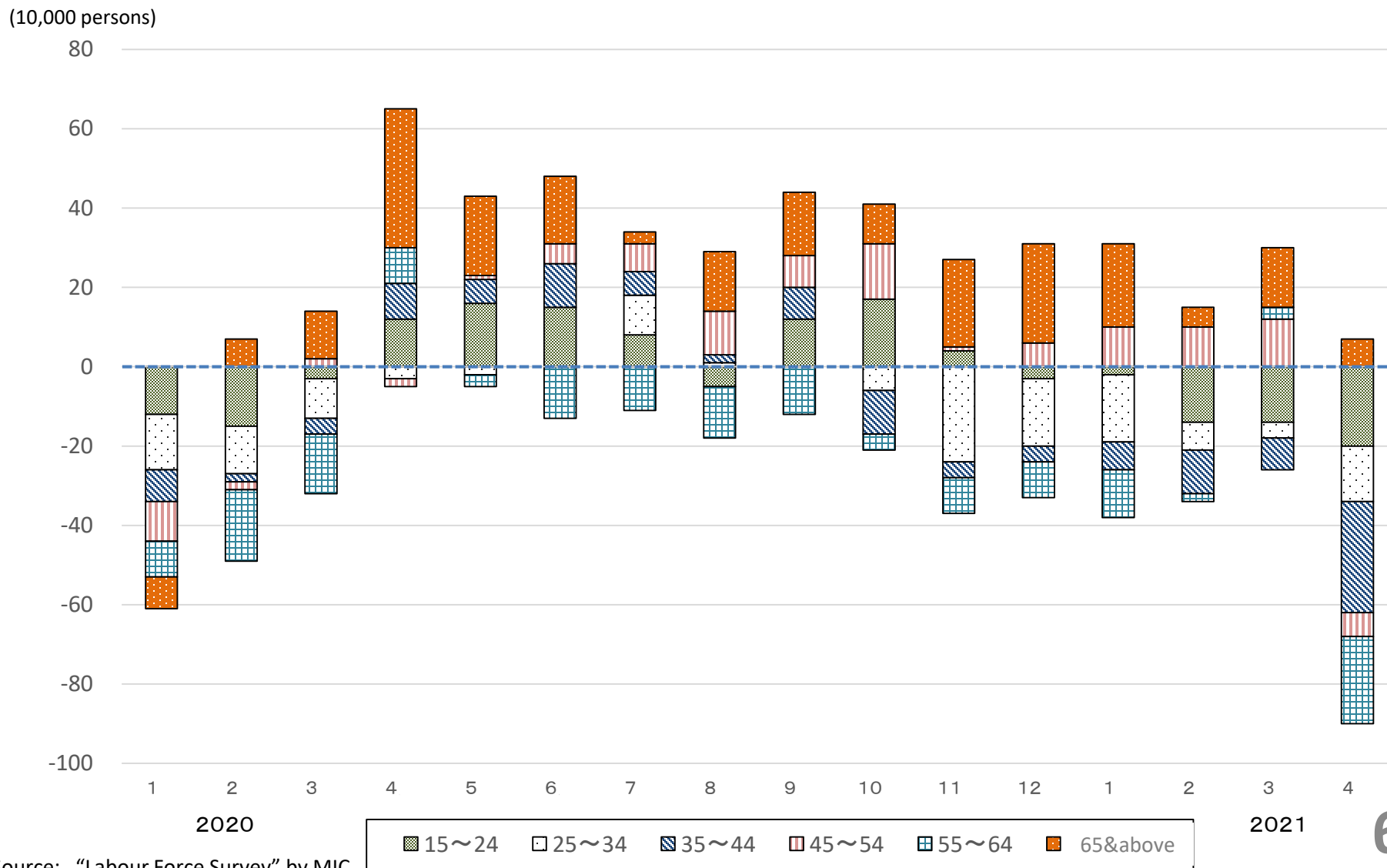
Trend of positive cases of Covid-19



Sources : 「Covid-19 (outbreaks in japan etc.) 」<https://www.mhlw.go.jp/stf/covid-19/kokunainohasseijoukyou.html>

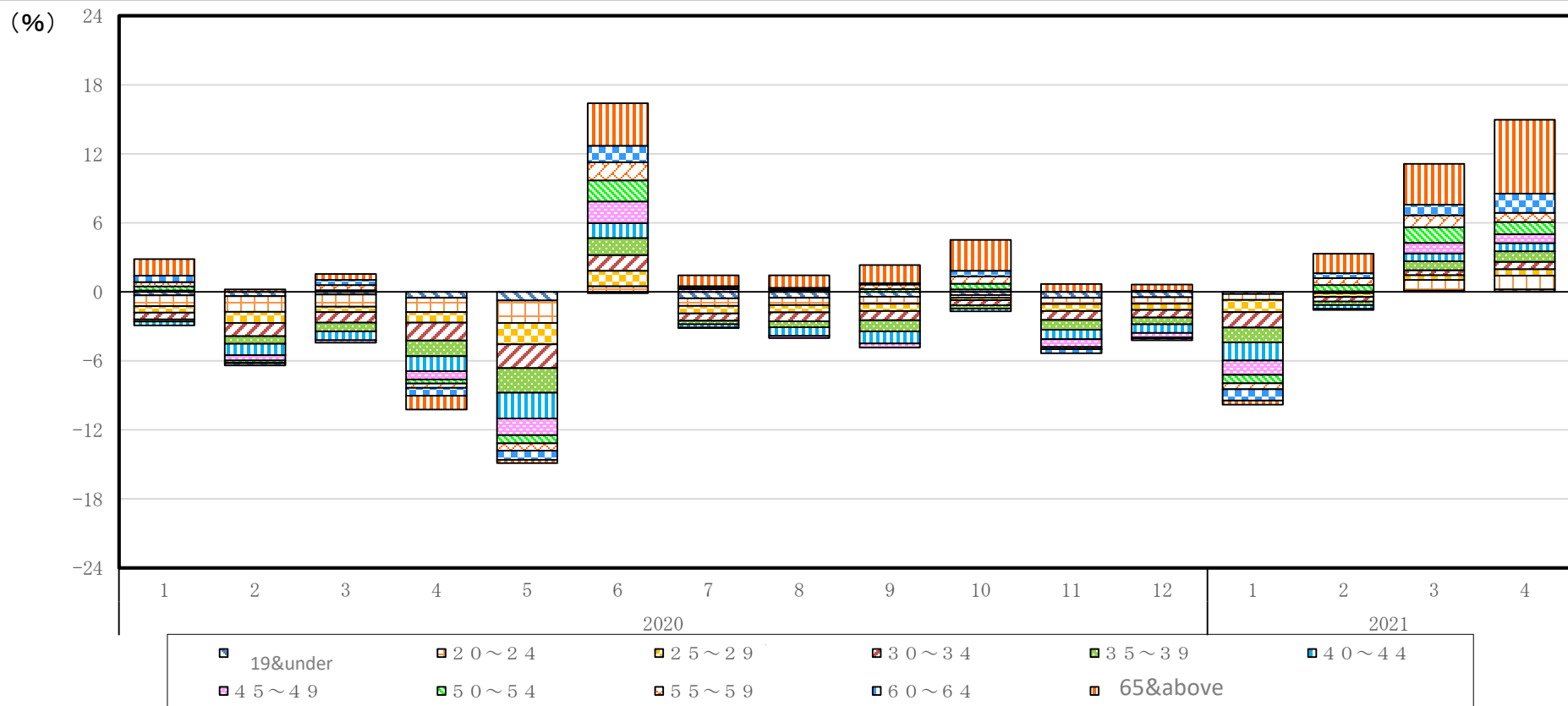
Trend in the non-labour force by age group

○ Trends in non-labour force after January 2020 was significantly affected by the increase in the number of people aged 65 or older, and the extent of this increase tend to be linked to the infection status of the Covid-19.



Year on Year changes in the number of New Employment Applicants and Positive Case of Covid-19

- Since the Declaration of State of Emergency was lifted in June 2020, the number of new applicants for employment aged 65 or older has tended to remain positive compared to the same month last year, and contributing to the overall increase.
- The infection status of Covid-19 has a significant impact on the number of new applicants for employment aged 65 or older.



Sources : “Report on Employment Service and the official rated of unemployment” Ministry of Health, Labour and Welfare, Japan

※Notes : The figure are for permanent employment, including part-time workers

“Covid-19 (outbreaks in japan etc.)” Ministry of Health, Labour and Welfare, Japan

<https://www.mhlw.go.jp/stf/covid-19/kokunainohasseijoukyou.html>

Overall unemployment rate

- The unemployment rate in 2020 compared to 2019 increase at all age groups, but of those aged 55-64, increases 2.6% (up 0.5%) ,1,7% (up 0.2%) for those 65 and older.

	2019	2020	Increase and Decrease
Total number	2.4	2.8	0.4
Ages 15 to 24	3.8	4.6	0.8
Ages 25 to 34	3.2	3.9	0.7
Ages 35 to 44	2.2	2.5	0.3
Ages 45 to 54	2.0	2.3	0.3
Ages 55 to 64	2.1	2.6	0.5
Ages over 65	1.5	1.7	0.2

Exceptional measure by Employment Adjustment Subsidy due to a declaration of a state of emergency on Covie-19

As planned

in Normal times	Exceptional Measure on covid-19 (until April 30, 2021)	Exceptional Measure on covid-19 (May 1, 2021 -August 31, 2021)
Employers who have been forced to reduce their business activities due to economic reasons.	Employers affected by the Covid-19	Same as on the left
Production Indicator Requirements : Decreased by more than 10% for 3 months	Alleviation the Production Indicator Requirements: Decrease by more than 5% per month	Same as on the left
persons under employment insurance are covered	persons NOT under employment insurance are also covered	Same as on the left
Subsidy rate for absence from work : 2 / 3 (small and medium-sized enterprises) 1 / 2 (large enterprises)	Subsidy rate for absence from work small and medium-sized enterprises : 4 / 5 (10/10) large enterprises : 2 / 3 (3 / 4) ※Recipient of Regional exception (Note 1) and Exception on Business condition (Note 2) large enterprises : 4 / 5 (10/10)	Subsidy rate for absence from work small and medium-sized enterprises : 4 / 5 (9/10) large enterprises : 2 / 3 (3 / 4) ※Recipient of Exception on Business condition (Note 3) 、 Exception on Business condition (Note 4) Small and medium-sized enterprises・large enterprises 4 / 5 (10/10)
The maximum amount of subsidy for absence from work, and education and training is 8,370 yen	The maximum amount of subsidy for absence from work, and education and training is 15,000yen	The maximum amount of subsidy for absence from work, and education and training is 13,500yen ※Recipient of Regional exception (Note 3) 、 Exception on Business condition (Note 4) The maximum amount is 15,000yen
Plan submission is required in advance	Plan submission is not required	Same as on the left
One year cooling period is needed	Cooling period is not needed	Same as on the left
Must be insured for at least 6 months	Requirement of Insured persons' period is abolition	Same as on the left
The number of days on maximum payment 100days/year、150days/3year	Same as on the left +targeting period as above (y)	Same as on the left
Only shot-term , simultaneous holidays Condition of scale on suspension of operation : 1/20(SMEs) 1/15(large enterprises)	Alleviation condition of short-term on suspension of operation (Not all at once is acceptable) Condition of scale on suspension of operation : 1 / 40(SMEs) 1 / 30(large enterprises)	Same as on the left
Overtime set off	Overtime set off is suspended	Same as on the left
Education training for insured person who is needed of education training Subsidy rate : 2 / 3(SMEs) 1 / 2 (large enterprises) Additional amount : 1,200yen	Subsidy rate for education and training SMEs : 4 / 5 (10/10) large enterprises : 2 / 3 (3 / 4) ※Recipient of Regional exception (Note 1) and Exception on Business condition (Note 2) large enterprises : 4 / 5 (10/10) Additional amount : 2,400yen(SMEs) 1,800yen(large enterprises)	Subsidy rate for education and training SMEs : 4 / 5 (9/10) large enterprises : 2 / 3 (3 / 4) ※Recipient of Regional Exception on Business condition (Note 3) 、 Exception on Business condition (Note 4) SMEs・large enterprises 4 / 5 (10/10) Additional amount : 2,400yen(SMEs) 1,800yen(large enterprises)
Condition of temporary transfer period : more than three months less than one year	Condition of temporary transfer period : more than one months less than one year	Same as on the left

※Figures in parentheses in the subsidy rate indicate the subsidy rate when the employer does not lay off employees.

(Note 1) Employers who cooperate in shortening the business hours of the facilities specified in Article 11 of the Enforcement Order of the Act on Special Measures in response to a request from the governor in accordance with the basic response policy specified in Article 18 of the Act on Special Measures in the areas where emergency measures are to be implemented or where priority measures are to be implemented for preventing the spread of disease (large enterprises only).

(Note 2) large enterprises nationwide that are experiencing particularly difficult business conditions (monthly average production indexes for the past three months have declined by 30% or more from the same period of the previous year or two years).

(Note 3) Employers who cooperate in shortening the business hours of the facilities specified in Article 11 of the Enforcement Order of the Act on Special Measures in response to a request from the governor in accordance with the basic response policy specified in Article 18 of the Act on Special Measures in the areas where emergency measures are to be implemented or where priority measures are to be implemented for preventing the spread of disease (applicable until the end of the month following the month in which the last day of the implementation period of emergency measures or priority measures for preventing the spread of disease in each area belongs).

(Note 4) enterprises nationwide that are experiencing particularly difficult business conditions (monthly average production indexes for the past three months have declined by 30% or more from the same period of the previous year or two years).

2. Employment measures for the Elderly

Three pillars on measure of employment for the elderly

1. Securing employment for the elderly in enterprises

2. Re-employment support for middle-aged and older

3. Securing diversity of job opportunity in regional

1. Securing employment for the elderly in enterprises

Act on Stabilization of Employment of Elderly Persons

○ Prohibition of the Mandatory Retirement Age below 60

If an employer fixes the mandatory retirement age of workers employed by said employer, the mandatory retirement age must not be below 60.

○ Measures for Securing Employment for Elderly Persons

If an employer fixes the mandatory retirement age (limited to under the age of 65), the employer **must take any one of the measures listed below;**

- ① Raise said mandatory retirement age to 65
- ② Offer re-employment or extension of the employment contract to their older workers up to the age of 65 as part of the continued employment system. (In-house or group enterprises)
- ③ Abolish the Mandatory Retirement Age

※This is an obligation of the enterprise to introduce one of these measures as a system, not an obligation to employ individual workers.

○ Measures for Securing Employment under the age of 70 <April 1, 2021 in effective>

Employers **shall endeavor to take one of the following measures.**

- ① Raise said mandatory retirement age to 70
- ② Offer re-employment or extension of the employment contract to their older workers up to the age of 70 as part of the continued employment system. (including those by other employers other than the enterprise or its group enterprises)
- ③ Abolish the Mandatory Retirement Age
- ④ Introduction of a system to conclude outsourcing contracts continuously until the age of 70
- ⑤ Introduction of a system that allows employees to engage in the following businesses continuously until age 70
 - a. Social contribution programs implemented by the employer itself
 - b. Social contribution projects conducted by organizations to which the employer entrusts or invests (provides funds), etc.

Support for Securing Employment in enterprises

○Subsidy Measures for Employer

(Subsidies for employment promotion of the elderly aged 65 years or above)

○The course for acceleration employment people aged 65 or older

Payment 150,000~1,600,000 yen to employer as to the contents of measure, and according to raise the age of retirement.

Eligible recipient (enterprises) are those that have implemented any of the following measures:

raising the retirement age to 65 or older, abolishing the retirement age, introducing a continuous employment system that employs all applicants up to the age of 66 years old, or introducing a continuous employment system by other enterprises.

In the case of implementation to introduce the continued employment system by other enterprises, target of payment as cost is ½ (maximum 50,000yen~150,000yen)

○The course for amelioration of employment management on evaluation the employment system of elderly

Payment 45% <60%> (SMEs 60% <75%>) of costs for this measure to employers who formulize Employment Management System of the elderly (ex. formulation wage / ability evaluation system for elderly)

○The course for conversion of unlimited employment of elderly

Payment 380,000 yen<480,000yen to employer per a employee who has been conversed from fixed-term contract workers to open-ended contract workers at age over 50 and under retirement age.

(SMEs 480,000yen per person <600,000yen>)

Note: < > If productivity requirements are met

○Support for employer (consultation&advice)

Support conducted by Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers

- ① Making individualized proposals on the expected effects extending continuous employment and raising the retirement age, as well as how to proceed, according to the actual situation of each enterprise.
- ② Gathering and providing case studies of enterprises working to strengthen seniors' workforce.

Summary of Cumulative Results of the “Employment Status of the Elderly ” in 2020

As of June 1, 2020

〈Data to Be Summed up〉 164,151 enterprises with 31 or more full-time employees 〈large enterprises (301 or more employees): 17,070 and small and medium-sized enterprises (SME) (31-300 employees): 147,081〉

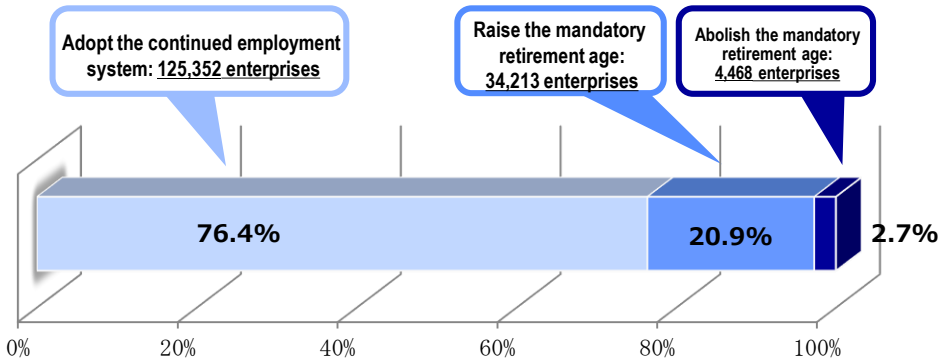
1 Situations of enterprises with “Measures for Securing Employment of the Elderly”

* [1] Abolish the mandatory retirement age, [2] Raise the mandatory retirement age, and [3] Adopt the continued employment system pursuant to Article 9, paragraph (1) of the Act on Stabilization of Employment of Elderly Persons

(1) Situations of enterprises with Measures for Securing Employment of the Elderly

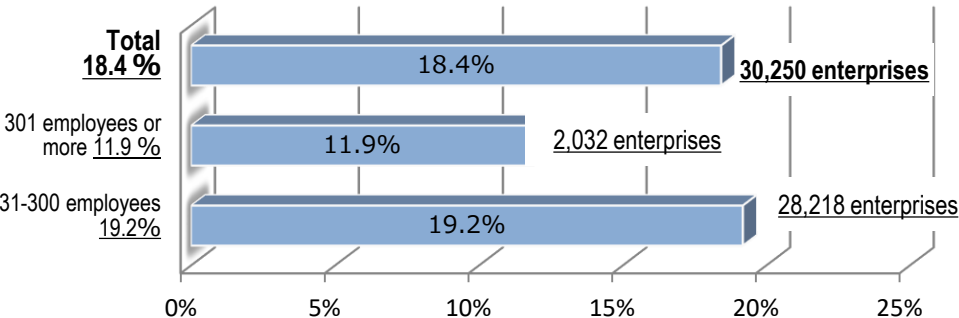
enterprises implement the measures for securing employment of the elderly: 99.9 % (0.1 point increase)

[Details of measures undertaken by 164,033 enterprises]



(2) Situations of enterprises with Mandatory Retirement Age at 65

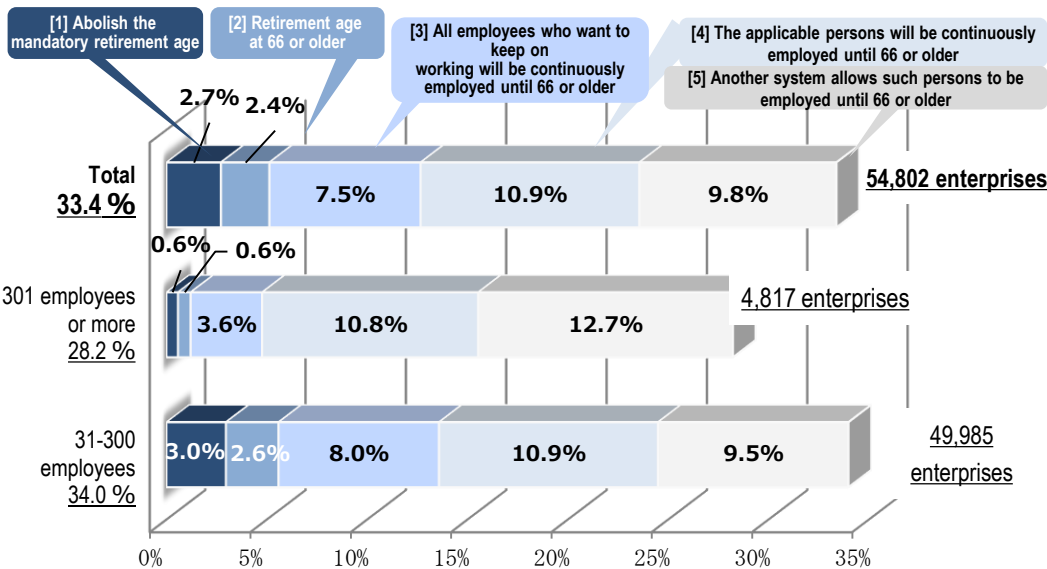
enterprises with mandatory retirement age at 65 is 18.4 % (1.2 point increase)



2 Situations of enterprises with a System Allowing Employees Aged 66 or Older to Work

enterprises with a system allowing employees aged 66 or older to work is 33.4 %

Large enterprises: 28.2 % and SME: 34.0 %

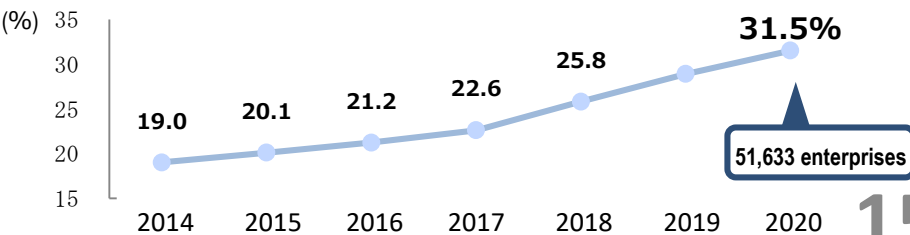


**Situations of enterprises with a System Allowing Employees Aged 66 or Older to Work” started to be pulled together this year.

**[5] Another system allows such persons to be employed until 66 or older” means a system has not been introduced to hire all employees who want to keep on working will be continuously employed, but this shows a system has been introduced to let them work until 66 or older in some measures according to actual conditions of a enterprise.

3 Situations of enterprises with a System Allowing Employees Aged 70 or Older to Work

enterprises with a system allowing employees aged 70 or older to work is 31.5 % (2.6 point increase)



2. Re-employment support for middle-aged and older

1. Team Support by Hello-Work

<Supported Target>

➤ Employment seekers approximately aged 60 or older

<Main contents of support>

➤ Counseling and assistance for redesigning vocational life based on life in old age, and vocational life of applicants for employment who are pensioners

➤ Generous team support according to individual's situation.

➤ Development/provision information on employment for elderly (Strengthening development job vacancies of short-time job for people aged 65 or older to work)

➤ Provision information on light employment by cooperation with Silver Human Resources Centers

2. Subsidy measures for employer

(subsidies for the employment development of designated job seekers)

○ **The course for applicants with specific difficulties in finding employment**

Subsidization an amount equivalent to a portion of wages to employers who employ

such as older workers (60-65years old) who have difficulty finding work by introducing by Hello-Work etc.

(For SMEs : 600,000 yen per person (Part-time: 400,000 yen))

○ **The course for lifelong**

Subsidization is equivalent to a portion of wages for employers who employ retired

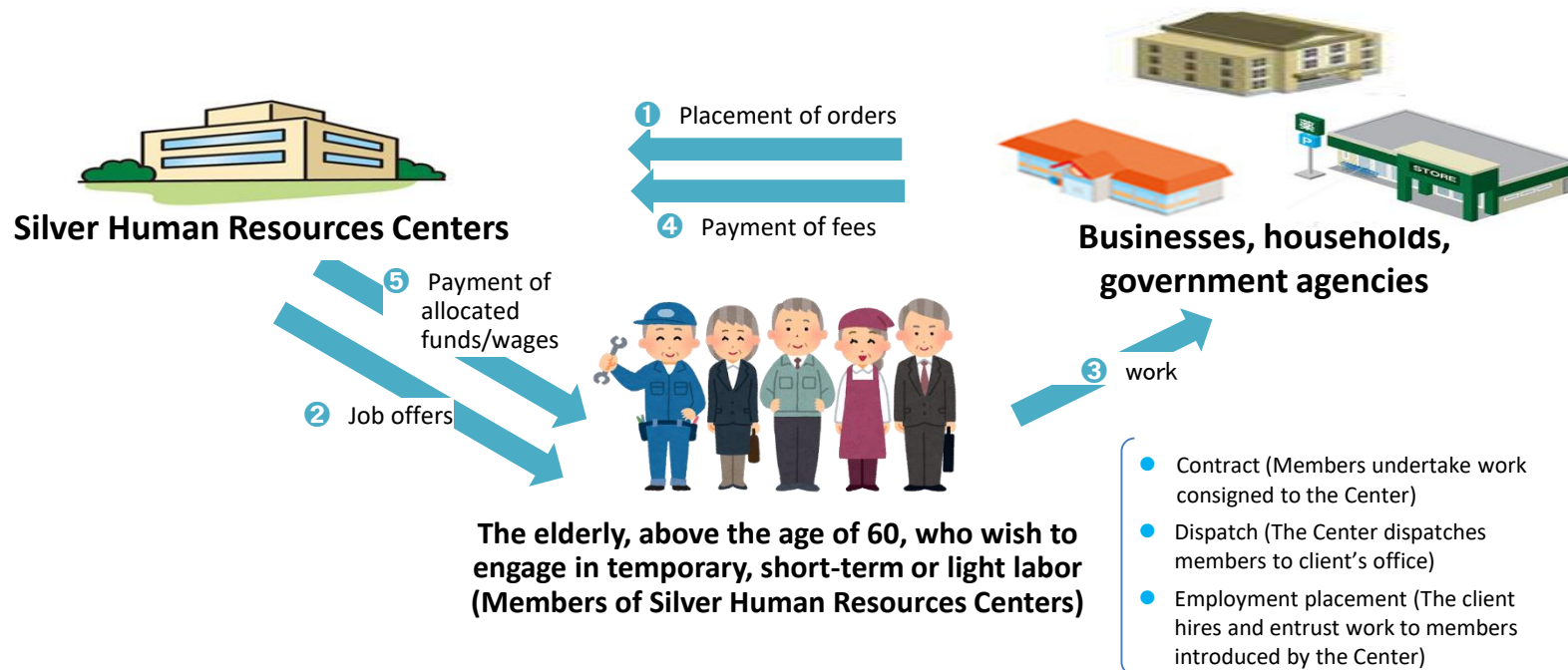
workers aged 65 or older by introducing by Hello-Work etc.

3.Securing diversity of job opportunity in regional

Silver Human Resources Centers provide employment opportunities to the elderly who wish to engage in temporary, shorter light labor.

○ Overview of the Silver Human Resources Centers in 2019

Number of organizations: 1,303; number of members: 716,000 (474,000 male workers, 242,000 female workers); average age: 73.4; actual number of workers: 587,000; Average monthly working days: 9.7; average monthly revenue: 36,000 yen; Total number of workers: 68.49 million per day; number of contracts: 3.34 million; value of contracts: 321.5 billion yen



Maintenance and development of regional economies and society, etc.

Elimination of labor shortage for businesses, etc. and provision of support for the working generation

Enhancement of fulfillment, maintenance and improvement of health and stability of living for the elderly

○ Scope of work offered by Silver Human Resources Centers

Cleaning, weeding, management of bicycle parking spaces, park management, labeling, pruning, replacement of shoji/fusuma, welfare/housekeeping support service, tour guide, dispatch to nursing care homes, childcare, supermarkets, hotels, restaurants, manufacturers, etc.

Notes: Employment within roughly 10 days a month or working hours not exceeding 20 hours per week

(There is a special treatment to set the working hours of duties through dispatch or employment placement to a maximum of 40 hours per week in the case where such duties are expected to contribute to ensuring employment opportunities of the elderly, there is no risk of placing pressure on the private sector or significantly impacting employment opportunities of other workers, and when designated by the prefectural governor. Enforced in April 2016.)

Strengthen initiatives and enhance business continuity on Covid-19 at employment service centers for older people

The purpose of the effort

FY2020 Additional budget from Supplementary Budget (3rd) 690 million yen

- ◆ In order to cope with the interruption or reduction of employment due to the new coronavirus infection, we will take the necessary measures to prevent infectious diseases based on the "new lifestyle" and secure and create sufficient employment opportunities in a "two-pronged approach". At the same time, we will ensure continuity of business operation of employment service centers for older people to ensure realization of jobs creation for decent work while co-existing with new coronavirus pandemic.

Thorough infectious disease control

- ◆ The average age of Centers' members is on the rise, and the number of accidents during work is increasing every year.
- ◆ Strengthen measures to prevent Covid-19 infections, including the development of remote work environments, so that elderly people, who join the workforce, can work safely with peace of mind.

(Reference : Average age of members and number of accidents during working)

	Average age of members	Number of accidents during working
FY2019	73.4	3,968
FY2018	73.0	3,790
FY2017	72.6	3,801
FY2016	72.2	3,650件

- ✓ Membership briefings and various seminars through online
- ✓ Conducting seminars and courses for prevention of infectious diseases.
- ✓ Implementation of on-site guidance to prevent infectious diseases.

(Round Instruction for prevention infectious diseases)



(Prevention infectious diseases at offices)



Creation of employment opportunities under the Covid pandemic

- ◆ Securing sufficient new employment opportunities to cope with the interruption or decrease in employment due to the effects of the Covid-19 infection, and to cope with the increase in the number of members seeking employment for economic reasons due to the stagnation of economic activities

(Reference: The number of members, motivation of admission, change in number of acceptance of working)

	Changes in number of members	Motivation of admission (economic reason)	Number of acceptance of working
FY2004	764,000	24.7%	3,410,000
FT2005	792,000 (+29,000)	27.9% (+3.2%)	3,380,000 (▲30,000)
FY2006	787,000 (▲5,000)	25.2% (▲2.7%)	346,000 (+80,000)

- ◆ At the same time, we will support new efforts to promote ICT utilization, including raising the level of IT literacy among center members, in order to broaden the scope of home employment in the Covid pandemic and increase the added value.

(Scenes at seminars on tablets and PCs)



- ✓ Assignment a person responsible for job development and creation
- ✓ Efforts to gather opinions from local experts and stakeholders.
- ✎ Creation of high value-added home employment and expansion of employment opportunities that are less susceptible to infectious diseases, etc.

Revitalization of local communities through realization of decent work coexisting with Covid pandemic

The effect on Employment Measure for elderly

○ In the 60-64 age group, after the Revise of Act on Stabilization of Employment of Elderly persons (April, 2006) with mandatory for measures for securing employment for elderly person, employment rate is increasing.

○ In the 65-69 age group, employment rate is increasing too. We pay attention the effect on the amendment act on Stabilization of Employment of Elderly persons (April, 2021) with mandatory for measures on making effort to promote t

