

iGlobal Law Annual Alert 2023 : Japan

| Legal Change | Effective Date | Action required |
|--|-----------------------------------|---|
| <p>Increased Rate of Overtime</p> <p>The amended Labour Standards Act provides an increase rate of overtime pay for overtime work exceeding 60 hours. Small-medium enterprises have been exempted as transitional measures. This tentative exemption will end, and the increased rate (150%) will apply to small-medium enterprises on or after April 1, 2023.</p> | <p>April 1st, 2023</p> | <p>Small-medium enterprises must amend work rules (or salary regulations).</p> |
| <p>Upper Limit of Overtime</p> <p>The upper limit of overtime was introduced in April 2019 but has not been applied to construction workers, vehicle drivers and doctors for five years as transitional measures.</p> <p>On construction workers, the upper limit of overtime will apply, except for disaster recovery-related work.</p> <p>On drivers, the upper limit of overtime will be 960 hours per year if a labour-management agreement on overtime with special clause is concluded.</p> <p>On doctors, the upper limit of overtime will be 960 hours per year and 100 hours (including holiday work) per month, in principle. Certain exception will apply to doctors working at emergency care facilities.</p> | <p>April 1st, 2024</p> | <p>An employer which conducts business related to construction, logistics/transportation and/or hospitals should review whether it can comply with the upper limit requirement. In addition, a labour-management agreement on overtime must be updated.</p> |
| <p>Disclosure Obligations regarding Childcare Leave</p> <p>An employer who regularly employs 1001 or more workers will be required to publicly disclose the status of employees' taking childcare leave once a year.</p> | <p>April 1st, 2023</p> | <p>A company with 1001 or more workers must collect the relevant data and prepare for disclosure.</p> |
| <p>Guideline for Promoting Labour Mobility</p> <p>The government announced "new-form of capitalism", in which it declares that it will promote labour mobility. The government will publish a guideline to promote labour mobility which will encourage companies to switch to job-based pay structure.</p> | <p>June 2023</p> | <p>No action is required for now, but it is recommendable to review a salary structure.</p> |