

## iGlobal Law 2024 Annual Alert : Japan

Legal Change	Effective Date	Action required
<p><b>Upper Limit of Overtime</b></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>	April 1 <sup>st</sup> , 2024	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><b>Notification of Working Conditions</b></p> <p>Several items are added to the employee written notification requirements when concluding an employment agreement.</p> <p>The scope of change to the location of work and duties must be notified in writing.</p> <p>Regarding fixed-term employment, the following items must be notified:</p> <ul style="list-style-type: none"> <li>- The upper limit of renewal of contract; and</li> <li>- Opportunity for applying for a switch to indefinite-term employment and the working conditions after switch to indefinite-term employment.</li> </ul>	April 1 <sup>st</sup> , 2024	An employer must review and update the format of an employment agreement or offer letter to comply with this new requirement.
<p><b>Amendments to Discretionary Work System</b></p> <p><u>Professional type discretionary work system:</u></p> <ul style="list-style-type: none"> <li>- This can be applied to only designated types of work. M&amp;A advisory business will be newly added to the designated types of work.</li> <li>- Procedure for employees' consent and relevant matters must be added to the labour-management agreement, which is required to be concluded for introducing the professional type discretionary work system.</li> </ul>	April 1 <sup>st</sup> , 2024	A company who has introduced either type of discretionary work system must update (a) a labour-management agreement for professional-type discretionary working system and/or (b) a resolution of a labour-management committee and operation rules of the committee.

<p><u>Management-related discretionary working system:</u></p> <ul style="list-style-type: none"> <li>- Procedure for withdrawing an employee’s consent and explanation of change of wage/performance appraisal system must be added to a labour-management committee resolution and/or rules for operation of the committee.</li> </ul>		
<p><b>Amendments to the Promotion of Employment of Persons with Disabilities</b></p> <p>Under this act, an employer is obliged to employ persons with disabilities at a rate equal to or above the statutory employment rate (currently 2.3%). This will be raised to 2.5% effective on April 1<sup>st</sup> 2024 and will be raised further to 2.7 % effective on July 1<sup>st</sup> 2026.</p>	<p>April 1<sup>st</sup> 2024</p>	<p>A company must check that the statutory rate requirement is satisfied.</p>
<p><b>Freelance Workers Protection Act</b></p> <p>A new act for protecting freelance workers was enacted in April 2023.</p> <p>A company hiring a freelancer will be obligated to:</p> <ul style="list-style-type: none"> <li>- clearly describe the details of the contract in writing;</li> <li>- pay remuneration within 60 days;</li> <li>- accurately display recruitment information; and</li> <li>- take measures against harassment.</li> </ul>	<p>Not determined yet, but anticipated in Autumn 2024</p>	<p>A company should review a service agreement with a freelancer and make necessary amendments to comply with the new act.</p>