

# Grace system for EPI and other contribution payments

## Grace (suspension) of seized asset conversion for sales

If you meet certain conditions, such that paying the contributions at one time may risk your business continuity or may cause hardship in maintaining your livelihood, you may apply for grace (suspension) of seized asset conversion for sales for up to one year.

You need to apply for it to the appropriate JPS branch office, within 6 months from the due date of contribution payment.

If granted;

- a. the seizure of your assets / asset conversion for sales is suspended.
- b. part of the penalty on the contribution during the grace period is exempted.

Note: You cannot apply for grace of seized asset conversion for sales if you have other outstanding contributions than the one subject to the grace.

## Grace of contribution payments (payment after due date)

If you have difficulty in paying the contributions at one time because of following reasons, you may apply for grace of the contribution payments for up to one year:

1. Your assets were lost in disaster or stolen
2. Sickness or injury of the business owner or the relatives of the same household.
3. Business was closed or temporarily suspended.
4. Business underwent a considerable loss, e.g., loss of more than half of previous year's profit during one year prior to the application.
5. Due to your delay in necessary reporting, there needs to make extra-payments.

You need to apply for it to Director of the Regional Bureau of Health and Welfare via the appropriate JPS branch office soon after you have faced above reason.

If granted, you can still pay the contribution in an installment plan after due date and ;

- a. the seizure of your assets / asset conversion for sales is suspended.
- b. part of the penalty on the contribution during the grace period is exempted.

Note: If a disaster caused a significant loss in your assets before due date for payment, you may apply for grace of payments for the disaster-afflicted.

### Notes:

- If you don't pay the contribution by the due date specified in the *demand letter* 督促状;
  - penalty on the amount is imposed according to the number of days from the next day of the ORIGINAL due date and the date you actually pay.
  - your assets may be seized.
- Difficult to pay contributions by due date? Please consult with the appropriate JPS branch office, i.e., the branch office which shall cover your workplace, soon.

## How to apply for grace system

### ➤ Application and document to be submitted to the appropriate JPS branch office

1. Application for grace (suspension) of seized asset conversion for sales / contribution payments
2. *Statement of Income, Expenditures and Assets* 財産収支状況書 ZAISAN SHUSHI JOKYOSHO  
(If the amount of payment for the grace is over 1 million yen, we need *Property Inventory* 財産目録 ZAISAN MOKUROKU, and *Income and Expenditure Account Statement* 収支明細書 SHUSHI MEISAISHO instead of the above statement.)
3. Document on provision of security (only if the amount of payment for the grace is over 1 million yen)
4. Documents to prove the fact (damage) of a disaster (only for the application for grace of contribution payment.)

### ➤ When to apply

- For grace (suspension) of seized asset conversion for sales:  
within six month from the ORIGINAL due date for contribution payment
- For grace of contribution payments:  
immediately after you have the afore-mentioned reason for application (or by the due date to pay added contribution amount, for the case that your delayed reporting had caused change in contribution amount)

### ➤ Notice of result

- For grace of seized asset conversion for sales: Director of the appropriate JPS branch office will notify you the result.
- For grace of contribution payment: Director of the Regional Bureau of Health and Welfare will notify you the result.

Once the grace is granted, you must pay according to the monthly installment payment plan which is indicated in the notice of granting grace.

## Provision of security

In principle, you need to provide security (guarantee) whose value is equivalent to the amount subject to application for grace. The "security" includes; 1) land or building, 2) government bond or securities, 3) guarantee by a guarantor.

No security is required if;

- the subject amount for grace is one million yen or less
- requested period for grace is three months or shorter
- you have no asset to provide as security

## Period of grace

The period of grace to be granted is up to one year, and limited to the earliest time as we grant that you have the ability to pay the contributions, with your assets or balance of income and expenditure. You need to pay the grace-granted contributions in installments within this period.

If you have, however, good reason why you cannot pay out within the granted period, you can apply for extension of grace at the appropriate JPS branch office: The extension may be admitted up to two years including the initial period of grace.

## Cancellation of grace

The granted grace period may be cancelled if;

- you don't make installed payment as indicated in the notice of granting grace.
- other contribution than the one granted for grace becomes subject to outstanding.

For more information, contact your nearest JPS branch office.  
Refer to "Guide to apply for grace of EPI contribution payment (in Japanese)" to fill out the form.