

## What will follow if you don't pay insurance contribution by due date

**Contribution payments – Due date and payment options –**

As an employer of workplace, you are responsible, by law, for paying the insurance contributions for Employees' Pension Insurance (EPI,) Employees' Health Insurance (EHI,) Seamen's Insurance, and Child and Childcare contributions.

Due date for the monthly payment is the end of the following month. When you pay, you can opt for automatic bank account transfer or payment using a contribution invoice.

## Encouragement of payment

If you fail to pay the contributions by due date, Japan Pension Service (JPS) branch office encourages you to recover the unpaid amounts soon, by phone call / sending reminder letters / visiting your workplace.

In addition, EPI contribution payment call center may call you on behalf of JPS branch office to prompt your payment.

**Demand\***

If you do not pay contributions by due date, we send you a *demand letter* 督促状 TOKUSOKUJO, while we continuously urge you to pay phone and other means.

If you still do not pay by due date specified in the *demand letter*, we proceed to seize your assets and convert them to monetary values by selling, in order to pay the debt.

Depending on situation of your business, however, we may allow you to pay the contribution in an installment plan / suspend asset seizure even after the due date of the *demand letter*, ONLY if you complete all payments early (Even so, we shall charge you penalty: See *Penalty* in the backside.)

\*Demand TOKUSOKU is a legitimate operation leading to enforcement such as asset seizure.

Sample of a *demand letter* as of March 2025  
(subject to change in the future)

[illegible]

## Enforcement after *demand*

If you still do not pay the contribution after the due date of the *demand letter* we will investigate your assets, followed by asset seizure and conversion of seized asset for sales.

For some cases, we may entrust the enforcement operation to the National Tax Agency.

### (1) Payment guidance

We (JPS branch office) require you to make a payment plan which allows you to pay outstanding amount at the earliest possible time. Considering the situation of your business, we approve the plan including its monthly payment amount.

Please note that, if you meet certain conditions, such that paying the contributions at one time may risk your business continuity, you may apply for grace system, which allows you to pay on the installment plan.

The grace system also includes suspension of seized asset conversion for sales (you need to apply for it within 6 months from the due date of payment.) Please note that this grant entails exemption of part of the penalty on the contribution during the grace period.

### (2) Asset investigation

We shall investigate your workplace's bank deposit, accounts receivable in your business partners (if necessary,) land/buildings and other items.

### (3) Asset seizure and conversion for sales

Based on the investigation results, we seize your assets. Among the seized assets, securities such as bank deposit and account receivable are immediately used for the debt payment. If necessary, we sell the seized land/buildings and other items at public sale, to convert them to monetary values.

### (4) JPS entrusts its operations to the National Tax Agency

If workplaces, with a large amount of outstanding contributions, intentionally do not follow our payment guidance, we may entrust enforcement operation to National Tax Agency.

## Penalty

If you make payment after the due date specified in a *demand letter*, penalty shall be imposed to your outstanding contributions; its amount is calculated by multiplying the number of days you took to pay the contributions\*, contribution amount (rounded down to the nearest 1,000 yen) and specific rates.

\* Number of days from the following day of the ORIGINAL due date to the previous day of the date you actually pay.

