

Practical Guide to Pay Employees' Pension Insurance and Other Contributions

Overview of contribution payment

The Japan Pension Service (JPS) branch office collects insurance contributions of Employees' Pension Insurance (EPI) and Employees' Health Insurance (EHI.) The employer of a workplace is responsible by law to pay by the due date the total contribution of the employer's share and the insured worker's (including employer) share which the employer deducts from their monthly salary and bonuses. The due date for payment of monthly contribution is the last day of the following month, e.g., the due date of payment of contribution for April is the last day of May. (If the last day of the month is a holiday, the due date is the first business day after the last day of the month.)

Practically, the employer needs to deduct the contribution amount (worker's share) from worker's current month's salary; the amount is calculated based on the previous month's Standard Monthly Remuneration (SMR): e.g., you deduct the contribution for the month of April from the salary paid in May. For bonus, the contribution amount which is calculated based on Standard Bonus Amount (SBA) needs to be deducted from the bonus.

Around the 20th of each month, JPS sends to the employers the notice (invoice) of contribution to be paid, i.e., a *contribution payment notice* or a *contribution payment notice/receipt notice*. The amount of contribution is calculated based on the reports which are previously submitted by the employer, regarding the worker's enrollment/end of insurance coverage, SMR and SBA.

Note: Postal condition could cause delays, especially when you use mail forwarding service.
If necessary, please contact the appropriate* JPS branch office, e.g., to request for a reissue.

* "The appropriate" branch office is the one responsible for local operation of the area.

How to pay insurance contributions

You (employer) have some options to pay the contributions as follows:

1. Automatic bank account transfer

To apply for payment by automatic bank account transfer, you need to:

- (1) Make sure that your bank is on the "list of banks which offers the service for EPI or National Pension contributions payments." To assure, ask your bank branch if it offers this service.
- (2) Fill in the necessary information in the "Application for Automatic Bank Account Transfer (Change)."
- (3) Ask your bank to confirm that the bank information entered in the application is correct.*
- (4) Submit the application to the appropriate JPS processing center or branch office by post.
You also may submit it to JPS branch office by visit.

* You can skip process(3) if you nominate an online bank (with no physical branch).



2. Payment at banks

You can pay at banks using “contribution payment notice (invoice).” (Don’t tear the notice apart.)

3. Electronic payment (Pay-easy)

You can find numbers you need for electronic payment on the contribution payment notice; collecting institution number is 00500, payment number is shown in 16 digits, and confirmation number is shown in 6 digits.

Enter these information as requested, and pay.

- **Internet banking** - Payment via the Internet
- **Mobile banking** - Payment via a mobile phone
- **ATM (with Pay-easy service)** - Payment at ATM at banks
- **Telephone banking** - Payment guided by instruction over telephone

Important points

- To use Internet banking, mobile banking, or telephone banking, you need to have a contract for e-payment with your bank in advance.
- JPS e-payment system operates 24 hours for 365 days a year in principle. You can find the information of occasional out-of-service, i.e., for systems maintenance on our website.
- Please note that the e-payment doesn’t provide receipts. If you eventually need ones, you may need to pay at a bank.

Contribution payment notice (invoice)

Every month JPS branch office sends you contribution payment notice (invoice) which calls you to pay monthly contributions for Employees’ Pension Insurance, Employees’ Health Insurance, Seamen’s Insurance, and Child and Childcare contributions.

Sample of the invoice is shown below.

When you pay contributions at a bank, you need to use the whole set of the invoice; do not tear into parts.

Sample of a contribution payment notice (invoice)
as of March 2025 (subject to change in the future)

- ① “Receipt”
- ② “Receipt copy”
- ③ “Contribution payment notice (invoice)”

Note: JPS branch office sends you the invoice around 20th every month. Postal condition could cause delays, especially when you use mail forwarding service. If necessary, please contact the appropriate JPS branch office, e.g., to request for a reissue of invoice.

How to calculate contributions

1. How to calculate your workplace's total contribution amount

First, you calculate each worker's contribution amount by multiplying their SMR or SBA by the certain contribution rate determined by each system. The result of all amount, rounded down to the nearest 1 yen, if applicable, is the amount your workplace needs to pay.
See sample of calculation table on the last page.

2. How to calculate worker's share and deduct from their salary

You need to collect the worker's share of EPI/EHI contribution by deduction from their salary. The amount to be collected is half of the amount obtained by multiplying the worker's SMR by the insurance contribution rate.

$$\Rightarrow \text{Amount to be collected} = \text{Worker's SMR} \times \text{Insurance contribution rate} \div 2$$

If the calculation results with a fraction of less than 1 yen, round it off to in accordance with the calculation rules in (1) and (2) below.
See sample of calculation table on the last page.

Note 1: For bonus, calculate the amount with SBA instead of SMR, and collect from them by deduction from bonus.

Note 2: Calculate the worker's share of contribution amount for bonus by multiplying SBA by contribution amount and split by half. Do not use quick reference table for monthly contribution amount.

(1) Calculation if you deduct the worker's share from their salary (bonus)

If the calculation of a worker's share results in an amount with fraction, the fraction equal to or less than 50/100 yen shall be rounded down to the nearest 1 yen; the fraction more than 50/100 yen shall be rounded up to the nearest 1 yen.

Example of amount to be deducted:

12,345.50 yen \Rightarrow rounded down to 12,345 yen

12,345.51 yen \Rightarrow rounded up to 12,346 yen

(2) Calculation if you collect worker's share in cash

For cases you cannot deduct from their salary, you need to collect worker's share in cash as below:

If the calculation of a worker's share results in an amount with fraction, the fraction less than 50/100 yen shall be rounded down to the nearest 1 yen; the fraction equal to or more than 50/100 yen shall be rounded up to the nearest 1 yen.

Example of amount to be collected in cash:

12,345.49 yen \Rightarrow rounded down to 12,345 yen

12,345.50 yen \Rightarrow rounded up to 12,346 yen

Note: Regardless of (1) and (2) above, an employer and the workers may conclude a special agreement on how to round off fractions in contribution amount calculation.

3. Calculation of the employer’s share

The amount of employer’s share is the balance between the total contribution amount for the workplace (as also indicated on the invoice we send you) and the total amount of workers’ share (calculated as instructed in 2. above.)

Please note that in principal, the employer should pay half the amount obtained by multiplying the worker’s SMR by the contribution rate. In practice, however, because of rounding in calculation of each worker’s share, the amount of employers share and total amount of workers’ share do not necessarily match.

See sample of calculation table below.

Sample of calculation table for EPI contribution (summarizing the instructions above)

Sample for EPI contribution rate at 18.3 %

If you deduct worker’s share of EPI contribution from their monthly salary (and no special agreement with workers is in place), calculate the worker’s share (half of contribution amount) with rounding the fraction if any: fraction of equal or less than 50/100 yen is to be rounded down, and fraction of more than 50/100 yen is to be rounded up, to the nearest 1 yen.

(Unit: Yen)

	SMR or SBA	Amount of EPI contribution	1 / 2 amount of EPI contribution	Worker's share (Rounded)	Employer's share
Worker A	110,000	20,130.00	10,065.00	10,065	
Worker B	134,000	24,522.00	12,261.00	12,261	
Worker C	150,000	27,450.00	13,725.00	13,725	
Worker D	118,000	21,594.00	10,797.00	10,797	
Worker E	118,000	21,594.00	10,797.00	10,797	
Worker F	98,000	17,934.00	8,967.00	8,967	
Total	728,000	133,224.00	66,612.00	66,612	66,612
Amount of EPI contribution for your workplace		133224			

JPS branch office informs you the amount after rounding down the total figure.

The amount of employer’s share is calculated by subtracting the total amount of worker’s share from the amount notified in the contribution payment notice. (Due to rounding involved with calculation, the amount of employer’s share may not exactly half of the contribution amount.)

133,224 yen - 66,612 yen = 66,612 yenEmployer's share