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## Introduction

### **Current Situation of Japan's Benefit Programs**

Each developed country has services in which companies provide to the employees called “fringe benefits (benefit programs)” and subjects and contents of benefit programs differ depending on the country. This issue introduces papers which discuss characteristics of Japanese benefit programs for the purpose of developing an understanding of these programs.

#### Changes in Benefit Programs and their Future Roles (Nishikubo)

Nishikubo firstly summarized the actual situation of and changes in benefit programs and pointed out the following two points: (i) companies' allocation to benefit programs has been shrinking and (ii) the decreasing trend of expenses related to “housing” which accounted for over half of the non-legal welfare expense for a long time is confirmed and allocations to “medical care/health,” “support for childcare,” etc. are increasing instead. Next, he analyzed the introduction of each benefit program and actual situation of employees' use of benefit programs and the following points were revealed: (i) facility services, one of characteristics of Japanese benefit programs, such as company housing, bachelor apartments and recreation facilities have been shrinking, (ii) measures to directly invest in human resources including health-related measures and support for self-development have attracted attention, (iii) cost reduction by integrated outsourcing services is promoted simultaneously with so called, the “cafeteria plan.” After summarizing above points, he pointed out the following two points as issues of the welfare system: (i) measures for non-regular employees whose quantity and share are increasing in companies are insufficient and (ii) the system is unable to respond to the diversified supply-side of labor market such as female employees who are expected to be core workforce and aged employees accompanied with employment extension. It can be said that the welfare system is required to rebuild reflecting changes in personnel constitution of Japanese companies.

#### Issue of the Labor Law on Benefit Programs (Yanagiya)

Yanagiya discussed the benefit programs from the perspective of the labor law. After summarizing that there is a strong point of view that benefit programs are not undertaken by employers as obligation (obligatory duty) under the contract of employment like wages but are originally provided by employers at will as rewards, he examined the following three typical benefit program cases which were fought over in court: (i) disposition of company housing/dormitory accompanied with termination of contract of employment, (ii) employee group life insurance and (iii) grants for training and overseas education. As for company housing/dormitory, the issue was whether or not the Lease Hold Act is applied to the case. In the recent court cases, company housing/dormitory regulations dictating a disposition period which is shorter than the moratorium period of disposition prescribed by the Lease Hold Act have often been applied. Regarding employee group life insurance, disputes had frequently occurred from the early 1990s between family members of a deceased em-

ployee and the company regarding who receives the death payout, especially in the case that the company paid premiums of the death insurance and was the beneficiary of it. At present, that insurance has been switched to the integrated welfare group term insurance and the problems are headed for a successful conclusion. However, there is no definite decision against the case whether or not a company can call for return of expenses when an employee studied abroad at company's own expense and changed the job immediately after returning home.

### Current Situation and Issues of Healthcare for Employees (Murasugi)

Murasugi specifically discussed what measures the companies have taken for healthcare for employees. He confirmed that checkup (legal and extra checkup) is third-ranked penetration rate among benefit programs using data of nationwide surveys and then, he introduced specific efforts of Company J. There are following five characteristics: (i) shifting from physical to mental care, (ii) strengthening a check system for overwork which is a source of mental problems, (iii) regular checkup items exceeding legal items with finely-tuned consideration, (iv) the center of effort for prevention of adult disease is being shifted to the health insurance society which is another party in charge of in-house health and medical areas and (v) the division of roles between company and health insurance society is not very clear at present. He pointed out that communications among the nation, employers' associations, labor unions and health insurance societies are essential for companies' future health and medical activities.

### Issues of Corporate Pension (Kashiwazaki and Fukazawa)

Kashiwazaki and Fukazawa summarized corporate pension issues which are important elements of benefit programs. The traditional corporate pensions were mainly defined benefit plans but employees have been allowed to choose defined contribution plans since 2001. A problem of the defined benefit plan is that there is a possibility of the shortage of a reserve and it transfers the risk to successive generations. On the other hand, there are also problems of the defined contribution plan e.g., there is a risk of falling below par if holders fail to manage or holders may not have sufficient management gains. In order to overcome these problems, companies are making efforts to (i) reduce the risk of defined benefit plan, (ii) incorporate the elements of defined contribution plan into defined benefit plan and (iii) incorporate the elements of defined benefit plan into defined contribution plan, but it is unclear whether success or failure of these efforts. They concluded that serious discussions on how to manage corporate pensions should be held in Japan.

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