

Necessary procedures for receiving your wage by “digital payment”

To Workers

Under the Labor Standards Act, wages generally must be paid in cash; however, direct deposit of wages to bank accounts has been permitted with the consent of the worker. In response to the spread of cashless payment and the need for diversified remittance methods, it is now allowed to pay an worker’s wage to an account of funds transfer service providers designated by the Minister of Health, Labour and Welfare (●● Pay, etc.) (digital wage payments) when the worker provides consent.



For the details of the digital wage payment systems and the funds transfer service providers designated by the Minister of Health, Labour and Welfare (designated funds transfer service provider), see “public relations materials”, “list of designated funds transfer service providers”, etc. on the Ministry of Health, Labour and Welfare website.



Ministry of Health, Labour and Welfare website

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What you need to know when you receive your wage digitally.

★ This leaflet explains the information which workers who desire to receive their wages digitally should understand and the procedures which they should follow.

- It is necessary that a workplace you work for has concluded a labor-management agreement* on digital wage payment for you to receive your wage digitally. Moreover, the labor-management agreement should stipulate designated funds transfer service providers available at the workplace you work for.

* A labor-management agreement is concluded between an employer and a labor union (if there is a labor union consisting of the majority of workers) or a person who represents the majority of workers (if there is no labor union consisting of the majority of workers).



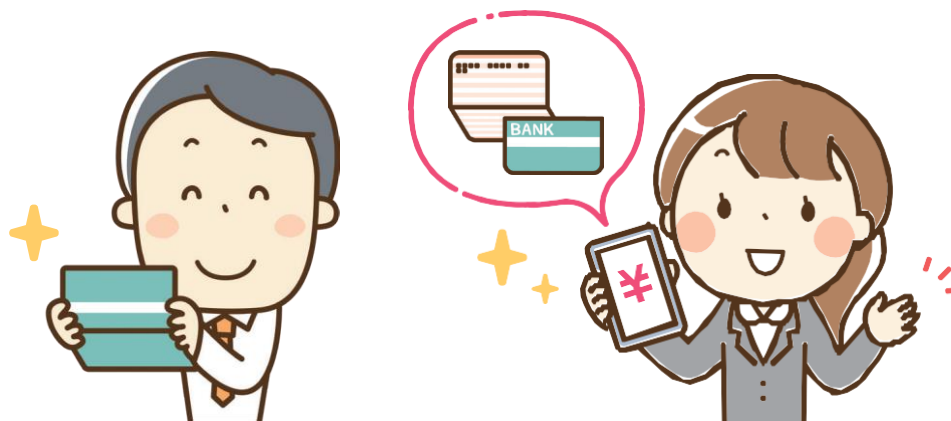
If you work for a workplace that has not introduced digital wage payment and wish to be paid digitally or a designated funds transfer service provider you look for is not included in the labor-management agreement, please consult your workplace or labor union.

⚠ What you need to keep in mind

- It is not force to introduce digital wage payments. Moreover, if workers who do not wish to be paid digitally may still receive wages through direct deposit to their bank accounts or other means..
- Workers may also receive part of their wages in an account at a designated funds transfer service providers and the rest through direct deposit to a bank account, etc.
- Even if workers choose to be paid digitally, it is allowed to change the wage payment method to bank accounts or other means.

Flow of necessary procedures

- The necessary procedures for receiving wages digitally are explained below.
 - ① Confirmation of services provided by each designated funds transfer service provider;
 - ② Individual consent with your employer, etc.; and
 - ③ Application of use with designated funds transfer service provider(s)



1

Confirmation of services provided by each designated funds transfer service provider

- You need to consider which designated funds transfer service provider(s) you choose from those specified in the labor-management agreement. Since each designated funds transfer service provider offers different services, be sure to check the details on the website of each designated funds transfer service provider or by other means. You may choose 2 or more funds transfer service providers.

Points to keep in mind when considering a designated funds transfer service provider(s)

■ The limit has been set for an account to which the wage is transferred

The maximum account balance limit varies depending on designated funds transfer service providers. When amounts exceeding this limit, the excess amount is automatically withdrawn to the bank account designated by the worker in advance (designated alternative account). Please be reminded that the worker may be responsible for processing fees for this automatic withdrawal to the designated alternative account.

■ Please check how to cash (withdrawn) the account balance and its fees

The account balance can be turned into cash (withdrawn) at ATMs, bank accounts, and more. Withdrawals can be made from an account at a designated funds transfer service provider with no processing fees paid by the worker at least once a month.

Each designated funds transfer service provider decides accounts to which funds can be withdrawn and the processing fees for the 2nd and later withdrawals.

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Individual consent with your employer, etc.

● Please submit your consent form on digital wage payment to the employer after receiving necessary explanations on digital wage payment from the employer (or designated funds transfer service provider(s)). It is required to present the following information you have decided to the employer together with the consent.

- (1) The scope and amount of the wage you wish to be paid digitally;
- (2) The name(s) of designated funds transfer service provider(s) and information on the account to which the wage is to be transferred (e.g. Account ID, account holder name);
- (3) The preferred start date of payment; and
- (4) Information on the designated alternative account of a bank, etc.



Please set the amount you expect to actually use for payments based on your payment histories based on the understanding that an account of a designated funds transfer service providers are not checking accounts but accounts used to make payments and send funds.

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Application of use with designated funds transfer service provider(s)

After you submit a written consent form to the employer, you may apply for digital wage payment through an app of a designated funds transfer service provider. After you apply for the use with a designated funds transfer service provider, you may need to notify the employer in some cases.



An worker and a guarantor agency conclude a **guarantee contract** in the process of applying for the use of service, so that the account balance reimbursed immediately when your designated funds transfer service provider(s) falls into bankruptcy.

You have finalized the procedures.

Please also see the following page.

It should be noted that the necessary procedures may differ depending on designated funds transfer service provider(s). Please check the details on the website of each designated funds transfer service provider.

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Keeping information on the designated alternative account up to date!

- When the account balance exceeds the acceptable withdrawal limit, the excess is automatically withdrawn to your designated alternative account. It is important because the account balance is reimbursed if your designated funds transfer service provider falls into bankruptcy. It may take time to automatically withdraw or reimburse the account balance, if the account holder name has been changed due to the change of your surname or first name or a savings account which has ceased to be active due to closure is registered. Hence, please check information on the designated alternative account regularly.
- If any change is made to the designated alternative account, please notify your designated funds transfer service provider(s).

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If you decide to change the method of wage payment from digital wage payment or change or leave your job . . .

- You may need to notify the employer and, in some cases, the designated funds transfer service provider(s).
- The guarantee agreement concluded with the guarantor agency may be cancelled. In the process of cancelation, you may need to communicate with and notify the guarantor agency.
※ Please ask the designated funds transfer service provider(s) for more details.

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In the event of an incident . . .

■ In the event of an unauthorized transaction (withdrawals not made by the account owner, etc.)

The total loss is covered when the owner of the account is not at fault. However, you may need to notify the designated funds transfer service provider(s) within a certain period (e.g. 30 days from the day following the generation of loss).

Please contact the designated funds transfer service provider(s) immediately in the event of a fraudulent transaction.

■ In the event of designated funds transfer service provider bankruptcy

The account balance is reimbursed immediately based on the guarantee agreement concluded with the guarantor agency.

The payment may be transferred to your designated alternative account from the guarantor agency or you may need to claim the guarantor agency for redemption.

※ Please confirm more details to the designated funds transfer service provider(s) or guarantor agency.