Seminar
Japan-India Social Security Agreement
(from the perspective of Indian companies in Japan)

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This material was created based on the information as of August 2016. For latest information, please check the official website of the Japan Pension Service.
What is SSA (Social Security Agreement)?

The aim of SSA: To solve issues related to pension, etc. due to increasingly active cross-border movement of workers.

Before entry into force of SSA

- **[Dual coverage]**
  - Payment to Indian pension system
  - Payment to Japanese pension system
  - Indian worker in Japanese branch of Indian company

- **Dual enrollment and dual payment of contributions to pension systems of both countries**

After entry into force of SSA

- **[Dual coverage is avoided]**
  - Payment to Indian pension system
  - Payment to Japanese pension system
  - Detached

- **Indian employees will continue to enroll in the Indian pension system if their detachment period is 5 yrs or less. They are exempted from the obligation to enroll in the Japanese pension system.**

[Coverage periods are not totalised]

- ... No eligibility for Japanese pension benefit as the minimum coverage period is not met.
  - (Minimum coverage period in Japan: 25yrs)

- Working period in Japan
  - Not eligible for Japanese pension benefit

- Working period in India
  - (19 yrs of enrollment in India)
  - (6 yrs of enrollment in Japan)
  - (15 yrs of enrollment in India)

[Coverage periods are totalised]

- ... In this example, total coverage periods become 40 yrs (34 yrs +6 yrs), which meets the minimum coverage period under the Japanese pension system.
  - (The amount of benefit will be based on 6 years’ contributions.)
  - Pension benefit to be paid

- Working period in India
  - (40 yrs in total)
Japan-India Social Security Agreement

Date of Entry into Force

1st of October, 2016

Social security systems in scope of the Agreement

Pension systems of Japan and India

- Japan: National Pension Plan and Employee’s Pensions Insurance
- India: Employees’ Pension Scheme (EPS), Employees’ Pension Fund (EPF), etc.
Japan-India Social Security Agreement

3 Key Points

1. Dual coverage is avoided
2. Coverage periods are totalised
3. Pension institutions are authorised to receive application forms for their counterpart
Point 1: Avoidance of dual coverage

How is the dual coverage avoided under the Japan-India SSA?

Employees who are detached overseas have to enroll, in principle, only in the social security system of the country to which they are detached.

→ However, under the Japan-India SSA, those employees detached overseas can continue to be enrolled in the system of the country from which they are detached if the detachment is expected to be 5 years or less.

Please also note:
Self-employed persons are not subject to this arrangement.

(Reason: There is no mandatory pension system for self-employed persons in India. Therefore, the issue of dual payment does not occur among self-employed persons.)
Point 1: Avoidance of dual coverage

If the detachment becomes more than 5 years:

Such cases will be individually discussed between the institutions in Japan and India. Extension is granted if the case has occurred due to unexpected circumstances and the both sides agree with the extension.

Please note that, under the Japan-India SSA, the duration of such extension should not exceed 3 years.

Accompanying spouses and children of the detached employee

In the case of employees who are detached from India to Japan and exempted from the obligation of enrollment in the Japanese pension system, their accompanying spouses and children are also exempted from the obligation under certain conditions. (The case does not apply if they wish to enroll in the Japanese system.)
Employees who are already in Japan at the time of entry into force of SSA will be exempted from the obligation to enroll in the Japanese system as from the date of its entry into force, if the length of their detachment in Japan from that date is expected to be 5 years or less.

For employees who have been detached before SSA comes into force:

- Continued enrollment in the Indian system
- No need to enroll in the Japanese system

Detached to Japan → Entry into force of SSA → Return to India

5 yrs or less
Point 2: Totalisation of coverage periods

* Pension amount will be calculated and granted based on the rules of each country.
Point 2: Totalisation of coverage periods

Under the Japan-India SSA, coverage period in the counterpart country can be added to meet the qualification requirement (minimum coverage period) for pension benefit.

More specifically ...

◆ Japan’s old-age pension requires a coverage period of 25 years as of today. If your coverage period does not meet the 25 years requirement, your coverage period in the Indian pension system (EPS) can be added so long as the periods in Japan and India do not overlap.

◆ India’s old-age pension (EPS) requires a coverage period of 10 years as of today. If your coverage period does not meet the 10 years requirement, your coverage period in the Japanese pension system can be added so long as the periods in India and Japan do not overlap.
## Point 2: Totalisation of coverage periods

### Example: a case of old-age pension

<table>
<thead>
<tr>
<th>Before entry into force of SSA</th>
<th>After entry into force of SSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>◆ Japan (old-age pension)</td>
<td>◆ Japan (old-age pension)</td>
</tr>
<tr>
<td>Qualification requirement:</td>
<td>Qualification requirement:</td>
</tr>
<tr>
<td>coverage period of 25 yrs or longer</td>
<td>Coverage period of 10 yrs or longer</td>
</tr>
<tr>
<td>21 yrs &lt; 25 yrs NOT QUALIFIED</td>
<td>6 yrs &lt; 10 yrs NOT QUALIFIED</td>
</tr>
</tbody>
</table>

**Coverage period in Japan**
- 16 yrs
- 5 yrs

**Coverage period in India**
- 6 yrs

**Note**
- The amount to be paid from Japanese pension system will be determined based on the length of the coverage period in Japan (in above case, 21 yrs.)
- The amount to be paid from Indian pension system will be determined based on the length of coverage period in India (in above case, 6 yrs.)
When the coverage periods are overlapping

- **Coverage period in Japan:** 21 yrs
- **Coverage period in India:** 7 yrs
- **Overlapping years:** 4 yrs
- **17 yrs of enrollment in Japan**
- **3 yrs of enrollment in India**

**Totalised coverage periods:** 24 yrs

The overlapping periods will not be double-counted.
※ In totalising coverage periods, overlapping periods, in which you enrolled in the pension systems of both Japan and India, will be counted only once.
→ In the example above, the totalised coverage period is long enough to gain eligibility in India (minimum: 10 yrs), but not in Japan (minimum: 25 yrs).
Point 2: Totalisation of coverage periods

Disability Pension & Survivor’s Pension

Example:
The date of first medical examination or death occurred during the period when the employee is enrolled in the Indian pension system.

Eligibility for pension benefit will be decided with reference to the totalised coverage periods.

Under the Japan-India SSA, the coverage periods in Japan and in India can be totalised in order to meet the contribution requirement of having paid, or being duly exempted to pay, contributions to the pension system for the period of two-thirds or more against the total coverage periods until the date of the first medical examination (in case of disability pension) or death (in case of survivor’s pension).

Disability pension or survivor’s pension in Japan requires the beneficiary to be covered by the Japanese pension system on the date of the first medical examination (disability pension) or death (survivor’s pension). However, under the Japan-India SSA, the beneficiary is deemed as being covered by the Japanese pension system so long as he/she is covered by the Indian pension system in meeting this requirement (deemed coverage period).
Point 3: Receipt of Application Forms

**Before entry into force of SSA**
- The applicant had to submit the application for Japanese pension to a pension institution in Japan only.
- In the case of application for Indian pension, the applicant had to submit the application to the pension office in India only.

**After entry into force of SSA**
- Application for the Indian pension can be submitted to a pension institutions in Japan.
- Application for Japanese pension can be submitted to a pension institution in India

Japanese pension offices mainly accept applications for following Indian pension systems:
- **EPS : Employees' Pension Scheme**
- **EPF : Employees' Provident Fund**
Please apply for the certificate of coverage for the employees to be detached to Japan on a temporary basis at the Employees’ Provident Fund Organisation (EPFO).
Process of application: Certificate of Coverage
(in the case of temporary detachment to Japan from India)

For employees who had been detached to Japan before SSA

① Required process in India
The employer should apply for Certificate of Coverage to EPFO. (Please hand over the certificate to the detached employee.)

② Required process in Japan
The employer should take the procedure to withdraw from the Japanese pension system at Japan Pension Service (Pension Office). Please present the certificate issued in India in the course of the withdrawal process.
**Process of application: Certificate of Coverage**

*(in the case of temporary detachment to Japan from India)*

- [Sample] Certificate of Coverage (issued in India)
  - (Front)
  - (Back)
Process of application: Application for Japanese Pension

- **How to apply for Japanese pension for applicants who were enrolled in the Japanese pension system and currently live in India**

Applicant

① Send application form

- “Claim for National Pension / Employee’s Pension Insurance (JP/IN1 or JP/IN2)
- JP/IN1 ⇒ For old age or disability pension
- JP/IN2 ⇒ For survivor’s pension

Competent Organisation in India

EPFO

② Send application form and notify

- Send the application form in ①
- Notify applicant’s coverage of periods in India

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③ Decision on paying benefit, etc.

- Results of decision on paying Japanese pension benefit will be notified directly to the applicant.
Process of application: Applying for Japanese Pension

Please note the following in applying for Japanese pension

- **Applying for pension benefit**
  Please submit your application form together with necessary documents to pension office after you become eligible for pension benefit.

- **Payment of pension benefit**
  You will start receiving pension benefit from the following month of the month in which you obtained the right to receive pension. The pension is paid six times (on even-number months) in a year in principle. One payment contains pension for two months.

- **Duration of prescription for payment of benefits**
  5 years
Official website of Japan Pension Service

http://www.nenkin.go.jp/service/kaigaikyoju/shaho-kyotei/

Or Japan Pension Service social security agreement

You can find....
- Overview of SSA and process
- Application forms
- Links to the websites of partner countries of the SSA
- Status of latest entry into force of social security agreement
For inquiry on Japanese pension, please contact:

- For General pension information (*Nenkin Dial*)

  (From inside Japan)

  0570-05-1165 (“Navi Dial”)

  (From outside Japan)

  +81-3-6700-1165 (Ordinary call)

* Call charges to be paid by caller

- Please check the details, such as open hours, on the official website of Japan Pension Service.
For inquiry on Indian pension, please contact:

Employees' Provident Fund Organisation (EPFO)

http://www.epfindia.com/site_en/ (English)