

# Quit or Lost a Job

**Matheswaran Narayanasamy**

*Losing or quitting a job can be a challenging experience, especially when financial stability becomes an immediate concern. Japan has fairly defined steps to take as soon as you face a job loss. They do help you reduce the financial burden to a certain level. Read further to understand how to deal with unemployment, health insurance, resident tax, retirement etc.*

---

## **Reasons for Job Loss**

- Job loss may result from **personal choice** (自己都合), often for better opportunities or **company decision** (会社都合) such as layoffs or restructuring.
- The reason for job loss impacts how quickly unemployment benefits begin:
  1. **Personal choice:** Benefits typically start after a two-month waiting period.
  2. **Company decision:** Benefits start sooner, providing quick financial relief.

---

## **Claiming Unemployment Insurance**

- Fortunately, every salaried worker pays into **unemployment insurance** (雇用保険) (as part of paycheck deduction). Many do not pay attention to this while employed. While you begin your search for a next job, avail benefits of this unemployment insurance • Key steps to access benefits:
  1. Visit the nearest **Hello Work** office to apply for benefits.
  2. Get a **daily basic allowance**, calculated based on age and previous salary.
  3. Example: A 45-year-old earning ¥600,000/month (gross) may receive ¥777,150 over 90 days, paid in installments.
- Additional benefits:
  1. **Reemployment Allowance** (再就職手当): Secure a new job early with more than two-thirds of your benefit days remaining, receive 70% of remaining allowance.
  2. **Skill Development Refunds** (教育訓練給付): Partial refunds for eligible certification or training courses during unemployment.



Mathu is from Erode/Tamilnadu. Living 23 years in Japan, currently in Kasai area. Happy to help people especially who are new to Japan answer questions on daily life and local systems like home loan, tax system and saving options, retirement, investing etc.

<https://www.linkedin.com/in/matheshjp/>

## Health Insurance Options

- Losing a job means losing membership in your employer's health insurance plan. You have three options:
  1. **Continuation of Employer Health Insurance (任意継続):**
    - Apply within 20 days of job loss.
  - You pay both your and your employer's shares of the premium. ■ Often cheaper than National Health Insurance.
    2. **National Health Insurance (国民健康保険):**
      - Apply within 14 days.
    - Covers all dependents but premiums are calculated based on the previous year's income.
      3. **Spouse's Health Insurance (扶養に入る):**
        - Dependents can join a working spouse's plan if eligible.

This is the best option for the unemployed but not available if receiving unemployment benefits above ¥3,612/day.

---

## Resident Tax Responsibilities

- 住民税 (**Resident Tax**) is based on the previous year's income and remains payable even after job loss.
- Payment options depend on when you became unemployed:
  - **January–May:** Remaining tax is deducted in full from the final salary.
  - **June–December:** You can choose to pay in installments or as a lump sum later. ● Proactive planning is essential to payments, especially with reduced income.

---

## Retirement Contributions

- When you lose a job, switch to 国民年金 (**National Pension**) to maintain retirement contributions at a fixed rate (currently ¥16,980/month).
- Dependent spouses must also enroll and pay the premium.
- Waivers or payment delays are possible. Apply at your local ward office.

---

## Filing a Final Tax Return (確定申告)

- If you remain unemployed for the rest of the year, file a final tax return between February 16 and March 15. Claim refunds for overpaid income taxes due to reduced earnings.
- For severance or retirement pay (退職金), taxes are handled by the employer at a reduced rate. Reclaim excess if the employer deducted a flat 20.42% tax.

---

## Key Japanese Terms

- 雇用保険被保険者証: Proof of unemployment insurance contributions.
- 離職票: Document from your employer required to apply for unemployment benefits.
- 健康保険の資格喪失証明書: Certification that your employer-sponsored health insurance has ended.
- 退職証明書: Proof of resignation needed for switching health insurance or pension types.

## Final Note

- Employment also means a lot of things like Taxes, Retirement, Health Insurance, are automatically taken care when your employer credits salary to your bank account every month. Unemployment forces you to handle them all by yourself. It will require significant time and effort to do them, especially with your job search at the same time as top priority. Getting a new job quickly is a big relief.

Enjoy all of my writings from here: <https://tinyurl.com/mathujapan>

