Child care leave benefits to cover two-thirds of salary

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Format: Article

Publication Date: 29 Oct 2013

EXCERPTS:

The health ministry is finalizing plans to increase the amount of child care leave benefits for parents from the current 50 percent of their salaries to 67 percent for the first six months of leave, or for a year when both the husband and wife take leave.

The plan including the rise was to be proposed at a meeting of the Health, Labor and Welfare Ministry's Labor Policy Council on Tuesday.

The ministry wants to carry out the plan as early as autumn of 2014 by submitting a bill to revise the Employment Insurance Law to a regular Diet session next year.

According to the ministry, only 1.89 percent of men took child care leave in fiscal 2012, while the rate was 83.6 percent of women did so.

The current system targets workers whose income drops to less than 80 percent of their original salary while on child care leave. These workers receive benefits of up to half their salary from unemployment insurance before taking leave up until the day before their baby reaches 12 months of age.

In fiscal 2012, about 233,500 women received benefits, while the figure for men was about 3,800. The average period of benefit coverage is 9.8 months for women and 3.2 months for men.

When a husband takes leave under the current system, his income will be halved, which is a significant drop in a household budget. "We speculate that the low benefit payment rate is one of the reasons for the low number of men who took child care leave," said health minister Norihisa Tamura at a press conference in July.

The benefit rate of 67 percent under the new plan is modeled on the maternity allowance for women, which pays two-thirds of a daily salary right before the delivery.

If both the husband and wife take child care leave, two extra months of benefits will be added to the original maximum period of 12 months.

Under the new system, both the husband and wife can receive 67 percent of their salaries throughout the entire one-year period of leave. However, to take advantage of this, the wife must first take leave following the end of her eight-week period of maternity allowance, and then the husband will need to begin his leave in place of his wife eight months after the baby's birth, when the benefit rate for the wife will drop to 50 percent.

If only the wife takes child care leave, the total amount of benefits paid to a couple will be less than if both the husband and wife take leave.

About 7 percent will be funded by the state, and the remaining amount will be covered by the unemployment insurance system. The balance of the reserved funds for the system is expected to reach ¥5.93 trillion in fiscal 2012, the highest ever. The ministry plans to use the reserved funds for the new system instead of raising the insurance premiums, which is likely to provoke protest by economic and labor worlds.

According to the ministry, some firms voluntarily create two or three years of child-rearing leave including the legally designated child care leave period, but leave takers are not paid at all at most of those firms.

If a husband takes child care leave after his wife has ended her leave and the baby reaches 14 months of age, he cannot receive any benefits under the current system. Although the ministry has considered extending the target period for the benefits, it has failed to find appropriate funding and has decided to place priority on raising the amount of leave benefits.

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