

2-2 Working hours, rest periods, rest days

(1) Working hours

- Maximum working hours are stipulated by law.
- The Labour Standards Act stipulates that the maximum working hours should be 8 hours a day and 40 hours a week (legal working hours)
- If a company has its workers work overtime, the company must pay extra wages.

(2) Rest periods

A company must provide its workers during working hours, with a rest period of at least 45 minutes if the working hours per day exceed 6 hours. Moreover, if they exceed 8 hours, it is at least 60 minutes.

(3) Rest days

A company must give its workers at least 1 rest day per week, or at least 4 rest days over a period of 4 weeks (legal holiday).

(4) Obligation of making decisions on working conditions regarding dispatched workers

The worker dispatching agency shall assume responsibility for making decisions on the working conditions of dispatched workers, and the company receiving the worker dispatch service shall assume responsibility for the observation of the rules including working hours, rest periods, rest days, etc.

Key Point:

Annual paid leave

Annual paid leave is a holiday (vacation) that a worker may take during which wages are paid even though he/she is absent from work on the prescribed working days. In principle, workers can take annual paid leave whenever they want and for whatever the reason is. A worker who has been working continuously for 6 months and has reported for work on at least 80% of the total working days can take annual paid leave of 10 working days. Furthermore, as the worker's years of service increases, the number of paid holidays he/she can take annually will increase as well as long as he/she meets the condition of at least 80% of attendance at work (with an upper limit of 20 days). A company must permit holidays of 5 days by designating the season to workers who are given annual paid leave of more than 10 days.

In addition, workers such as dispatched workers and part-time workers, even though they have different types of employment from that of regular employees, shall be granted the same number of annual paid leave as regular employees, if they

- have worked continuously for six months
- have reported for work on at least 80% of all working days (*)
- have worked for at least five days a week or 217 days a year

Even in cases where they work only four days or less a week or 216 days or less a year, they shall be granted annual paid leave of the same amount as regular employees, if their prescribed working hours are at least 30 hours a week.

Workers whose prescribed working hours are four days or less a week or 216 days or less a year, and whose prescribed working hours are less than 30 hours a week, are granted annual paid leave in accordance with the prescribed number of their working days.

When the contract of an employee with a fixed-term contract is renewed, the days he/she reported for work prior to renewal of the contract will be included in the calculation if the renewal of contract makes the situation virtually the same as continuous employment.

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Overtime work and work on holidays**(1) Overtime work, and work on holidays**

- A company must conclude a written agreement (hereinafter referred to as the “36 agreement”) with a labour union organized by a majority of workers, or a representative of a majority of workers if there is no union organized by a majority of workers, in case where the company wants to have workers work in the following situations.

- i. Overtime work beyond legal working hours
- ii. Work on statutory holidays

- The maximum time of overtime work is stipulated by law.
- The maximum hours are stipulated in the Labour Standards Act. In principle, these maximums are up to 45 hours a month, 360 hours a year. (In the case of any temporary and special reasons, they are up to 720 hours a year but less than 100 hours a month (including work on holidays), 80 hours over an average of multiple months (including work on holidays). Up to six months a year, working overtime for more than 45 hours is permitted.

(2) Premium

According to the 36 agreement, a company has to pay a premium for overtime work in the case the company has its workers work overtime, or on statutory holidays.

Key Point:**How to calculate the rate of premium pay for overtime**

- i. 25% or more for overtime work beyond legal working hours
 - * For overtime work exceeding legal working hours by 60 hours a month, a premium of 50% or more must be paid (small and medium-sized enterprises are granted a postponement until March 2023)
- ii. 35% or more for work on a statutory holiday (holiday work)
- iii. 25% or more for work from 10:00 pm to 5:00 am (midnight work)

* For example, in the case of overtime work beyond legal working hours, and when it is also midnight work at the same time (items i & iii), the premium pay shall be increased by 50% or more.

Premium pay shall be applied to all workers, regardless of types of employment. Therefore, the premium pay shall be paid to dispatched workers, contract employees, part-time workers and temporary workers as well.

