

~National Health Insurance Tax~

■ What is National Health Insurance (NHI)

Every resident of Japan has the obligation to subscribe for either one of the public health insurance programmes that allow them to be ready for illnesses and injuries at any time. (Universal Public Insurance System) Japan's National Health Insurance (NHI) is supported by the regular NHI tax contributions from NHI members. NHI helps members pay part of the incurred medical costs from the tax pool.

■ Who pays the NHI Tax

As NHI is subscribed on a household basis, the householder is responsible for paying NHI Tax. Even if the householder is a member of Employees' Health Insurance programme instead of NHI programme, he/she is still responsible for paying the NHI Tax if any other member of the household is an NHI member. In this case, the householder is called a fictitious householder that the income of the fictitious householder does not include into the calculation of NHI Tax. However, those incomes are taken into account for calculating the NHI Tax reduction.

■ How to calculate National Health Insurance Tax

The NHI Tax is calculated as shown below. ㊸Support to latter stage elderly portion is a fund established in FY 2008 to support the Latter-stage elderly medical care system, which is levied on all NHI members who are under 75-year-old. ㊹Nursing care portion applies to NHI members between 40 and 64-year-old:

◆ Tax rate of FY 2021

	Contents		㊸Medical care (basic) portion	㊹Support to latter stage elderly portion	㊺Nursing care portion
Income portion	a	last year's annual income	4. 60%	3. 90%	2. 40%
	certain % of				
Per-capita portion	amount	NHI member in a household	¥15, 900	¥13, 300	¥11, 000
Household portion	per	household	¥12, 000	¥10, 000	¥6, 100
Maximum amount	Maximum tax amount		¥630, 000	¥190, 000	¥170, 000

◆ Calculation of Annual National Health Insurance Tax Rate

The NHI Tax is calculated on a yearly basis from April to March.

Annual NHI Tax = ㊸ + ㊹ + ㊺ ※(rounding ㊸,㊹&㊺ down individually to the nearest hundred)
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㊸Calculation of Medical care (basic) portion = ① + ② + ③ (Max. amount: ¥630,000)

- ① Income portion = 【Income of each working NHI member - ¥430,000】 × 4.60%
- ② Per-capita portion = Number of NHI member in the household × ¥15,900
- ③ Household portion = Each household ¥12,000

㊹Calculation of Support to latter stage elderly portion = ① + ② + ③ (Max. amount: ¥190,000)

- ① Income portion = 【Income of each working NHI member - ¥430,000】 × 3.90%
- ② Per-capita portion = Number of NHI member in the household × ¥13,300
- ③ Household portion = Each household ¥10,000

㊺Calculation of Nursing care portion = ① + ② + ③ (Max. amount: ¥170,000)

- ① Income portion = 【Income of each working NHI member (age 40 to 64) - ¥430,000】 × 2.40%
- ② Per-capita portion = Number of NHI member in the household (age 40 to 64) × ¥11,000
- ③ Household portion = A household includes NHI members between age 40 and 64 ¥6,100

The NHI Tax will be re-calculated if you make changes in last year's annual income; or to join or to withdraw from NHI in the middle of a fiscal year. The calculation is on a monthly base for the latter case.

- ◇To join . . . Tax to be paid is from the month you join until March of next year
- ◇To withdraw . . . Tax to be paid is until one month before your withdrawal

For those who withdraw from NHI due to the subscription of Employees' Health Insurance (EHI) may be required to pay for the month of or one month after your withdrawal even if NHI Tax is on a monthly base. Please note that each installment of NHI Tax does not reflect the tax of the month of the deadline for payment.

Don't forget to file a notification of withdrawal from NHI at the village office if you have subscribed SHI

■About NHI Tax reduction

If the total annual income of the previous year of all NHI members in a household is lower than the reference standards as shown below, the per-capita portion and household portion may be reduced. However, the reduction will not be approved if the total annual income cannot be confirmed.

	Standard of Income
70 %	Total income of household is lower than basic deduction amount (¥430,000) + ¥100,000 × (Employment income earner – 1)
50 %	Total income of household is lower than basic deduction amount (¥430,000) + <u>¥285,000</u> × (number of insured person) + ¥100,000 × (Employment income earner – 1)
20 %	Total income of household is lower than basic deduction amount (¥430,000) + <u>¥ 520,000</u> × (number of insured person) + ¥100,000 × (Employment income earner – 1)

○Total annual income of a household includes different kinds of income such as forestry income and capital gains (before special deduction) of all NHI members in the household. In addition, the income of householder will be taken into account for judging a tax reduction, even if the householder is not an NHI member. In other words, the Total annual income of a household does not equal the amount shown on the Taxable income notification and so forth.

○If you have been receiving the benefit of special reduction for family workers, it will also be taken into account for the judgment of the NHI Tax reduction.

○For public pensioners (age 65 or above), the amount of income after deducting ¥150,000 from pension income is used to determine the reduction.

○Employment income earners are defined as those who receive a certain amount of salary income and public pension (includes national pension, employees' pension and company pension plan, etc.

○The member includes those who have shifted being insured by latter stage elderly portion from being insured by the National health insurance in the same household.

*Tokutei-setai=A household contains one NHI member and latter-stage elderly medical care system members who used be NHI members.

◆The NHI tax reduction qualification may be extended for the remaining NHI members of a household for a certain period, even if a member of the same household has withdrawn from NHI and subscribed latter-stage elderly medical care system. The reduction rates are different according to the household structure. Please consult the Resident Division if you consider yourself qualified.

◆A dependent (age 65 or above), who becomes an NHI member because of the supporter has withdrawn from Employee's health insurance and subscribes Latter-stage elderly medical care system, may be qualified for a tax reduction. Please contact the Resident Division if you consider yourself qualified.

◆A reduction system is available for those who lost their jobs because of being fired •bankruptcy or restructuring of the company. Please contact the Resident Division if you consider yourself qualified.

■Method of Payment

There are 2 types of collection: Ordinary Collection (to pay with the payment slip in cash or through bank transfer) and Special Collection (automatic withdrawal from pension).

◆Ordinary Collection

There is a total of 10 installments from June (1st) to March (10th) for Ordinary collection.

Deadline of each installment of FY 2021 (For Ordinary Collection)

Installment	Due date	Installment	Due date	Installment	Due date
1 st	Jun 30	5 th	Oct 25	9 th	Feb 22
2 nd	Jul 26	6 th	Nov 25	1 0 th	Mar 22
3 rd	Aug 25	7 th	Dec 27	※The number of installments may be different for those who join or withdraw of NHI in the middle of the fiscal year.	
4 th	Sep 27	8 th	Jan 25		

If you have applied for automatic withdrawal for NHI Tax, the premium will be withdrawn from your bank account on the due date. Please confirm the balance of your account by the day before the due date.

In case your balance is insufficient for the withdrawal, a second withdrawal will be made around the 10th of next month. However, if the premium is unable to withdraw for the second time, a reminder and a payment slip will be sent that you are required to pay the overdue tax in cash.

◆Special Collection

Special Collection only applies on the household which all NHI members are age 65-74 and fulfills all other specific requirements. In brief, Special Collection is a system to withdraw NHI Tax from the monthly pension benefits. Notification will be sent to you before the Special Collection starts if applicable.