

Minimum Wage Act

(Act No. 137 of April 15, 1959)

Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to improve the working conditions of low-paid workers by guaranteeing a minimum level of wages for them, thereby contributing to securing the worker's livelihoods, the improvement of the quality of the labor force, and ensuring fair business competition as well as to the sound development of the national economy.

(Definitions)

Article 2 In this Act, the meanings of the terms set forth in the following items are to be as prescribed respectively in those items:

- (i) the term "worker" means workers as prescribed in Article 9 of the Labor Standards Act (Act No. 49 of 1947) (excluding those employed by businesses or offices which only employ cohabiting relatives and household employees);
- (ii) the term "employer" means employers as prescribed in Article 10 of the Labor Standards Act; and
- (iii) the term "wage" means the wage prescribed in Article 11 of the Labor Standards Act.

Chapter II Minimum Wages

Section 1 General Provisions

(Minimum Wage Amount)

Article 3 The minimum wage amount (meaning the amount of wages established as the minimum wages; the same applies hereinafter) is to be established on an hourly basis.

(Effect of Minimum Wages)

Article 4 (1) Employers must pay wages of not less than the minimum wage amount to whom minimum wages are applicable.

(2) A labor contract between workers to whom minimum wages are applicable and their employer, which provides for wages less than the minimum wage amount is to be invalid with respect to that part. In such cases, the invalid part is deemed to provide for wages equal to the amount of the minimum wages.

(3) The following wages are not to be included in the wages prescribed in the

preceding two paragraphs:

- (i) wages other than those paid for each period not exceeding one month that are specified by Order of the Ministry of Health, Labour and Welfare;
 - (ii) wages other than those paid for normal working hours or working days that are specified by Order of the Ministry of Health, Labour and Welfare;
 - (iii) wages prescribed not to be included in the minimum wages.
- (4) If a worker did not work the prescribed working hours or working days for personal reasons or if an employer did not let a worker work the prescribed working hours or working days due to legitimate grounds, the provisions of paragraph (1) and paragraph (2) do not preclude the employer from not paying wages for the hours or days the worker has not worked.

(Evaluation of Benefits in Kind)

Article 5 If wages are paid in something other than currency, or if the cost of items such as meals provided by an employer to their workers are deducted from the worker's wages, those things must be properly evaluated with regard to the application of minimum wages.

(Conflict of Minimum Wages)

Article 6 (1) If two or more different minimum wages are applicable to a worker, the provisions of Article 4 apply based on the amount for the highest minimum wage.

(2) In the case referred to in the preceding paragraph, the provisions of Article 4, paragraph (1) and Article 40 apply to the amount of minimum wage provided for by the regional minimum wage prescribed in Article 9, paragraph (1).

(Special Provisions for the Reduction of Minimum Wages)

Article 7 If an employer has obtained permission from the Director of a Prefectural Labor Bureau as provided for by Order of the Ministry of Health, Labour and Welfare, the provisions of Article 4 apply to the following workers based on the amount obtained by deducting the amount obtained by multiplying the minimum wage by the rate specified by Order of the Ministry of Health, Labour and Welfare in consideration of their working capacity and other circumstances from the minimum wage amount specified:

- (i) workers who have significantly low working capacity due to mental or physical disability;
- (ii) workers during their probationary period;
- (iii) workers undergoing vocational training to acquire basic vocational skills and related knowledge necessary for working conducted with the accreditation set forth in Article 24, paragraph (1) of the Vocational Abilities Development Promotion Act (Act No. 64 of 1969) and who are specified by

Order of the Ministry of Health, Labour and Welfare; and
(iv) workers engaged in light work and other workers specified by Order of the Ministry of Health, Labour and Welfare.

(Obligation to Notify Workers of Minimum Wages)

Article 8 An employer to whom minimum wages apply must implement measures to notify workers of the general outline of the minimum wages by displaying the information of the minimum wages at a conspicuous place in the workspace at all times, or through other means, as provided for by Order of the Ministry of health, Labour and Welfare.

Section 2 Regional Minimum Wages

(Principles of Regional Minimum Wages)

Article 9 (1) In order to guarantee the amount of minimum wages for low-paid workers, regional minimum wages (meaning minimum wages for each region; the same applies hereinafter) must be established in every region of Japan.
(2) Regional minimum wages must be established by taking into account the living expenses of workers, wages of workers and the ordinary enterprises' ability to pay the wages, in the region.
(3) In taking into account of the living expenses of workers set forth in the preceding paragraph, the consistency between regional minimum wages and public assistance policies must be considered to ensure that workers can maintain the minimum standards of wholesome and cultured living.

(Decision on Regional Minimum Wages)

Article 10 (1) The Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau must request a study and deliberation by the Central Minimum Wages Council or a Regional Minimum Wages Council (hereinafter referred to as the "Minimum Wages Council") and decide on the regional minimum wages for each region based on their opinions.
(2) When the Minimum Wages Council submits its opinions pursuant to the provisions of the preceding paragraph, if the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau finds it difficult to act in accordance with the opinions, the Minister or the Director must request a redeliberation to the Minimum Wages Council with the reason attached.

(Objections Filed to the Opinions of Minimum Wages Council)

Article 11 (1) When the opinions of the Minimum Wages Council pursuant to the provisions of paragraph (1) of the preceding Article are submitted, the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau

must give public notice of the gist of the opinions, as provided for by Order of the Ministry of Health, Labour and Welfare.

- (2) Workers in the region pertaining to the opinions of the Minimum Wages Council under the provisions of paragraph (1) of the preceding Article or employers employing those workers may file an objection with the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau within 15 days from the date of public notice pursuant to the provisions of the preceding paragraph.
- (3) When the objection pursuant to the provisions of the preceding paragraph has been filed, the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau must seek the opinions of the Minimum Wages Council with regard to the objection.
- (4) The Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau may not make the decision set forth in paragraph (1) of the preceding Article until 15 days have elapsed from the date of public notice pursuant to the provisions of paragraph (1). The same applies until the opinions pursuant to the provisions of the preceding paragraph are submitted by the Minimum Wages Council when an objection pursuant to the provisions of paragraph (2) has been filed.

(Revisions of Regional Minimum Wages)

Article 12 The Minister of Health, Labour and Welfare or the Director of a Prefectural Labour Bureau must decide either to revise or abolish the regional minimum wages in accordance with the procedure to decide on the wages when they find this necessary taking into account of the living expenses and wages of workers, and the ordinary enterprises' ability to pay the wages, in the region.

(Regional Minimum Wages for Dispatched Workers)

Article 13 The provisions of Article 4 apply to dispatched workers prescribed in Article 44, paragraph (1) of the Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers (Act No. 88 of 1985) (referred to as "dispatched workers" in Article 18) on the basis of the amount of minimum wages established by the regional minimum wages decided for the region that includes the location of the place of business of the client engaged in the undertaking (meaning the undertaking engaged by the client of worker dispatch undertaking prescribed in Article 44, paragraph (1); the same applies in Article 18).

(Public Notice and Effectuation of Regional Minimum Wages)

Article 14 (1) When the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau has made a decision concerning the regional

minimum wages, they must give public notice of the decided matters as provided for by Order of the Ministry of Health, Labour and Welfare.

- (2) A decision on regional minimum wages pursuant the provisions of Article 10, paragraph (1) and a decision to revise the regional minimum wages pursuant to the provisions of Article 12 become effective on the day on which 30 days have elapsed from the date of public notice pursuant to the provisions of the preceding paragraph (when there is a day that comes after the day on which 30 days have elapsed from the date of public notice, which is specified by the decision, that day); a decision to abolish the regional minimum wages pursuant to the provisions of Article 12 becomes effective on the date of public notice pursuant to the provisions of the preceding paragraph (when there is a day that comes after the date of public notice, which is specified by the decision, that day).

(Decisions on Specified Minimum Wages)

- Article 15 (1) A person who represents all or a part of workers or employers may request the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau to decide on a minimum wage for a certain type of business or occupation which is applicable to those workers or employers (hereinafter referred to as "specified minimum wages"), or to decide to revise or abolish the specified minimum wages which are actually applied to those workers or employers, as provided for by Order of the Ministry of Health, Labour and Welfare.
- (2) The Minister of Health, Labour and Welfare or the Director of a Prefectural Labour Bureau may request a study and deliberation by the Minimum Wages Council and decide on the specified minimum wages pertaining to the request, or decide to revise or abolish the specified minimum wages pertaining to the request, based on its opinions, if the Minister or the Director finds this necessary when the request pursuant to the provisions of the preceding paragraph has been made.
- (3) The provisions of Article 10, paragraph (2) and Article 11 apply mutatis mutandis to cases where the Minimum Wages Council submits its opinions pursuant to the provisions of the preceding paragraph. In this case, the term "region" in Article 11, paragraph (2) is deemed to be replaced with "business or occupation."
- (4) When the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau makes a decision under paragraph (2), if a request is made pursuant to the provisions of Article 11, paragraph (2) as applied mutatis mutandis pursuant to the preceding paragraph, the Minister or the Director may suspend the application of the relevant specified minimum wage for a certain field of business for a limited period of time, or decide on a different

rate for the specified minimum wages, based on the opinions of the Minimum Wages Council pursuant to the provisions of Article 11, paragraph (3) as applied mutatis mutandis pursuant to the preceding paragraph.

(5) The provisions of Article 10, paragraph (2) apply mutatis mutandis to cases where the Minimum Wages Council submits its opinions pursuant to the provisions of the preceding paragraph.

Article 16 The amount of minimum wages established by the specified minimum wages decided on or revised pursuant to the provisions of paragraph (2) of the preceding Article must exceed the amount of minimum wages established by the regional minimum wages decided for the region that includes the location of the place of business of the employer to whom the specified minimum wage is applicable.

Article 17 Notwithstanding the provisions of Article 15, paragraph (1) and paragraph (2), the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau may decide to abolish the specified minimum wages decided on or revised pursuant to the provisions of paragraph (2), in accordance with the procedure to decide on the specified minimum wages, when the Minister or the Director finds that the specified minimum wages decided on or revised have become extremely inappropriate.

(Specified Minimum Wages for Dispatched Workers)

Article 18 When specified minimum wages apply to the same type of business as the client undertaking to which a worker is dispatched for dispatch work, or to the occupation of workers carrying out the same type of work as dispatched workers employed at the same workplace, the provisions of Article 4 apply to the dispatched worker on the basis of the amount of minimum wages established by the specified minimum wages.

(Public Notice and Effectuation of Specified Minimum Wages)

Article 19 (1) When the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau has made a decision concerning specified minimum wages, the Minister or the Director must give public notice of the matters decided as provided for by Order of the Ministry of Health, Labour and Welfare.

(2) A decision on specified minimum wages and a decision to revise the specified minimum wages pursuant to the provisions of Article 15, paragraph (2) become effective on the day on which 30 days have elapsed from the date of public notice pursuant to the provisions of the preceding paragraph (when there is a day that comes after the day on which 30 days have elapsed from the date of

public notice, which is specified by the decision, that day); and a decision to abolish the specified minimum wages under the provisions of Article 15, paragraph (2) and Article 17 becomes effective on the date of public notice pursuant to the provisions of the preceding paragraph (when there is a day that comes after the date of public notice, which is specified by the decision, that day).

Chapter III Minimum Wages Council

(Establishment)

Article 20 A Central Minimum Wages Council is to be established in the Ministry of Health, Labour and Welfare, and Regional Minimum Wages Councils are to be established in the Prefectural Labor Bureaus.

(Authority)

Article 21 A Minimum Wages Council is to take charge of matters under their authority pursuant to the provisions of this Act and in addition, the Regional Minimum Wages Councils may study and deliberate on important matters concerning minimum wages in response to consultations from the Director of a Prefectural Labor Bureau, and may propose the matters found to be necessary for the study and deliberation of minimum wages to the Director of a Prefectural Labor Bureau.

(Organization)

Article 22 A Minimum Wages Council is to be composed of equal number of members representing workers, members representing employers, and members representing public interest, as provided for by Cabinet Order.

(Council Members)

Article 23 (1) Council members are to be appointed by the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau as provided for by Cabinet Order.

(2) The term of office of a council member is to be two years; provided, however, that the term of office of a council member appointed to fill a vacancy is to be the remaining term of the council member's predecessor.

(3) A council member whose term of office has expired is to continue to perform duties until a successor is appointed.

(4) A council member is to serve on a part-time basis.

(Chairperson)

Article 24 (1) A Minimum Wages Council is to have a chairperson.

- (2) The chairperson of a Minimum Wages Council is elected by council members from among members who represent public interest.
- (3) The chairperson of a Minimum Wages Council presides over its affairs.
- (4) When the chairperson of a Minimum Wages Council is unavailable, a person elected in advance in accordance with the same procedure as the procedure set forth in paragraph (2) acts on behalf of the chairperson.

(Expert Committees)

Article 25 (1) A Minimum Wages Council may set up an expert committee for the study and deliberation of technical matters concerning a certain type of business or occupation as necessary.

- (2) A Minimum Wages Council must set up an expert committee when requested to study and deliberate on a decision to establish minimum wages or a decision to revise the minimum wages.
- (3) An expert committee is to be composed of equal number of members representing relevant workers, members representing relevant employers, and members representing public interest, as provided for by Cabinet Order.
- (4) The provisions of Article 23, paragraph (1) and paragraph (4), and the preceding Article apply mutatis mutandis to expert committees.
- (5) A Minimum Wages Council is to hear the opinions of the relevant workers and relevant employers when it studies and deliberates on a decision to establish minimum wages or a decision to revise or abolish the minimum wages, as provided for by Order of the Ministry of Health, Labour and Welfare.
- (6) Beyond what is provided for in the preceding paragraph, a Minimum Wages Council is to hear the opinions of the relevant workers, the relevant employers, and other persons concerned when found necessary for deliberation.

(Delegation to Cabinet Order)

Article 26 Beyond what is provided for in this Act, necessary matters for the Minimum Wages Councils are prescribed by Cabinet Order.

Chapter IV Miscellaneous Provisions

(Support)

Article 27 The government must endeavor to provide employers and workers with the relevant materials and other necessary support for the smooth implementation of the minimum wages system.

(Surveys)

Article 28 The Minister of Health, Labour and Welfare must endeavor to ensure the smooth implementation of the minimum wages system by conducting

necessary surveys on wages and other actualities of workers.

(Reports)

Article 29 The Minister of Health, Labour and Welfare and the Director of a Prefectural Labor Bureau may order employers or workers to report matters concerning wages within the extent necessary to achieve the purpose of this Act, as provided for by Order of the Ministry of Health, Labour and Welfare.

(Authority)

Article 30 (1) The authority of the Minister of Health, Labour and Welfare or the Director of a Prefectural Labor Bureau prescribed in Article 10, paragraph (1), Article 12, Article 15, paragraph (2), and Article 17 is to be exercised by the Minister of Health, Labour and Welfare for cases related to the jurisdiction districts of two or more Prefectural Labor Bureaus and those related only to the jurisdiction district of one Prefectural Labor Bureau designated by the Minister of Health, Labour and Welfare as cases relevant to the whole country pursuant to the provisions of the Order of the Ministry of Health, Labour and Welfare, and with regard to cases related only to the jurisdiction district of one Prefectural Labor Bureau (excluding those under the authority of the Minister of Health, Labour and Welfare), is to be exercised by the Director of the Prefectural Labor Bureau.

- (2) The Minister of Health, Labour and Welfare may order the Director of a Prefectural Labor Bureau to decide to revise or abolish the minimum wages decided by the Director in cases where the Minister finds that the minimum wages are extremely inappropriate.
- (3) The Minister of Health, Labour and Welfare must hear the opinions of the Central Minimum Wages Council in advance when issuing an order pursuant to the provisions of the preceding paragraph.
- (4) The provisions of Article 10, paragraph (2) apply mutatis mutandis to cases where the Central Minimum Wages Council submits its opinions pursuant to the provisions of the preceding paragraph.

(Heads of Labor Standards Inspection Offices and Labor Standards Inspectors)

Article 31 The heads of Labor Standards Inspection Offices and labor standards inspectors take charge of affairs related to the enforcement of this Act as provided for by Order of the Ministry of Health, Labour and Welfare.

(Authority of Labor Standards Inspectors)

Article 32 (1) Labor standards inspectors may enter the workplace of employers to inspect books and documents, and other objects, or question the persons concerned within the extent necessary to achieve the purpose of this Act.

- (2) Labor standards inspectors who conduct an on-site inspection pursuant to the provisions of the preceding paragraph must carry an identification card and present it to the persons concerned.
- (3) The authority to conduct on-site inspections pursuant to the provisions of paragraph (1) must not be construed as being granted for criminal investigation purposes.

Article 33 Labor standards inspectors are to perform the duties of judicial police personnel under the Code of Criminal Procedure (Act No. 131 of 1948) for offenses concerning violation of the provisions of this Act.

(Reporting to Supervising Bodies)

- Article 34 (1) When there is violation of the provisions of this Act or orders based on this Act at the workplace, workers may report the fact to the Director of a Prefectural Labor Bureau, the head of a Labor Standards Inspection Office, or a labor standards inspector, and request that appropriate measures for rectification be taken.
- (2) An employer may not dismiss a worker or give a worker other disadvantageous treatment on the grounds that the worker has made a report set forth in the preceding paragraph.

(Special Provisions for Mariners)

- Article 35 (1) The provisions of Article 6, paragraph (2), Section 2, Chapter II, Article 16, and Article 17 do not apply to mariners subject to the Mariners Act (Act No. 100 of 1947) (hereinafter referred to as "mariners").
- (2) With regard to mariners, all matters that fall under the authority of the Minister of Health, Labour and Welfare, Directors of Prefectural Labor Bureaus, or heads of Labor Standards Inspection Offices, or labor standards inspectors prescribed in this Act are to be performed by the Minister of Land, Infrastructure, Transport and Tourism, Directors of District Transport Bureaus (including Directors of Transport Supervision Departments), or officers in charge of the labor affairs of mariners, and the term "Order of the Ministry of Health, Labour and Welfare" in this Act is deemed to be replaced with "Order of the Ministry of Land, Infrastructure, Transport and Tourism"; the term "hour" in Article 3 is deemed to be replaced with "hour, day, week, or month"; the phrase "workers engaged in light work" in Article 7, item (iv) is deemed to be replaced with "workers whose prescribed working hours are particularly short and workers engaged in light work"; the terms "Article 15, paragraph (2)" and "paragraph (2) of the same Article and Article 17" in Article 19, paragraph (2) are deemed to be replaced with "Article 15, paragraph (2) and Article 35, paragraph (3) and paragraph (7)" and "Article 15, paragraph (2)

and Article 35, paragraph (7)" respectively; and the phrases "Article 10, paragraph (1), Article 12, Article 15, paragraph (2), and Article 17," and "the jurisdiction district of Prefectural Labor Bureau" in Article 30, paragraph (1) are be deemed to be replaced with "Article 15, paragraph (2) and Article 35, paragraph (3) and paragraph (7)" and "the jurisdiction districts of District Transport Bureaus or the Transport Supervision Departments (for the District Transport Bureaus specified by Cabinet Order, excluding the jurisdiction district of the Transport Supervision Departments)," respectively.

- (3) When the Minister of Land, Infrastructure, Transport and Tourism or the Director of a District Transport Bureau (including the Director of the Transport Supervision Department) finds it necessary taking into account of the living expenses of mariners , the wages of similar mariners , and the ordinary enterprises' ability to pay wages in order to improve the working conditions of low-paid mariners, the Minister or the Director may request study and deliberation by the Council of Transport Policy or a council specified by Cabinet Order established in the District Transport Bureau (hereinafter referred to as the "Council of Transport Policy, etc.") and establish specified minimum wages applicable to mariners based on its opinions.
- (4) The provisions of Article 10, paragraph (2) and Article 11 apply mutatis mutandis to cases where the Council of Transport Policy, etc. submits its opinions pursuant to the provisions of the preceding paragraph. In this case, the term "region" in Article 11, paragraph (2) is deemed to be replaced with "business or occupation".
- (5) When the Minister of Land, Infrastructure, Transport and Tourism or the Director of a District Transport Bureau (including the Director of the Transport Supervision Department) makes a decision pursuant to the provisions of paragraph (3), if a request is made pursuant to the provisions of Article 11, paragraph (2) as applied mutatis mutandis pursuant to the preceding paragraph, the Minister or the Director may suspend the application of the specified minimum wages for a certain field of business for a limited period of time, or decide a different rate of specified minimum wages, based on the opinions of the Council of Transport Policy, etc. under the provisions of Article 11, paragraph (3) as applied mutatis mutandis pursuant to the preceding paragraph.
- (6) The provisions of Article 10, paragraph (2) apply mutatis mutandis to cases where the Council of Transport Policy, etc. submits its opinions pursuant to the provisions of the preceding paragraph.
- (7) The Minister of Land, Infrastructure, Transport and Tourism or the Director of a District Transport Bureau (including the Director of the Transport Supervision Department) may decide either to revise or abolish the specified minimum wages applicable to mariners decided pursuant to the provisions of

Article 15, paragraph (2), or paragraph (3) of this Article in accordance with the procedure to decide the specified minimum wages, when the Minister or the Director finds this necessary taking into account of the living expenses of mariners, the wages of similar mariners, and the ordinary enterprises' ability to pay the wages .

(8) With regard to a dispatched mariner boarding a vessel prescribed in Article 89, paragraph (1) of the Mariners' Employment Security Act (Act No. 130 of 1948), if the specified minimum wages apply to the business of the person receiving the services of the dispatched mariner or to the occupation of the same type of mariners employed by the person receiving the services of the dispatched mariner, the provisions of Article 4 apply on the basis of the amount of the minimum wages established for the specified minimum wages.

Article 36 With regard to mariners, matters that fall under the authority of the Minimum Wages Council prescribed in this Act are to be performed by the Council of Transport Policy, etc.

Article 37 (1) The Council of Transport Policy, etc. may set up an expert committee for minimum wages as necessary, to have the committee study and deliberate on technical matters concerning a certain type of business or occupation.

(2) The Council of Transport Policy, etc. must set up an expert committee for minimum wages when requested to study and deliberate on a decision to establish minimum wages or a decision to revise the minimum wages.

(3) The provisions of Article 25, paragraph (5) and paragraph (6) apply mutatis mutandis to the Council of Transport Policy, etc.

(Delegation to the Ministerial Order)

Article 38 Beyond what is provided for in this Act, the necessary matters for the enforcement of this Act are prescribed by Order of the Ministry of Health, Labour and Welfare.

Chapter V Penal Provisions

Article 39 A person who violates the provisions of Article 34, paragraph (2) is punished by imprisonment with work for not more than six months or a fine of not more than 300,000 yen.

Article 40 A person who violates the provisions of Article 4, paragraph (1) (limited to those related to regional minimum wages and specified minimum wages applicable to mariners) is punished by a fine of not more than 500,000

yen.

Article 41 A person who falls under one of the following items is punished by a fine of not more than 300,000 yen:

- (i) a person who violates the provisions of Article 8 (limited to those related to regional minimum wages and specified minimum wages applicable to mariners);
- (ii) a person who fails to give a report pursuant to the provisions of Article 29 or gives a false report; or
- (iii) a person who refuses, prevents, or evades an on-site inspection pursuant to the provisions of Article 32, paragraph (1), or fails to give a statement or gives a false statement to a question,.

Article 42 If the representative of a corporation, or an agent, employee, or other worker of a corporation or an individual, commits a violation set forth in the preceding three Articles with regard to the business of the corporation or the individual, not only the offender is punished but also the corporation or the individual is punished by the fine prescribed in the respective Articles.