Handling of the My Number (the Social Security and Tax Number System) by private businesses

My Number System started in January 2016 in the three areas of social security, taxation and disaster response.

Private businesses with employees will also need to deal with My Numbers for tax and social security procedures.

This material will introduce private businesses to the basics of the handling required for this system.

First of all, I would like to start with an overview of the My Number System and then explain the changes in required handling by private businesses in tax and social security procedures.

Also, I will explain the overview of guidelines for the handling of personal information, and finally introduce the Corporate Number.

* Key Factors of My Number System *

My Number: Official name is My Number. A 12-digit identification number all individuals have in Japan for taxation, social security and disaster response purposes.
My Number Card: Official name is My Number Card. Can be used as personal identification with name, address, My Number and an ID photo also as online certification.

Mynaportal: An individual portal site. Can access your personal information linked to My Number which government own and use other administrative services on your personal portal site.

Corporate Number: A 13-digit number designated as a corporation, such as a company or organization that conducts business in Japan.
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1. マイナンバー制度の概要
The My Number System is part of the social infrastructure to improve administrative efficiency, enhance public convenience, and realize a fairer and more just society.

The My Number System (the social security and tax number system) effectively manages information in the areas of social security, taxation and disaster response, and is used to confirm that personal information possessed by multiple agencies is for the same person. It is part of the social infrastructure to improve administrative efficiency, enhance public convenience, and realize a fairer and more just society.

Let’s start with improving administrative efficiency. After the introduction of the My Number System, residents will be requested to present their My Numbers or provide it on application forms for procedures taken at national and regional public agencies. When the information-sharing network among national and regional agencies is initiated, there will be a significant reduction in the time and labor required to check and transfer information and administrative procedures will become smooth and more accurate.

Next, the system will enhance public convenience. Until now, residents were required to run from one public office to another, such as the city office, tax office and pension office, to get the necessary documents for the submission of each document. Once the full operation of the information sharing begins, there will be cases in which the need for accompanying documents such as taxation certificates for the application of social security and tax related procedures will be reduced, making it much simpler for residents.

It will also become possible to receive information about the services available to individuals and their families through pc or smartphone.

Lastly, the system will realize a fairer and more just society. The system will make it easier to ascertain an individual’s income and other information, and prevent improper evasion of payment responsibility and unfair receipt of benefits as well as provide fine-tuned assistance to those who really need it.
Use of My Number started from January 2016

My Number is used by national and regional agencies only for social security, taxation and disaster response procedures that are stipulated by law or regional government regulations. Since January 2016, My Numbers are required to be provided on applications and other documents for the procedures related to medical insurance, employment insurance, welfare payments and taxation.

My Numbers cannot be used for purposes other than for those stipulated by law

My Number cannot be provided to others for purposes other than those permitted by law. Illegally obtaining someone else’s My Number or releasing personal information files with records of My Numbers and other confidential information are subject to punishment under the law.
Use of My Numbers for various life events

- Students
  - For application of student loans at the office of lending institutions
  - For starting part time jobs at the workplace

- Employment
  - At the office for procedures of creating tax withholding forms
  - For employment insurance
  - At the tax office for tax return reports

- Marriage and child care
  - For application of child allowances and lump-sum benefits for childbirth and childcare at municipal or health insurance offices
  - For part time jobs at the workplace office

- Retirement
  - For procedures concerning welfare benefits and nursing care at the municipal office
  - For procedures concerning asset management at banks and security companies

In addition, the My Number is needed in various situations.

- At the Hello Work office for unemployment benefits by employment insurance
- At the municipal office for use of the support system as disaster response
- At insurance companies or cooperatives for receipt of life insurance money, nonlife insurance money or mutual aid
- At banks and post offices when sending or receiving money to or from other countries
- At the Japan Pension Service for procedures related to pension benefits
My Number may be requested by other than government organization

My Number is requested by municipal offices, tax offices, Hello Work offices, health insurance offices for social security, taxation and administrative procedures that are stipulated by law, and also requested by non-governmental agencies as follows.

- Employers
- Contracting parties (including clients, organizers of lectures)
- Real estate agents (such as legal entities that pay real estate brokerage fees or tenant fees)
- Financial Institutions (such as banks, securities companies, life insurance companies, nonlife insurance companies, futures dealers and gold bullion dealers)

Private business organization cannot use My Numbers other than for purposes stipulated by law, and the databases of private business companies may not be connected to the government agencies by network.

Even after the introduction of the My Number System, the kind of the personal information that administrations can hold is limited to the things based on laws and ordinances as they are now.
Reduction in residents’ burden will be realized when the information-sharing is started including a reduction of documents to be attached.

The information-sharing utilizing network system among organizations including regional public agencies has started.

Through information sharing, public burden will be reduced and public convenience will be enhanced for administrative procedures, such as the omission of some attachments for taxation certificates. In addition, the communication among agencies will use encryption without using the My Numbers directly, and will be monitored and supervised by the Personal Information Protection Committee, which is a third party.
You can confirm exchange of the personal information with Mynaportal

Some of you may be concerned about the exchange of your personal information. From July 18, 2017, you can check when, which agencies and why they inquired about your personal information and which agency provided it through Mynaportal.

Utilizing the Mynaportal, you can receive specific notifications individually from municipal agencies or other offices. It is planned that providing convenient and appropriate functions for improving residents’ daily life will be scheduled in the future. For example, notification of immunizations from municipalities to families with infants and toddlers.
Residents were notified of their My Numbers

- Starting October 2015, notification cards bearing a 12-digit My Number designated to each and every resident having registered were mailed by simple registered mail.
- Residents with foreign nationality with medium-and-long term residency or special permanent residents with registration were also included.
- Your My Number will serve you for your lifetime. Please handle the number appropriately, because your My Number will not be changed unless the number has been leaked and may be used illegally.
- A notification card will be used for the confirmation of My Number, but you cannot use as proof that you are the rightful owner of the My Number only by this.
- By this, you can acquire your My Number Card which is made of plastic with a facial photograph upon personal application.
- My Number Cards are available as general identification cards.
To use the "personal number card grant application", cut out the two parts and use.
"My Number Card" which is used for various purposes can be issued upon application

"My Number Card," which can alone be used for identification, bears information about the owner's address, name, birthday, gender, My Number and ID photo. My Number Cards, which can be issued without charge upon request by the My Number Card application format enclosed with the notification card. (Once you obtain the My Number Card, it is valid for 10 years if you are 20 years or older, and for 5 years if you are younger than 20 years old. Note that the expiration date may vary if you have foreign nationality.)

My Number Cards do not contain highly sensitive personal information

There may be concerns that personal information will leak out from the IC chip on the My Number Card. However, other than information listed on the face of the card, an electronic certificate for electronic application is recorded, but the highly sensitive personal information such income information or medical history is not recorded.

In addition, it is assumed that the surface of My Number Card will be used as general identification, but My Number on the backside is prohibited to be collected except for official purposes established by law or ordinance.

For example, please note that copying the front of the My Number Card is allowed for confirming identification in general, however copying the backside of the card is regarded as illegal except in specific cases stipulated in law.
About “My Key” portion

“My Key” portion is an electronic certificate for each signature and user proof and free space in the IC chip on backside of My Number Card.

About My Number, the use of the main subject is limited by laws and ordinances. However, about My Key portion, a wide use is enabled including private business. For example, it has been already applied in the case entering and leaving of the company employees and authority confirmation of the operation terminals.
■Merit of My Number Card

You can use My Number Card for identification and the electronic certificates on IC chip can perform various electronic applications such as e-Tax. Also, it can be used for administrative services which the local government established in the ordinances including an identification of library use and the seal registration certificate. In addition, since January 2016, the range of utilization is expanded to not only about the local government but also the private business.
You can apply for My Number Card in a group in a company or a school

You can apply for My Number Card collectively in a company or a school together.

Also, coordinating with municipals, there are cases that municipal staff visit company or school to perform identification and accept application in a group.

If you want to do that, please consult to the municipal office which your company or school is belong to.
2. 税務関係、社会保障関係の手続き
Private businesses also handle My Number

Private businesses are performing creating and providing of procedures for application of health insurance and employees’ pension for employees. Also, security company and insurance company are performing creating and providing the legal record of dividend and insurance money. Since January 2016, these procedures need My Number. Individuals dealing with financial institutions need to provide their and their family’s My Number to the financial institution of their employers, security companies, insurance companies, etc. Also, My Numbers will be required for the identification of individuals in regard to the payment for lecture or writing subscription to write on the payment record when private business ask outsiders of lecture or writing subscriptions. Also, when private businesses request outside individuals to give lectures or to write manuscripts and pays for their services, the private businesses need to request them to provide their My Number (or corporate number) to put in the payment record if the private businesses want to submit it.

My Number System involves all employees for the processing of security and taxation

From January 2016, My Numbers of all employees, including part-timers and temporary employees, need to be obtained and included on the certificate of income and tax withholding, health insurance, employee pensions, employment insurance and other tax and social security documents by the date of submission of the relevant documents. Also, personal information including My Numbers must be managed appropriately.
My Numbers need to be provided when submitting tax-related documents

In accordance with the national tax related laws, such as the General Act on National Taxes, My Number or Corporate Number must be provided on tax returns, reports, applications, notifications, and written statements to be submitted.

In regard to the tax returns, payment reports and other regional tax-related documents must provide My Number or Corporate Numbers, as stipulated by law related to regional taxation. In accordance with the national tax-related laws, name and address of the person who submit the form in common, and following numbers must be provided on tax forms (tax returns, applications notifications and other written statements).

Specifically, certificate of tax withholding for salary income and salary payment report require;

1. My Number or Corporate Number of the payer,
2. My Number of the recipient, and
3. My Number of the qualified spouse for deduction and dependents.

My Number or Corporate Number of the party to which the payment is made must be obtained from said party prior to the submission of payment records and payment reports.

But, among taxation documents (except tax returns and records), “documents established by ordinance of Ministry of Finance” are prescribed as the documents which do not need mention of My Numbers. In the general rules for National Taxes Law enforcement regulations, these “documents established by ordinance of Ministry of Finance” are “the documents which Commissioner of National Tax Agency establishes as the tax documents submitted for procedures in the context of or following to the tax return form or other documents which needs My Numbers”.

Additionally, as for “the documents which Commissioner of National Tax Agency establishes” are prescribed as the documents which do not need mention of My Number in the National Tax Agency notification No. 7 in 2016.
These are the field where you should provide Individual or Corporate Numbers

It is stipulated that the numbers of recipient and payer must be provided in the legal records.

Here is a representative example of the format for the payment record of a reward, a rate, a contract deposit and the prize money, and tax withholding slip of salary income. The style displayed in the left side is for the payment record of compensation, fee, contract and prize money, and you provide My Number or Corporate Number in the area of “receiving the payment” and “a person who pay”.

Similar to the payment record of compensation, fee, contract and prize money, regarding the legal record which is not specified by tax law, even in the case of confirmation of the contents of payment, they will not be able to send the legal record or a copy of the legal record with My Number to the person oneself.

The right side is the style of the certificate of tax withholding for salary income.

About certificate of tax withholding for salary income, in addition to that My Number or Corporate Numbers of “recipient” and “payer” must be provided, My Number of “the qualified spouse for deduction” and “the qualified dependents for deduction” must be provided.

Please take note that there are two formats of the certificate of income and tax withholding of salary, in other words, forms for submitting to the Tax Office and for oneself, the formats for oneself does not include My Number or Corporate Number.
The changes in the format of tax-related documents

One of the documents related to income tax and individual inhabitant tax is “Declaration of tax deduction for salaried employees (transfer),” which requires My Numbers for the income earner, qualified spouse for deduction, and qualified dependents.

Payers requested to submit this form are required to provide their My Number or Corporate Number. There are other forms that payers are required to submit which must provide My Numbers of the recipient:

“Declaration of tax exemption for dependents of secondary income (transfer),”

“Declaration of retirement income earner,” and “Declaration of dependents to the recipient of public pension and so on”.

These forms also require My Number or Corporate Number of the payer of the salary. Under some circumstances, there may be cases in which you can omit the providing of My Number of the earner of the salary and dependents of the person of exemption.

Specifically, regarding the declaration for the dependent exemption of salary receiving on or after January 1, 2017, the My Number of the person who is on the account book is not required if the employer keeps the account book including employees My Numbers.
My Numbers must be provided in social security documents

Various social security-related documents and applications such as written notice of acquisition of the employment insurance, written notice of acquisition of health insurance and welfare pension insurance, that employers are to submit to the administrative agencies must include My Number or Corporate Numbers of the employed.

This means that the employers need to obtain the My Numbers from their employees.

Please make use of the specially set up page for social security and tax numbers on the Ministry of Health, Labor and Welfare website that links to a page entitled “For business owners” that posts related information.
<table>
<thead>
<tr>
<th>項目</th>
<th>主な届出書類等の内容</th>
<th>施行日</th>
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</thead>
<tbody>
<tr>
<td>雇用保険</td>
<td>以下の様式に「個人番号」を追加：&lt;br&gt; - 雇用保険徴収者資格取得届等&lt;br&gt; 以下の様式に「法人番号」を追加：&lt;br&gt; - 雇用保険適用事業所設置届等</td>
<td>平成28年1月1日提出分～</td>
</tr>
<tr>
<td>勞災保険</td>
<td>以下の様式に「個人番号」を追加：&lt;br&gt; - 傷害（補償）給付命令書等&lt;br&gt; 以下の様式に「法人番号」を追加：&lt;br&gt; - 傷害（補償）年金給付請求書等</td>
<td>平成28年1月1日提出分～</td>
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<td>健康保険・厚生年金保険</td>
<td>以下に「個人番号」を追加：&lt;br&gt; - 健康保険・厚生年金保険者資格取得届等&lt;br&gt; - 健康保険補助金支給者（質保）届等&lt;br&gt; 以下の様式に「法人番号」を追加：&lt;br&gt; - 新規適用届等</td>
<td>平成29年1月1日提出分～</td>
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※1 雇用保険の手続きのうち、高齢雇用者見込み保険、高齢休業者見込み保険、介護休業者見込み保険等の届出について、平成28年2月1日から、原則として、事業主を義務として提出することとなっていますので、労働者を兼ねる者を除く必要があり、また、資格取得届等と同様に、事業主は番号法上の個人番号関係事務実施者としてこれらの申請を行うこととなりますので、本人確認は事業主で行っていただくこととなります。このため、ハローワークに対して、代理様や社員のマイナンバーを確認するための書類の提出は不要となります。

※2 勞災保険の手続きについては、法令で、請求人が所管の労災保険機関に直接提出することとなっています。原則、事業主のみならず手続きをしていますのはございませんが、請求人が自ら手続きを行うことが困難である場合には、事業主が代理しなければならないとされていることから、そのような場合には、請求者の委任により、本人の代理として提出いただくことがでます。

※3 日本年金機構へ提出する健康保険・厚生年金関係の書類については、マイナンバーの記載時期は未定です。

※4 国民健康保険関係については、平成28年1月1日～各種届出書類にマイナンバーを記載することとなります。

Start of time in which My Numbers will be required on social security-related forms will differ according to the system

The starting dates for My Numbers required on social security-related forms are as follows:

- As with tax forms, employment insurance documents will require as tax related documents, provision of the number for forms submitted on January 1, 2016 onward,
- For health insurance and welfare pension insurance, Corporate Number is required from documents submitted on January 1, 2016 onward,

Also, for health insurance and welfare pension insurance related documents which should be submitted to Japan pension organization are not decided of the provision of the My Numbers.

And, regarding documents which are to be submitted to the National Health Insurance Association, are required to provide My Numbers from submission on January 1, 2016 onward.
Regarding employment insurance, My Numbers of employees are required to submit by employers only if continuing employing benefits are notified.

Also, business owners who have health insurance association must submit My Numbers of existing employees and their dependents to the health insurance association upon the request from the association.
These are formats revised for employment insurance documents

Specific changes in documents being submitted by business owners in regards to the employment insurance are as follows:

My Number fields are added in the following documents to be submitted to Hello Work.

- Written notice of acquisition of the employment insurance qualification,
- Notification of loss of qualification, Notification of change of name,
- Confirmation and application for qualification to continuous payment for older workers,
- Confirmation and application for qualification for child care leave allowance, and
- Application for family care leave allowance
These are formats revised for health insurance and welfare pension

These are specific changes in documents being submitted by business owners in regards to health insurance and welfare pension applications as follows.

My Number field will be added to the following documents to be submitted to the Japan Pension Service and Health Insurance Society,

- Notification of or loss of qualification for health insurance / welfare pension,
- Notification of or changes in the base amount for calculation of monthly compensation for health insurance / welfare pension, and
- Notification of change in health insurance dependents / notification of insured individual for National Pension Category III.

Also, My Numbers are used to link information among administrative agents, which enables omission of previously required resident record and certificate of annual income to be submitted to the Japan Pension Service and Health Insurance Society.
These are applications revisions related to health insurance payment procedures
Specific changes in administrative procedures for health insurance payment are as follows.

• Application for a reduction in an amount obtained by deducting the dietary therapy standard cost-sharing.
• Application for a reduction in an amount obtained by deducting the life care standard cost-sharing.
• Application for payment of medical expenses, and
• Application for payment of allowance for sick and wounded

My Numbers will be required in above applications.

The above administrative procedures are currently performed by the individuals or via business owners with applications submitted to the health insurance societies or the National Health Insurance Association.
No changes are made on social security-related forms listed here

We have received many questions from business owners regarding the need to provide My Numbers on various forms.

The forms listed here do not require My Numbers.

In view of additional administrative burden and risk of leakage, notification documents from the public administrations will not have My Numbers.
3. 安全管理（セキュリティ）
We strictly respond to concerns for privacy on regulation side and system side.

To ensure the safety and security, for various concerns expressed including the possibility of information leakage and identity theft, measures are in place to personal information from both the regulation side and system side.

As regulation side, the collection and retention of specific personal information including My Number is prohibited with the exception of when prescribed by law. A third-party agency, Personal Information Protection Commission monitors and oversee its use. And the illegal use of My Numbers is subject to severe punishment.

From the system side, personal information will not be controlled centrally. As it was done before, pension information will be managed by the Pension office, taxation information will be managed by the tax office. When information is communicated between public agencies, My Numbers will not be used directly and information being transmitted will be encrypted. Individuals with authority to access into the system will also be restricted.