

# Outline of the Social Security and Tax Number System (Overview)

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Social Security Reform Office,  
Cabinet Secretariat

# Outline of the Social Security and Tax Number System 1)

## Purposes of adopting the Number System

### Background

- Increase in senior citizens and decrease in workforce due to aging society with low birthrate
- Concern about increasing inequality
- Progress of information and communications technology
- Demand for improving efficiency and transparency in systems and operation
- Demand for fair burdens and benefits

### Issues

**There is no basis for confirming if personal information held by different government agencies belongs to the same person. This causes problems such as the following.**

- It is difficult to collate names in some legal records related to taxes required to be submitted to Tax Offices, limiting their use
- It is difficult to adopt flexible and detailed social security and tax credit systems based on a more accurate grasp of income and assets
- Proper management of systems that require long-term specification of individuals is difficult (pension management, etc.)
- Collaboration among relevant agencies on health insurance, etc. is difficult

## Introduction of the Number System

### Effects

- Accurate grasp of information such as income will be efficiently applied to social security, taxes, etc.
- Enhancement of social security for people who truly need help
- Achievement of fair burdens and allocations and greater efficiency in administration
- Development of frameworks using information technology for efficient and safe data sharing by the national and local governments, building social infrastructure to support national life
- Expected enhancement of the public's convenience through the use of information technology
- Use to actively provide support to people who truly need help after disasters

# Outline of the Social Security and Tax Number System 2)

## Principle behind the Number System

The principle behind the introduction of the Number System is the achievement of the following kind of society

### The society to be realized

- **A fairer and more just society**
- **A society that provides detail and accurate social security**
- **A society without errors and waste in government**
- **A society that is convenient for its citizens**
- **A society that protects its people's rights, one in which they have control of their personal information**

# Outline of the Social Security and Tax Number System 3)

## What can be done with the Number?

### Achievement of more detailed social security benefits

- Introduction of a “total accumulation system” (provisional name) that sets a maximum limit for total individual burdens for healthcare, caregiving, insurance, disability, etc.
- Improvement of the catastrophic healthcare/caregiving accumulation system (enabling receipt of healthcare/caregiving services with no out-of-pocket expenses when co-payment limits are reached)
- Prevention of benefit errors and oversights, redundant benefits, etc.
  - Confirmation of benefits from other systems when benefits are paid under the Health Insurance Act
  - Confirmation of the status of other system benefits when assistance payments are made under the Public Assistance Act

### Achievement of more accurate grasp of income

- Using the Numbers for work related to assessment and collection of national and local taxes will enable efficient collation and matching of names, contributing to more accurate grasp of income

### Use in time of disaster

- Compilation and updating of lists of people who require assistance after a disaster
- Confirmation of identity after a disaster
- Use for medical information
- Effective support for putting lives back in order

### Information provision, including obtaining one’s own data and necessary notifications

- People will be able to view information such as the following from their home computers, etc.
  - Various types of social insurance premiums (pensions, health insurance, care insurance, etc.)
  - Payments made for services received (fees for health insurance, care insurance, daycare, etc.)
  - Notices to welfare services recipients of changes to services, etc.
  - Reference information for completing final tax returns, etc.

### Simplification and easing of paperwork and procedures

- Reduction of attached documents (tax certificates, certificates of residence, etc)
- Confirmation of insurance at medical institutions
- Reduction of paperwork in submission of required legal records related to taxes

### Contribution to improved healthcare and caregiving services

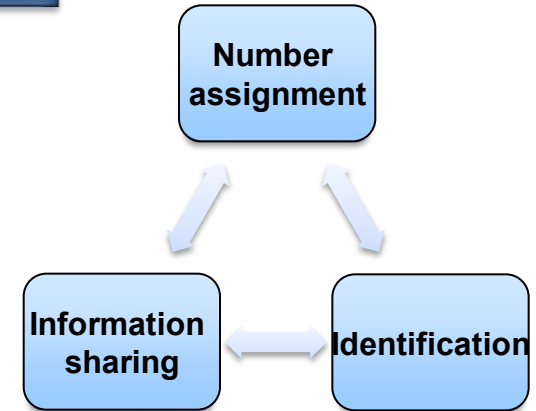
- Medical records and vaccination records can be confirmed even after moving house
- Continued grasp of children’s medical records enables early detection of child abuse, etc.
- Enables collection of ongoing, accurate data for medical research on intractable disease, etc.
- Regional cancer registries, etc., enable tracking of patient outcomes
- When people with care insurance move to a different municipality, caregiving records from the previous location can be viewed and confirmed
- Medical certificates need no longer be attached to various kinds of applications
- Unification of the functions of pension books, health insurance certificates, care insurance certificates, etc.

# Outline of the Social Security and Tax Number System 4)

## Three mechanisms required for the Number System

### Number assignment

- © A mechanism to assign Numbers associated with updated four types of information (name, address, sex, date of birth)
- 5 features
  - 1) Each and every person is assigned one Number (completeness)
  - 2) Each person has a unique Number (uniqueness)
  - 3) Numbers can be used in the private and public sectors
  - 4) Numbers can be confirmed visually
  - 5) Numbers are associated with four types of up-to-date basic information



### Information sharing

- © A mechanism for multiple institutions to manage information relating to an individual by attaching the Numbers and other Numbers and to jointly use the information
- Clarification by laws and regulations of the types of personal information that can be shared and who can use it
- Mandatory use of the Information Sharing Infrastructure when sharing information\*  
(\*However, this does not include payroll reports, etc., submitted to their Tax Offices by government agencies as withholding agents.)

### Identification

- © A mechanism for identifying the user of a Number as the person to whom it belongs
- Stand inclusion of the four types of basic information, facial photographs, and public identity authentication services
- Issuance of IC cards with Numbers recorded in IC chips (updated version of current Basic Resident Register cards)

# Outline of the Social Security and Tax Number System 5)

## Building a secure Number System

### The necessity of protecting Numbers

- Numbers are effective tools for identifying individuals, but identity fraud and other misuse became a problem in countries such as the USA and South Korea where individuals are identified by Numbers alone.
- The Numbers must not be relied on alone when identification is required

### The necessity of protecting personal information

- The Number System will make personal information more useful, leading to an increase in the types and amount of information used. This will increase the risks of leaks and misuse.
- Concerns such as the following must be addressed while considering the public's convenience and the usability of personal information so that people can use the Number System with peace of mind.
  - 1) Concern for government control
  - 2) Concern for tracking and matching of personal information
  - 3) Concern for harm to assets, etc.

### Legislative safety measures in the system

- Monitoring by a third-party institution
- Access to own personal information associated with the Number (the "Number Personal Information," as defined on page 10), and confirmation of access record.
- Regulations and other measures based on laws and ordinances
- Performance of information protection assessments
- Strengthening of penalties  
Etc.

### Technical security measures in the information system

- Decentralized administration of personal information
- Information sharing that does not directly use the Numbers
- Access control
- Encryption of personal information and communications
- Public personal authentication  
Etc.

System design based on the Supreme Court's upholding of the constitutionality of the Basic Resident Register network system (Supreme Court decision on March 6, 2008)

# Outline of the Social Security and Tax Number System 6)

## Number System possibilities, limits, and precautions

### Possibilities

- Systems and their operation can be made more fair, equitable, and efficient\*
  - \*How work is done must be rethought
  - \*Study from the perspective of optimizing the system is necessary
- With social infrastructure shared in various fields, options for system reform could expand, with previously unimaginable reforms becoming possible

### Limits

- It is unrealistic to expect all transactions and income to be grasped and all false declarations and cheating to be stopped
- There are limits to how much information on business income and foreign assets and transactions can be obtained

### Precautions

- Thought must be given to backup systems and their maintenance in case of malfunction
- In order to achieve the purposes of introducing the system, a framework that does not depend on voluntary participation is necessary (universal participation)

## Future uses of the Number System

- The system will be designed such that it can be used in the future by government agencies outside the social security and tax fields and, only with holders voluntary consent, by private-sector services, etc.

## Future plans

- Action to obtain the public's understanding and acceptance; symposiums in all 47 prefectures
- Collaboration with local governments
- Costs and benefits of adopting the Number System

## Schedule

The adoption period for the Number System may vary depending on system design and the passage of legislation, but goals are as follows.

- Submission of a bill on the Number System and related bills as soon as possible beginning in autumn 2011
- After passage of bills, establishment of third-party institution as soon as possible
- Assignment of Numbers to individuals and incorporated bodies and so forth in June 2014
- Commence use of Numbers to the extent possible in the social security and tax fields beginning in January 2015
- Depending on the course of implementation, continually considering revising the Number Act, including expansion of the use of the Numbers, in 2018

# Outline of the Social Security and Tax Number System 7)

## Legislation

The following will be set forth by law or by regulations authorized by law

- Basic principles of the Number System
- How to assign the Numbers and the Corporate Numbers, send notification, etc.
- The extent to which the Numbers can be disclosed and used
- The Number Personal Information
- The extent of operations to which the Information Sharing Infrastructure may be accessed
- The types of the Number Personal Information that can be shared, and who they can be shared by and with
- The form of identification associated with the Numbers
- Various measures contributing to protection and appropriate use of the Number Personal Information
- Information sharing mechanisms
- My Portal for management of people's own information
- Conditions for IC cards and so on needed for My Portal login, etc.
- Third-party institution
- Penalties
- Date of implementation
- Preparations for implementation

## Numbers assigned to individuals

### Number assignment

- Targets: Japanese citizens whose certificates of residence include Resident Register codes and medium-term, long-term, and permanent resident foreign nationals
- When Resident register codes are newly affixed to certificates of residence because of birth, etc., individuals shall be notified in writing by mayors
- The Ministry of Internal Affairs and Communications shall have jurisdiction over the assignment of the Numbers.

### Changes

- Requests for changes to the Numbers: Concrete matters will continue to be considered until a bill is submitted

### Revocation

- When a new Number is assigned due to a change, the previously assigned Number shall be revoked
- A Number may be revoked if it has been misused, etc.



# Outline of the Social Security and Tax Number System 8)

## Extent of procedures including notification and use of the Numbers\*

### Pensions

- Procedures related to notifications, benefit payments, and premiums for those eligible for National Pension Plan and Employees' Pension Insurance, defined benefits pension plans, defined contribution pension plans, mutual aid pensions, government pensions, etc.

### Healthcare

- Procedures related to notifications and premiums for those covered by health insurance (including short-term benefits under the National Public Officers Mutual Aid Association Act and the Local Public Officers Mutual Aid Association Act) or the National Health Insurance Act
- Procedures related to applications for healthcare benefits under the Maternal and Child Health Act and the Child Welfare Act and applications for self-reliance support under the Services and Supports for Persons with Disabilities Act

### Care insurance

- Procedures related to notifications, benefit payments, and premiums for those eligible for care insurance

\*Subject to changes until legislation is decided

### Welfare

- Procedures related to applications for payment of childrearing allowance, special child allowance, special benefits for people with disabilities, etc.
- Procedures related to applications and notifications for livelihood assistance
- Procedures related to applications for welfare fund loans for single mother families and widows and for living welfare fund loans

### Labor insurance

- Procedures related to notifications for those eligible for employment insurance, receipt of unemployment benefits, job-seeking at public employment offices, and workers compensation benefits

### Taxes

- Entry on documents directed by national tax laws to be submitted to a Tax Office Director, and related uses
- Entry on documents directed by local tax laws and related ordinances to be submitted to a local government, and related uses

### Other

- Procedures related to social security and local taxes as designated by prefectural ordinances
- Use for refunds by banks during time of disaster or other emergency situation

# Outline of the Social Security and Tax Number System 9)

## What Is the Number Personal Information?

- 1) The Numbers
- 2) Personal social security and tax information designated by law to be shared using the Information Sharing Infrastructure
- 3) Personal social security and tax information attached to the Numbers in work permitted by law to handle them

## Measures that contribute to the protection and proper use of personal information associated with the Numbers

- Duty to disclose the Numbers
- Limits on requests to disclose the Numbers
- Penalties
- Limits on the viewing, copying, and storing etc., of the Number Personal Information
- Regulations concerning the commissioning and recommissioning of protection of the Number Personal Information
- Duty of confidentiality regarding computer processing of the Number Personal Information
- Duty of safety control measures for the Number Personal Information
- Access to the Number Personal Information, and confirmation of access record.
- Agents (legal agents, appointed agents)
- Performance of the information protection assessments

## Institutions generating the Numbers

### Formation of organizations

- The institutions generating the Numbers shall be local government corporations based on the information processing organizations designated under the Act of the Basic Resident Registers

### Notifying mayors of the Numbers

- The Number generating organizations shall designate the Numbers such that they correspond one-to-one with resident register codes and shall notify the relevant mayors thereof

# Outline of the Social Security and Tax Number System 10)

## Information sharing

### Provision of the Number Personal Information

- Information holding institutions can provide relevant information via the Information Sharing Infrastructure for 1) types of work allowed to use the Information Sharing Infrastructure, 2) types of information, 3) stipulated sources and destinations for relevant information under the Number Act or regulations based thereon

\*For special reasons (in the event of an unusual and severe disaster, etc.) information sharing via the Information Sharing Infrastructure is possible as an exception with the consent of the third-party institution

- The Information Sharing Infrastructure and information holding institutions must maintain records on access to the Number Personal Information for a given period of time

### Extent of information sharing

- Types of work allowed to use the Information Sharing Infrastructure, types of information, stipulated sources and destinations for relevant information shall be designated before a bill is decided
- In the case of information sharing in the healthcare and caregiving field, in addition to special measures under the law, special technical design to make the system more efficient in terms of effort and costs shall be considered

### Organization managing the Information Sharing Infrastructure

- The exact form of the organization that should run the Information Sharing Infrastructure remains under consideration

## My Portal

1) Confirmation of the access records for one's own Number Personal Information, 2) confirmation of the Number Personal Information held by information holding institutions, 3) electronic applications, and 4) confirmation of notices from government agencies are available

### Managing organization

- The organization managing My Portal shall be the same as that managing the Information Sharing Infrastructure

## IC cards

- Mayors shall provide IC cards to residents who request them
- They shall include public identity authentication services for My Portal login
- It shall be possible for private-sector businesses to use the public identity authentication as well
- When notification of Numbers is given, they shall appear on the face of the cards in order to ensure authenticity

# Outline of the Social Security and Tax Number System 11)

## The third-party institution

### Formation, etc.

- A committee shall be formed under the Prime Minister with purposes such as protecting p the Number Personal Information
- The main work of the committee
  - Supervision of the handling of the Number Personal Information by organizations subject to monitoring
  - Processing of complaints related to the handling of personal information associated with the Numbers
  - Scrutiny of the Information Sharing Infrastructure and its interface
  - Advice concerning information protection assessments and approval of reports
  - International cooperation concerning affairs under its jurisdiction
  - public awareness and consultations regarding policies for the protection of the Number Personal Information and the Number Act.
- The committee Chair and Members shall exercise independent authority
- The committee Chair and Members shall be appointed by the Prime Minister with the consent of both houses of the Diet

### Rights, functions, etc.

- Requests for documents and explanations, on-site inspections, advice, guidance, recommendation, and orders directed at organizations subject to monitoring
- Supervision of the Information Sharing Infrastructure, etc.
- Approval of reports of information protection assessments
- Permission for information sharing via the Information Sharing Infrastructure for special reasons following a severe disaster
- Offering opinions to the Prime Minister
- Etc.

## Penalties

- ❑ Creation of penalties for the following acts and persons
- ❑ Study of the necessity and content of statutory and other penalties shall continue based on the proper form for the system as a whole.

### People who are employees of government agencies

- Action by an employee of a government agency to provide without a justifiable reason a database in which the Numbers are recorded
- Action by an employee of a government agency to collect for a purpose not related to his or her specific work a document, drawing, or electronic record in which the Numbers are recorded
- Violation of the duty of confidentiality

### Including people who are not employees of government agencies

- Action by an enterprise, etc. handling the Numbers to provide without a justifiable reason a database in which the Numbers are recorded
- Persons obtaining the Numbers through fraudulent action or action violating control obligations (unauthorized access or other acts violating the control of the possessor)
- Persons entering a false record into a database containing the Number Personal Information that is held by an enterprise that lawfully handles the Numbers
- Persons who fail to make a report to the third-party institution, make a false report, refuse an on-site inspection, refuse to make a statement in answer to a question, or make a false statement

# Outline of the Social Security and Tax Number System 12)

## Numbers assigned to corporations, etc.

### Number assignment

- Numbers will be assigned based on the Ministry of Justice's existing Numbers for business corporations
- The National Tax Agency shall have jurisdiction over the assignment of Corporate Numbers
- Organizations subject to assignment of Corporate Numbers
  - National and local government agencies
  - Corporations registered in the registers of registry offices
  - Unregistered corporations established based on regulations under the law
  - Corporations with a duty to report and pay national and local taxes, withhold taxes, collect special taxes, or submit legal records related to taxes

### Changes, notifications, searches, and viewing

- Corporate Numbers cannot be changed
- The Director of the National Tax Agency shall inform corporations in writing of the Numbers they have been assigned
- Corporate Numbers will be used for a variety of purposes regardless of whether they belong to government or private-sector organizations
- \*Services enabling the searching and viewing of three types of basic information (trade name or name, location of headquarters or main office, business corporation Number) shall be made available on a website

### The agency that assigns Numbers

Completion of systems required for the Number assigning agency, the National Tax Agency, shall be examined

## Special measures in response to delicate information

- Regarding the handling of medical records and other especially delicate information in the healthcare field, special measures commensurate with their delicacy shall be provided under the special law on the Personal Information Protection Law or a special law on the Number Act