

# Alpha Consulting News

α

December 28, 2015 (Volume #31)

Telephone (03)3262-0326 Facsimile (03)3262-0228

## **Alpha Consulting to Become Licensed Social Insurance Labor Consultant Corporation**

Effective January 4, 2016, Alpha Consulting will obtain renewed corporate status as a licensed social insurance labor consultant. Though our office organization will be revised as a result of this status, please rest assured that we are fully devoted to the mission of supplying services of an even higher caliber than ever before. To our loyal clientele, we look forward to your redoubled guidance and support of our efforts in this new capacity.

For your further information, please be aware that the aforementioned incorporation of our operations will be accompanied by the following changes.

- (1) From January 2016, payments of all consultation remuneration will no longer require deduction of a 10.21% withholding tax.
- (2) Related to the recent introduction of the “My Number” (Individual Number or Social Security and Tax Number) system in Japan, due to our attainment of the aforementioned corporate status as a licensed social insurance labor consultant, there is no need to enter the individual number of the individual consignee (Fumiaki Kojima) on payment records to corporations and other materials. If this office had continued to operate on an individual status, the need for such entries would have occurred under the new system.

Pertaining to the aforementioned changes, we plan to issue a formal written greeting upon the arrival of the New Year.

## **Alpha Consulting Response to Individual Number System**

January will bring full-fledged enactment of the My Number Law in Japan. For Alpha Consulting as well, this will create the need for us to be entrusted with the individual numbers of all employees of our clients for the performance of employment insurance and withholding tax operations.

Accordingly, we will be adopting the following procedures in the interest of enabling our clients to entrust us with their specific personal information with full peace of mind.

- (1) Official announcement of our “Basic Policy for Appropriate Handling of Specific Personal Information, etc.”
- (2) Establishment of “Specific Personal Information Handling Regulations” for adoption of thorough organizational, personnel, physical and technical safety

management measures designed to ensure safe and secure management of the specific personal information entrusted to us by clients.

(3) Performance of the receiving and transfer of individual numbers and specific personal information through the following safe and secure approach.

① Alpha Consulting staffers will call upon the offices of clients to directly receive the said numbers and data.

② Adoption of delivery methods involving direct handling and transfer and clear records of the routing (Letter Pack Plus, Takkyubin door-to-door delivery service, Eco-Hai delivery, etc.).

③ For e-mail transmissions, file encryption using the final code (no charge).

④ File sharing using the “FLET’S Azukeru Pro” system dedicated line (¥500/month).

⑤ Contacts using the “LCG MyKomon Online Conference Room” (¥200/month).

(4) Limits on access to “handling areas” and “controlled areas” for the entrusted specific personal information (fortification).

(5) Separation of individual numbers entrusted in the format of specific personal information from personal information, with encryption and custody in a cloud data center through a format incapable of being transformed into specific personal information. Adoption of a system engineered to retain logs upon storage or use of individual numbers. Destruction of document-based or electronic data taken in the form of specific personal information in formats impossible to reproduce following completion of registration. The use of servers and client systems contained in the controlled areas of our offices for custody of specific personal information exclusively on a short-term basis, extending from the point of reception of the said information to completion of registration operations.

Based on our adoption of the aforementioned types of safety management measures, it is possible to continue to use Alpha Consulting with full confidence and peace of mind. Along with this stance, we are pleased to report that we are currently in the process of obtaining a privacy mark by the spring of 2016.

### **Requests to Our Clients Concerning Individual Number Responses**

We have taken the liberty of summarizing the requests directed to our clients regarding responses to the “My Number” individual number system as follows. For companies already adopting thorough approaches to the individual number system, please use this information as a guideline for reconfirmation. Those yet to adopt specific responses to this change are encouraged to utilize these requests as a reference source in pursuing that work.

#### **(1) Obtaining Individual numbers and Identification Confirmation**

The following procedures are required upon the collection by companies of individual numbers from their employees.

① Indication of the purposes for which the individual numbers will be used: Notice

of duties pertaining to employment insurance, withholding of income tax at the source and other matters; preparation of tax withholding forms, reports of salary payment and other related documents; other individual number related duties with the potential to be performed by individual companies.

② Number confirmation: Copies of notification cards, certificates of residence containing individual numbers, etc.

③ Identity (existence) confirmation: Driver's licenses, passports, health insurance cards, pension booklets, etc.

Copies of the front and back of "Individual number Cards" with face photograph may be used for either "②" or "③" above. When identity confirmation certificates in "③" fail to contain facial photos, two pieces of ID are necessary.

"Number confirmation" and "Identity confirmation" are collectively referred to as "Identification Confirmation." As a general rule, it is requested that such identification confirmation be conducted at each individual company, with the confirmed individual numbers then supplied to Alpha Consulting in a safe and secure method.

## (2) Formulation of "Specific Personal Information Handling Regulations" adapted to the conditions at each company

To ensure organizational, personnel, physical and technical safety management measures for individual numbers, "Specific Personal Information Handling Regulations" must be designed to meet the conditions at each individual company. Even when outsourcing duties related to individual number operations, the minimum level of "Specific Personal Information Handling Regulations" are required to fulfill the obligations related to the acquisition process and custody of statements concerning declaration of dependents containing individual numbers.

## (3) Concluding of "Memorandum Concerning Handling of Specific Personal Information"

By consigning individual number related duties to Alpha Consulting, companies will be able to significantly reduce their workloads concerning the safety management measures mentioned above. In such cases, however, it will be necessary to enter into a "Memorandum Concerning Handling of Specific Personal Information" to ensure reliable supervision on the part of the consignee. The policy at Alpha Consulting is to conclude such memorandums in order to fully cooperate in execution of the supervisory responsibilities of the consignor companies. Accordingly, we request your understanding of this fact and your cooperation in our efforts to enter into such "memorandums" with all of our consultation clients.

## (4) Eight Patterns of Handling Individual numbers

This news bulletin is delivered to business owners and personnel and general affairs managers.

Alpha Consulting envisions eight different patterns for the handling of individual numbers. This begins with whether identification confirmation is conducted at companies or at the consignees (two patterns); and whether identification confirmation materials are stored or discarded (two further patterns). Adding to each of these four patterns the option of also storing (or not storing) individual number information at companies doubles the total number of potential patterns to eight (the formula, namely, of  $2 \times 2 \times 2 = 8$ ).

Among these patterns, in the event that personal identification is not conducted at a company but rather at Alpha Consulting, related fees will be required. In addition, when personal identification materials (copies of notification cards, etc.) are not discarded after being confirmed and taken into custody at our offices, we will entrust such materials to a data warehouse concern. In such cases, custody fees will be charged.

#### (5) Exceptions to Identification Confirmation (Requests by Persons Involved)

The aforementioned sequence (indication of the purposes of use and entrusting of individual numbers at companies) is referred to as “individual number related duties assigned to companies.” In contrast to this, requests for childcare leave benefits, continued employment benefits for elderly workers and other benefits are treated as procedures in which a company acts on behalf of the person in question to submit such demands to the Public Employment Security Office. In that regard, an announcement was issued by the Ministry of Health, Labor and Welfare close to the end of the year that, separate from the personal confirmation by companies in mentioned above, it will be necessary to submit notification cards and other confirmation materials capable of enabling personal identification on the part of the Public Employment Security Office. Please note that it is also projected that the same type of measures will be applied to requests for work-related disability benefits and other needs.

\* \* \*