

MONEY MATTERS!



Banks and ATMs in Japan

Banks:

As part of your initial setup, you were required to open a Japanese bank account, more than likely through Higo Bank or Japan Post Office. Bank business hours are typically from 9am-3pm, and are closed on weekends and national holidays.

Keep in mind, if you need to use the front desk for a transaction, make sure to bring your bank book, your Residence Card, and your inkan/personal seal.

ATMs:

Because of the abundance of ATMs available in Japan, a majority of your account transactions will probably happen here. Hours can vary, with bank ATMs open from around 8:30am-8pm and convenience store ATMs open 24/7. At the ATM you'll need to use your cash card (or credit card if you're withdrawing from a foreign account). Unlike the bank, you don't need to provide your bank book unless printing for records. In fact, most convenience store ATMs will only accept cash cards.

If you use an ATM that is not your bank's, you may be charged a ATM transaction fee at different rates depending on the date and time.

Here are some common terms you'll see in a Japanese ATM:

口座	<i>kouza</i>	Bank Account	送金	<i>soukin</i>	Remittance
暗証番号	<i>anshou-bangou</i>	PIN Number	通帳	<i>tsuuchou</i>	Bankbook
現金	<i>genkin</i>	Cash	通帳記入	<i>tsuuchou-kinyuu</i>	Bankbook Update
お引出し	<i>ohikidashi</i>	Withdrawal	百	<i>hyaku</i>	Hundred
お預入れ	<i>oazukeire</i>	Deposit	千	<i>sen</i>	Thousand
残高照会	<i>zandaka-shoukai</i>	Balance Inquiry	万	<i>man</i>	Ten Thousand
お振込み	<i>ofurikomi</i>	Money Transfer	円	<i>en</i>	Yen

Your Monthly Paycheck

As a participant of the JET Programme, your paycheck (also known as remuneration) is a fixed rate that changes depending on the number of years in the program. Here is the basic annual salary as reported by CLAIR/JET Programme:

First Years	3,360,000 円 (approx. 280,000 円/mo)
Second Years	3,600,000 円 (approx. 300,000 円/mo)
Third Years	3,900,000 円 (approx. 325,000 円/mo)
Fourth and Fifth Years	3,960,000 円 (approx. 330,000 円/mo)

Typically, your paycheck will be deposited automatically to your bank account every month on a day determined in your contract. You may be sent a monthly pay stub in your mail or at your base school. If

not, you can ask your supervisor to print you a copy of your pay stub. At the end of the year, you will also be sent a Statement of Earnings (源泉徴収票, *gensen choushuu hyou*), which will total your yearly salary. Make sure to keep this and all paystubs you receive in a safe place to access when needed.

When you receive your salary for the month, you may notice the amount is lower than the salary that's written in your contract. This is because a portion of your base salary is taken out for various fees and taxes. After these are deducted, your net salary is then deposited into your account. Your pay stub should have a record of all the monthly deductions

Here are the most common deductions of salary that you might find listed on your pay stub:

家賃*	<i>yachin</i>	Rent*
所得税**	<i>shotokuzei</i>	Japanese Income Tax**
健康保険	<i>kenkouhoken</i>	Health Insurance
雇用保険	<i>koyouhoken</i>	Employee Insurance
厚生年金	<i>kouseinenkin</i>	Welfare Pension

* If you pay rent, it can either be deducted from your paycheck or charged as an automatic withdrawal from your bank account. It's best to check your contract and/or ask your supervisor for more details.

**If your home country has a tax agreement with Japan, you may qualify for a tax exemption. In this case, you will not have to pay Japanese income taxes for a maximum of two/three years from the start of your contract. Please consult the Taxes portion of this guide for more details.

Paying Bills and Utilities

Most of your monthly bills will be automatically withdrawn from your bank account each month. These automatic bill payments will usually be followed by a receipt sent either through the mail or occasionally through email or a smartphone app.

However, sometimes you will receive a bill that you must pay yourself. These bills usually come in these formats:

- If the bill contains the “Pay-Easy” Logo, then you can pay at various places like banks and post offices. But by far the easiest place is to pay at a convenience store. Just show the bill at the cash register, and the staff will scan the barcode provided and ask for your payment.
- Some bills or services will require you to pay at the post office through what's called a Payment Handling Slip (払込取扱票 *haraikomi toriatsukai-hyou*). With these you need to fill out your name and address on the slip, then scan it into the post office's ATM to pay. It's a good idea to ask the post office staff or your supervisor for help in filling out the form.
- Other services (such as car maintenance) will require you to pay directly to the company or person. If you can't pay in person, you might have the option of wiring money to their account through a bank ATM.



Remember to always pay your bills as soon as possible. Don't wait to pay until the last minute!

Sending Money Overseas

If you need to send money overseas for payments or savings, here are some commonly used services:

- Post Office Remittance (国際送金請求書 *Kokusai Soukin Seikyuusho*) — A money order through the local post office. This method has the lowest processing fees starting from 500 yen. However, the service takes anywhere from 5-30 days to complete. This is a good choice for those who want low fees and don't mind waiting for funds to be sent.
- GoRemit – A remittance service from Shinsei Bank. This service allows for money to be transferred through ATMs, with same-day remittance available until 3pm. Processing fees are a flat rate of around 2,000 yen per remittance. However, as a special promotion JETs can get the fee waived on their first remittance. If you're interested in using ATMs to send consistent or large sums of money, this might be the best choice.
- SBI Remit – An internet based remittance service. Offers multiple types of remittance services, including via internet and ATM, with same day processing depending on the time and service type. Processing fees vary depending on the amount and location of the overseas bank. If you prefer to do most of your banking online, then this could be the option for you.

Note: The processing fees mentioned are from these services only. Your overseas bank may charge additional fees, so keep that in mind when making transactions.

Other Useful Tips

- ✓ Keep tabs on the currency exchange rates for the yen and your home currency. This can potentially save money in the remittance process. Some remittance programs like GoRemit offer an automatic email notification system, but you can also check online or download a currency converter app on your smartphone.
- ✓ Get into the habit of putting some of your monthly salary into savings, anywhere from 10-20%. Having money in savings can help ease the pressure off of big purchases, travel expenses, or any unforeseen expenditures.
- ✓ Make sure to keep a bit of cash in your emergency kit, around 5,000-10,000 yen in various bills and coins. When disaster strikes you may not be able to access a bank or an ATM. So it's a good idea to stash away some money in a safe place.
- ✓ Since Japan is a primarily cash society, you'll be gathering a lot of loose change, ranging from 1 yen to 500 yen coins. Because of the amount of coins you'll get, it helps to keep a coin purse or a section of your wallet dedicated to them. But be careful to use your coins often, or else you end up having a huge pile of coins weighing you down!
- ✓ Try to keep your account's bankbook updated as much as possible. Since most of your bills will be automatic withdrawals, it helps to keep a physical record of those transactions. You can easily take care of this at your local bank or bank ATMs.



Taxes

***DISCLAIMER:** The following information are basic guidelines and suggestions. CLAIR, Your Contracting Organization, the Kumamoto PAs, and this workshop are not official tax experts. For complete official information, please consult the National Tax Agency (Japan) or your home country's tax department.*

As a JET Participant, there are two categories of taxes you should be aware of: Taxes in Japan and Taxes in Your Home Country. Chances are you'll mostly have to deal with Japanese taxes, but for some who's home country in one that requires filing annual taxes (such as the US), it's important to keep track of both.

Japanese Taxes:

These are the types of Japanese taxes that you'll come across as a resident of Japan and JET Participant:

- Japanese Income Tax and Local Inhabitant Tax: These are usually taken out of your monthly paycheck, and are calculated based on individual income and time spent living in Japan. This includes National (~5% of income), Prefectural (~4% of income), and Municipal (~6% of income). For Non-Permanent Residents up to 5 years, this only applies to the income earned in Japan. For some First Years (or ALTs who recontract past their tax exemption), you may be required to pay a lump sum for their first few months by June of the following year. Due to tax treaties, **ALTs** from the US, Ireland, Germany, France, Philippines, South Korea, and China may be qualified for a limited time tax exemption on Japanese Income Tax. ALTs from the US, Ireland, Germany, France, Philippines, South Korea have an exemption for up to **2 years**, while ALTs from China have an exemption up to **3 years**. However, due to employment status **CIRs** are not qualified for this tax exemption.
 - **For US ALTs:** As a condition of US/Japan Tax treaty, you are required to submit IRS **Form 6166** for TWO tax years along with your Tax Exemption Application to the National Tax Agency. If you have brought the two Form 6166s, give them to your Contracting Organization so that they can assist you in the tax exemption paperwork.
- Consumption/Sales Tax: Taken at the time of sale for items. Currently 8%, but has been expected to rise to 10% starting in 2019.
- Vehicle Taxes: Consists of three main types of taxation when purchasing/owning a vehicle. The *Prefectural Auto Tax* is a one-time tax when purchasing a vehicle. The *Annual Auto Tax* is a lump sum tax paid the start of each year, and is based on the engine type. Lastly, the mandated car maintenance Shakken contains the *National Motor Vehicle Tonnage Tax* among other car maintenance and fees.

Home Country Taxes/US Taxes:

For first year US JETs, it's important that you keep tabs on the timeline for sending specific tax forms to the IRS. Luckily, the Kumamoto JET website has a very detailed guide on taxes, and typically updates every year around January. Until then, here are some important things you should do:

- If you have not already done so, send **Form 8822** (Change of Address) to the IRS as soon as possible.
- Research your **State/Local Taxes** to see if they require any additional filing.
- After you receive your Statement of Earnings (源泉徴収票, *gensen choushuu hyou*), make a photocopy and keep both the copy and original in a safe place. This form will act as your W-2 later.

For JETs that are from countries outside the US, we recommend that you contact your home country's tax organization for more details. While you typically won't be required to do much, it never hurts to double check your home country's tax policy!