

# Health Bulletin

Here is your receipt and change.



Receipts are such a nuisance; I don't need them.



But you should keep your medicine receipts!



## What is Self-Medication?

Self-medication involves taking responsibility for one's own health and attending to minor ailments by oneself. This includes managing one's condition through moderate exercise, a balanced diet, and using over-the-counter drugs to alleviate minor physical discomforts. These actions are also referred to as self-medication.

## What is the Self-Medication Tax System?



The self-medication tax system allows for a tax deduction on your taxable income when the annual purchase amount of over-the-counter drugs (OTC pharmaceuticals) sold at pharmacies and drugstores exceeds a certain amount (12,000 yen). When declared, this results in a reduction of income tax and resident tax. Since this includes the expenses for the family members living together, make sure to keep the receipts instead of throwing them away.

Both medical expense deductions and self-medication tax deductions can reduce your income tax and resident tax for the following fiscal year if declared in your tax return.



For those who have completed year-end tax adjustments, income tax will be refunded after filing, and the reduced resident tax will be collected in June.



Medicinal drugs prescribed by doctors that have few side effects and are highly safe are called "switch OTC" pharmaceuticals.



## What are OTC pharmaceuticals?

OTC pharmaceuticals refer to 'over-the-counter' medicines that can be purchased without a prescription at pharmacies or drugstores. The abbreviation "OTC," standing for "over-the-counter," signifies face-to-face sales and is an international expression. While many OTC pharmaceuticals are eligible for the self-medication tax system, not all are.

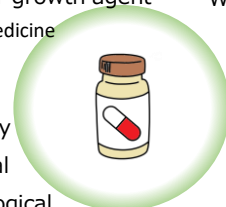


Let's check if this mark is listed on the medicine box.



## Types of OTC Pharmaceuticals

- Plaster
- Eye drops
- Cold medicine
- Hair growth agent
- Women's medicine
- Kampo medicine
- Vitamin preparations
- Sleep aid
- Gastrointestinal medicine
- Pain-relieving anti-inflammatory
- Antiseptic disinfectant
- Anti-diarrheal
- Intestinal regulator
- Dermatological medicine
- Hemorrhoid medicine
- Antipyretic analgesic
- Laxative



Switch OTC Product List - Self-Medication Eligible Products  
As of January 1, 2024 (Ministry of Health, Labour and Welfare website)  
<https://www.mhlw.go.jp/content/10800000/001179245.pdf>

## Do you know about the self-medication tax system?

### Why was this system started?

The issue of medical expenses is underpinned by Japan's aging population problem.



If the working-age population does not increase, securing financial resources for medical expenses will also be difficult.

The purpose of this system is to reduce medical expenses. It started in 2017 with the expectation that it would alleviate the burden of medical costs by encouraging citizens to purchase OTC medications and manage their health independently, especially for minor conditions like a cold, without needing to visit medical institutions.

However, as it involves self-medicating based on one's own judgment, it's important to remember that if symptoms do not improve, one should definitely seek medical attention.



	Medical Expense Deduction	Self-medication
Period	January 1st to December 31st for one year	
Filing Date	Tax return filing period (mainly from mid-February to mid-March)	
Eligible Persons	Yourself and your spouse/relatives living on the same budget	
Application Method	<a href="https://www.nta.go.jp/taxes/shiraberu/shinkoku/tokushu/keisubetsu/iryou-koujo.htm">https://www.nta.go.jp/taxes/shiraberu/shinkoku/tokushu/keisubetsu/iryou-koujo.htm</a>	<a href="https://www.nta.go.jp/taxes/shiraberu/shinkoku/tokushu/keisubetsu/elf-medication.htm">https://www.nta.go.jp/taxes/shiraberu/shinkoku/tokushu/keisubetsu/elf-medication.htm</a>
Eligible Amount	100,000 yen or more	12,000 yen or more
Maximum Limit	2 million yen	88,000 yen
Eligible Items	Medical expenses and prescription drugs OTC pharmaceuticals purchased for treatment Public transportation costs used for visiting clinics or hospitals	OTC pharmaceuticals (There are some exceptions for OTC pharmaceuticals)

## Is it different from a medical expense deduction?

There is a system called "medical expense deduction" that allows you to get a part of your taxes back if you declare medical expenses and the cost of medicines exceeding 100,000 yen in a year. However, if the medical expenses do not exceed 100,000 yen, this system cannot be used. The "self-medication tax system" has a lower financial threshold, so many people may be eligible. It is advisable to manage your health regularly and keep the receipts or invoices when purchasing OTC (Over-The-Counter) drugs.

Even per household, 100,000 yen is an amount that is hard to reach unless you go to the hospital quite a bit.

But with self-medication, during the hay fever season, you might buy both eye drops and oral medications, and if it's for the whole family... you might reach 12,000 yen.



Are there any conditions when filing a tax return?

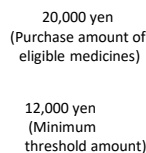
- The OTC medicine must exceed 12,000 yen including tax (with an upper limit of 88,000 yen).
- The declaration period is one year (January to December).
- Not having received a medical expense deduction (you can only apply for one or the other).

Who is eligible for self-medication tax deductions?

- Individuals who are paying income and resident taxes.
- Those who, during the year in question, have undergone any of the following: specific health checkups, vaccinations, regular health examinations (including company-provided health checkups, or cancer screenings).
- Those who have not received the current medical expense deductions.

The image of utilizing this special tax measure:

- For a person with a taxable income of 4 million yen who purchases eligible medicines for 20,000 yen a year (including those for a spouse and other relatives living under the same household)



8,000 yen is deducted from the taxable income.  
(Purchase amount of eligible medicines: 20,000 yen - lower limit amount: 12,000 yen = 8,000 yen)

Tax Reduction Amount  
 • Income Tax: A tax reduction effect of 1,600 yen  
 (Deduction amount: 8,000 yen × income tax rate of 20% = 1,600 yen)  
 • Individual Resident Tax: A tax reduction effect of 800 yen  
 (Deduction amount: 8,000 yen × individual resident tax rate of 10% = 800 yen)

※You can file a self-medication tax claim either on paper or electronically.

In this case, it is more advantageous to use the self-medication tax system. Calculate the difference in amounts for each and declare using the one that gives you the larger amount.0

If you are eligible for both the medical expense deduction and the self-medication tax system, which one is more advantageous to use?

Medical Expense Deduction: In the case of 130,000 yen (with 0 yen compensation from insurance), 130,000 yen - 100,000 yen = 30,000 yen.



Self-Medication Tax System: In the case of 52,000 yen, 52,000 yen - 12,000 yen = 40,000 yen.

Use medications correctly!

What is an overdose of over-the-counter (OTC) medicine?

It refers to the excessive and frequent consumption of cold medicines and cough suppressants that can be purchased at pharmacies and drugstores. By repeatedly taking the medication, the body may become tolerant to the previous amounts, which can lead to an overdose. Furthermore, continued use and dependence on the medication may result in an inability to stop on one's own. Overdosing can lead to liver damage, and in the worst-case scenario, it may result in cardiorespiratory arrest and death.

Background of Overdose

There has been an increase in overdoses among the younger generation, particularly those in their teens and twenties. It is said that compared to traditional illegal drugs, there is a higher proportion of females, and those with a history of delinquency are less common. Underlying this issue, there may be "painful feelings" experienced at home or school, and over-the-counter medicines are relied upon to alleviate these feelings. Sometimes, serious worries or problems may lurk behind an overdose.

Tokyo Metropolitan Health and Medical Bureau  
"Basic Knowledge on Drug Abuse"

The Reason Why You Must Follow the Dosage and Administration of Medicine

Oral medications require a certain concentration in the bloodstream to be effective. The amount of medicine to take at one time and the number of times to take it per day are specified to adjust the blood concentration to the level where the effect appears at the necessary places in the body. Arbitrarily increasing the amount of medicine can lead to a higher than necessary concentration in the blood, causing the medicine to work too much and potentially leading to side effects. Conversely, reducing the amount or frequency of intake can lower the blood concentration too much, resulting in the medicine not being effective.

Why does taking medication affect the liver?

The liver has the function of metabolizing (breaking down) components contained in medications. As a result, the use of drugs can put excessive strain on the liver and cause damage. This is referred to as "drug-induced liver injury." Although health foods and supplements are not medicines, they can similarly cause drug-induced liver injury.

Medications have become conveniently available at drugstores, but this has also increased concerns.



That's true. I'm also worried about people masking their pain with medication and delaying their visit to medical facilities.

The instruction leaflet for medication always includes warnings. It's important, so please make sure to read them!

