

The 11th ASEAN & Japan High Level Officials
Meeting on Caring Societies

Panel Discussion 3

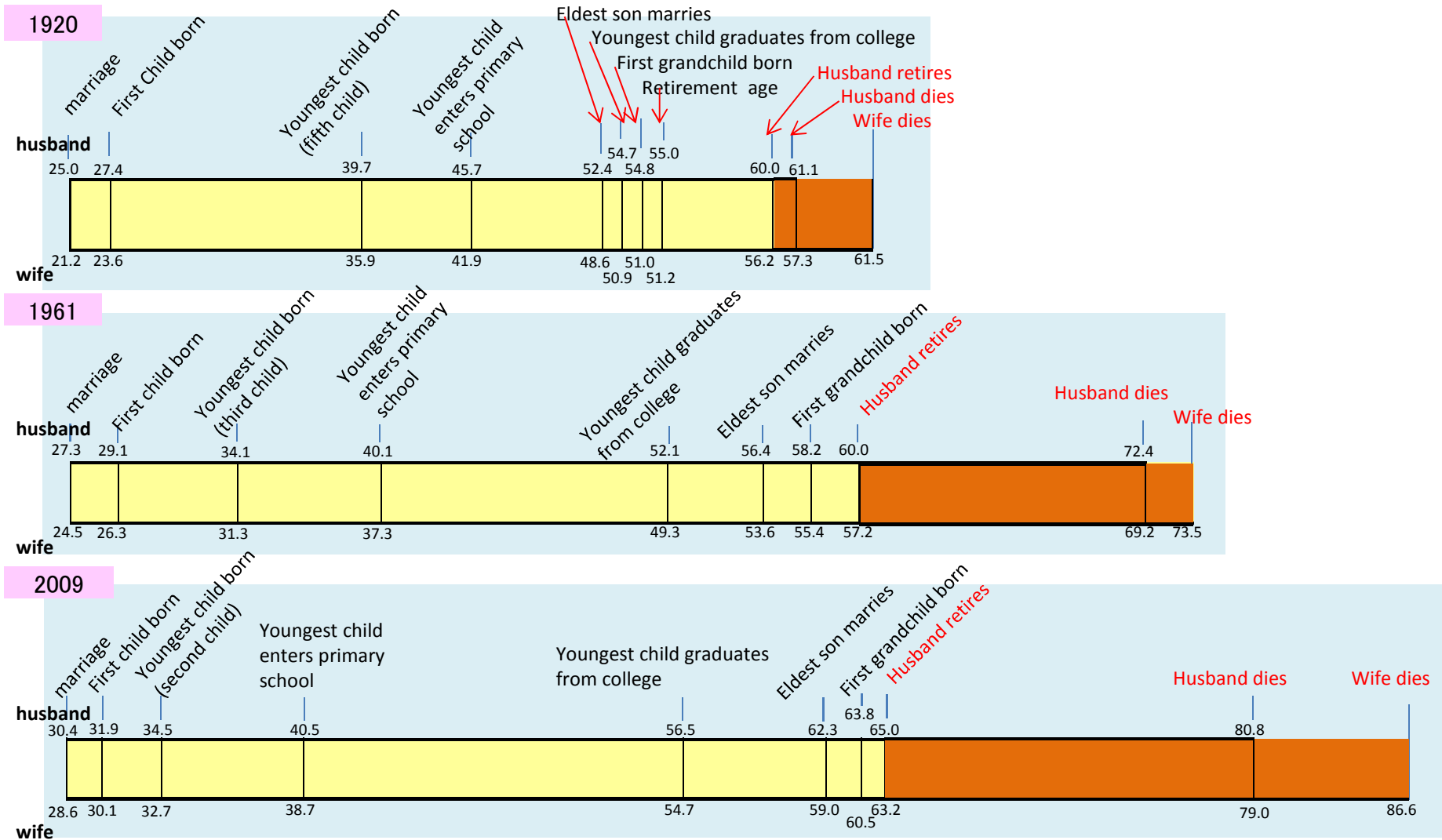
Social Involvement and Contribution by the Elderly

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Changing Patterns of Japanese Life Cycle

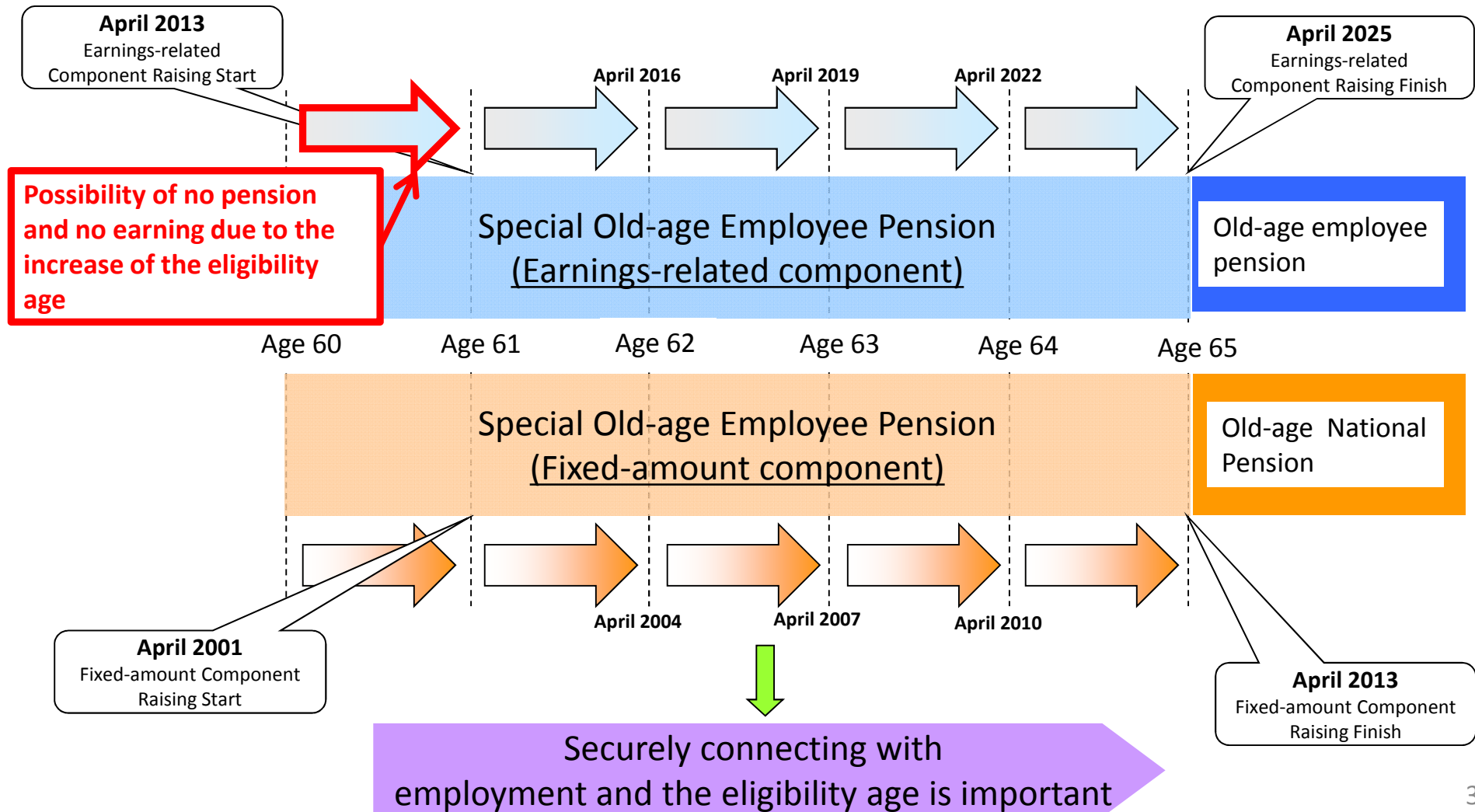
Post-Retirement period of husband become longer due to longer life expectancy



Increase of the Eligibility Age for the Employee Pensions Tentative Translation

From April 2013, because of the increase of the eligibility age for old-age employee pensions, elderly persons who desire to continue working after their retirement age of 60 may be not employed with the exception of the continuous employment system as well as not receive pension.

Gradually Raising the Eligibility Age for the Employee Pensions through the Pension Reform



Major Revisions to the Act on Stabilization of Employment of Elderly Persons

Tentative Translation

Year of Revision	Public Pension Plan	Act on Stabilization of Employment of Elderly Persons
1985	<ul style="list-style-type: none"> ✓ Women's eligibility age for old-age employee pensions raised (from 55 to 60 from 1987 to 1999) 	
1986		<ul style="list-style-type: none"> ✓ Obligation to make an effort to promote a minimum mandatory retirement at the age of 60 (enforced October 1, 1986)
1994	<ul style="list-style-type: none"> ✓ Eligibility age for the fixed-amount component of old-age employee pensions raised (from 60 to 65 from 2001 to 2013) 	<ul style="list-style-type: none"> ✓ Promotion of minimum mandatory retirement at the age of 60 made obligatory (enforced April 1, 1998)
2000	<ul style="list-style-type: none"> ✓ Eligibility age for the earnings-related component of old-age employee pensions raised (from 60 to 65 from 2013 to 2025) 	<ul style="list-style-type: none"> ✓ Promotion of measures to secure elderly employment until the age of 65 by raising retirement age, etc., made obligatory (enforced October 1, 2000)
2004		<ul style="list-style-type: none"> ✓ Taking measures to secure elderly employment made a legal obligation to employers (enforced April 1, 2006) ✓ Employable age raised from 62 to 65 by 2013
2012		<ul style="list-style-type: none"> ✓ Taking measures to secure elderly employment for everyone who desires employment until the age of 65 made a legal obligation to employers (Enforced April 1, 2013) ✓ Abolished a scheme to set criteria that allowed employers to exclude some employees from the continuous employment system (with transitional measures for 12 years until 2025)

Financial Projection of the National Pension-the 2009 Actuarial Valuation-

FY	Monthly premium (Note 1)	Total revenue				Total expenditure		Balance	Reserve at the year end	Reserve at the year end (FY2009 value)	Degree of funding
		Premium	Investment	State subsidy		Basic pension contribution					
	¥	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	
2009	14,700	4.8	2.2	0.1	2.4	4.7	4.5	0.1	10.0	10.0	2.1
2010	14,980	4.9	2.2	0.2	2.5	4.7	4.5	0.2	10.2	10.1	2.1
2011	15,260	4.9	2.2	0.2	2.5	4.7	4.5	0.1	10.3	10.3	2.2
2012	15,540	4.9	2.2	0.2	2.5	4.8	4.6	0.1	10.4	10.5	2.1
2013	15,820	5.1	2.3	0.2	2.6	5.0	4.8	0.1	10.5	10.3	2.1
2014	16,100	5.4	2.4	0.3	2.7	5.2	5.0	0.1	10.7	10.2	2.0
2015	16,380	5.7	2.5	0.3	2.8	5.4	5.2	0.2	10.9	10.0	2.0
2020	16,900	6.6	2.9	0.5	3.2	6.1	5.9	0.5	13.0	10.6	2.0
2025	16,900	7.3	3.2	0.6	3.5	6.6	6.4	0.7	16.3	11.7	2.4
2030	16,900	8.0	3.4	0.8	3.8	7.1	6.9	0.9	20.6	13.1	2.8
2040	16,900	9.5	3.6	1.2	4.7	8.7	8.5	0.8	29.9	14.9	3.4
2050	16,900	11.5	4.0	1.5	6.0	10.9	10.8	0.5	36.6	14.2	3.3
2060	16,900	13.3	4.4	1.6	7.2	13.0	12.9	0.3	40.6	12.3	3.1
2070	16,900	14.7	4.8	1.6	8.2	14.8	14.7	-0.2	40.8	9.7	2.8
2080	16,900	16.0	5.4	1.5	9.1	16.4	16.2	-0.4	37.8	7.0	2.3
2090	16,900	17.3	6.1	1.3	9.9	17.9	17.8	-0.6	33.0	4.8	1.9
2100	16,900	18.7	6.7	1.0	10.9	19.7	19.6	-1.0	25.1	2.8	1.3
2105	16,900	19.5	7.2	0.8	11.5	20.7	20.6	-1.2	19.5	1.9	1.0

Notes: 1. Monthly premium represents the amount of premium (at FY2004 value) set forth in Article 87-3 of the National Pension Act. Actual amount of premium shall be revised based on prices after the 2004 revision and wage growth; the amount of premium in FY2009 shows ¥14,660/month.

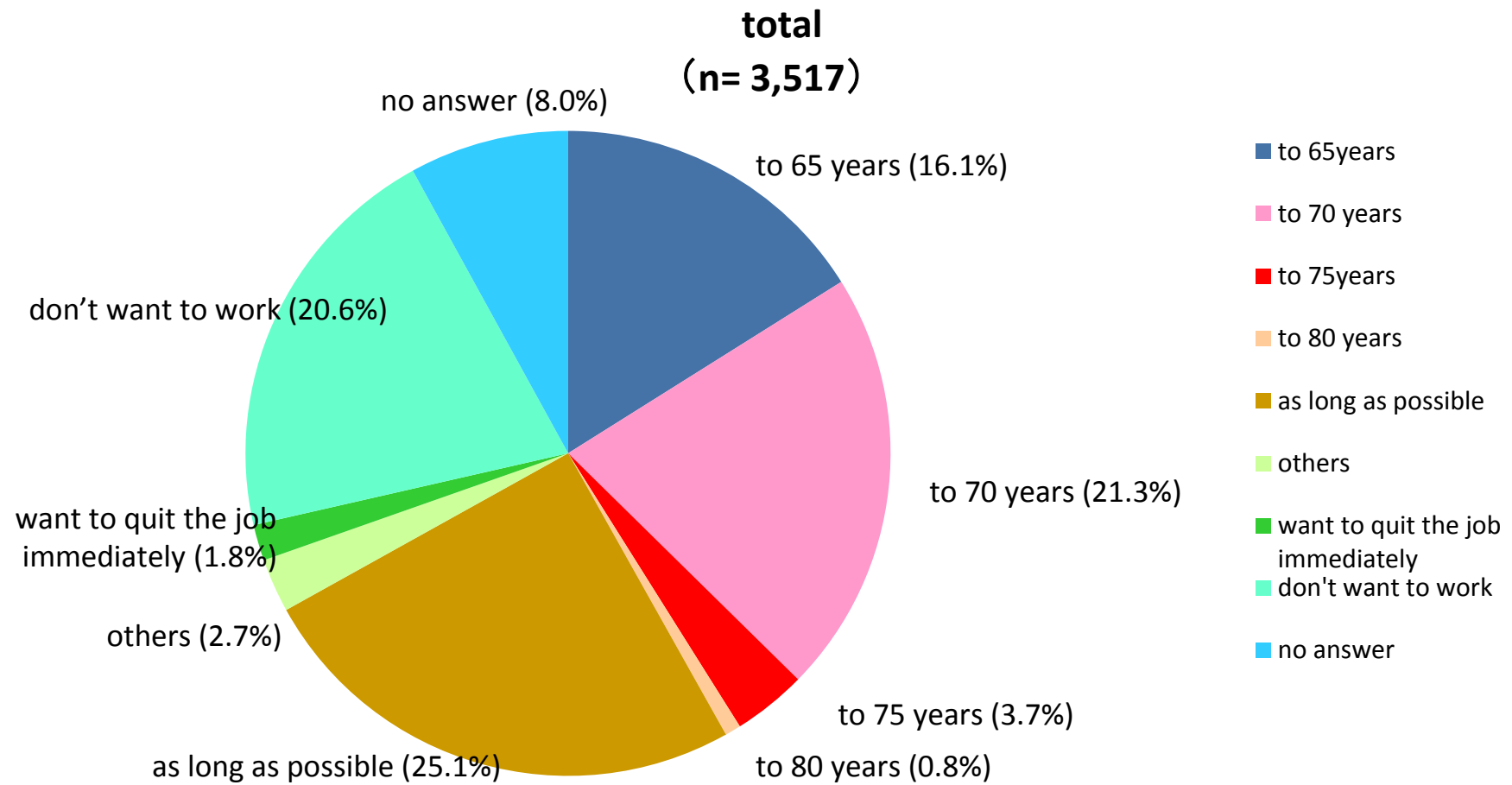
2. The "degree of funding" is the ratio of the total expenditure for the current FY to the reserve fund at the end of previous FY.

3. "FY2009 value" is the converted figure at FY2009 value calculated using the wage increase rate.

4. In "birth rate: medium case", total fertility rate is set as 1.26 in FY 2055.

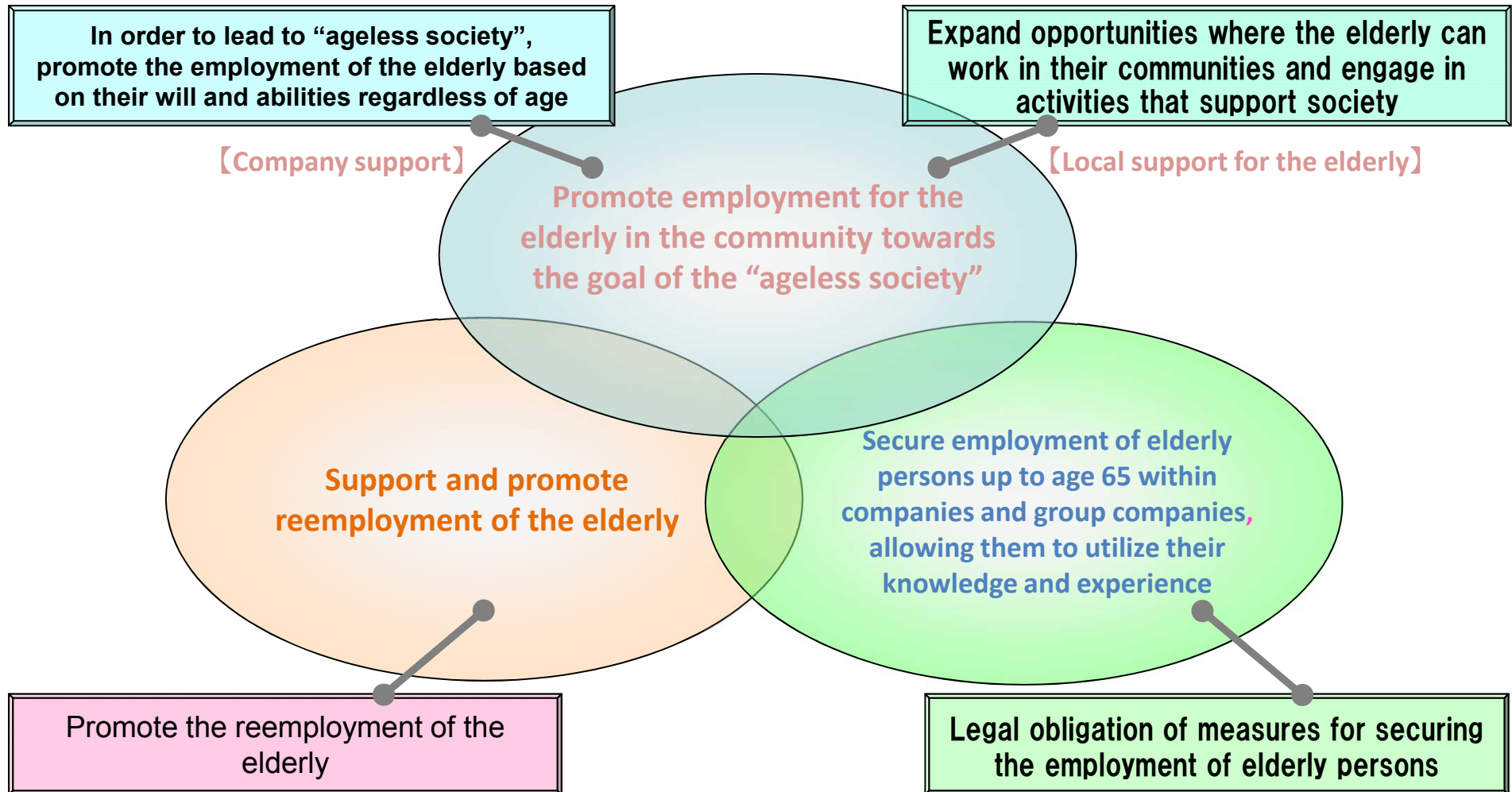
5. In "mortality rate: medium case", average life expectancy is set as 83.67 years for male, 90.34 years for female in FY2055.

Desirable age to which “babyboomer” (born in 1947-49) want to work (Researched by Cabinet Office, Government of Japan in 2012)



The structure of employment measures for elderly persons

While more and more people are expected to live up to 100 in the near future, we need to consider ways to secure employment for the elderly, according to their various needs, and help them find their “places” and “chances to serve” in their communities, towards the goal of creating the “ageless society (where the elderly can stay in active service throughout their lives).”



○ Ensure that all employees who desire to work remain in the workforce until age 65, by raising the mandatory retirement age and introducing the continuous employment program. 7

The Basic Policy of the Government about Tentative Translation Employment Measures for the Elderly in FY2013

- 1) Promote employment for the elderly for creation of an “ageless society (where older persons can stay in active service throughout their lives)” in accordance with their motivations and abilities regardless of age
- 2) Expand opportunities where the elderly can work in their communities and engage in activities that support society
- 3) Support and promote reemployment of elderly people
- 4) Legal obligation of the implementation of measures for securing the employment of elderly persons

e.g.

- Implement community-based model projects for creation of the “ageless society”
- Subsidy for the employment security of the elderly
- Promote the Silver Human Resource Centers’ projects
- Conduct projects that improve the environment for creation of the “ageless society”
- Promptly enforce the revised Act on Stabilization of Employment of Elderly Persons

Good Practices in Japanese Local governments

■ Job assistance for life worth living

Creation of the “job assistance for life worth living” program which helps in both maintaining good health of the elderly and coping with local issues

- “Job assistance for life worth living” program to promote second life careers, recognizing that it is required to make the environment (naturally) accessible to the elderly and dependent to their contributions
- Oriented to a “relaxed” way of working where the elderly can demonstrate their experience, skills and knowledge
- While the local government is responsible for PR activities to private enterprises and the elderly and coordination between them, the elderly are employed directly private enterprises
- Major projects: Urban-type agriculture using idled plots, plant cultivation units within the Danchi land, rooftop farm in the Danchi reconstructed, community pantry, after-school care, childcare/child-raising support, living support/enhancing, welfare services

Experimental vegetable factory
(Photos taken by the survey team)



(Kashiwa City)

Good Practices in Japanese Local governments

■ “Shinagawa Senior Net”

Communication base for the elderly which is operated by local elder volunteers, contributing to enhancement of IT skills and health of the elderly

- In January 2007, “IKI-IKI Labo Sekigahara” on the site which used to be an after-school center, where “Shinagawa Senior Net” has been launched as the base of social inclusion for the elderly
- Along with the mass retirement of the baby-boomer generation, the local government has provided spaces for various activities to be freely initiated by people (e.g. computer class, yoga class, café)
- The number of users was approximately 11,000 people per year (2012). It has been playing a key role as the base for self-support and social inclusion of the local elderly.



Source: “Shinagawa Senior Net” website

(Shinagawa-ku)

(Appendix) Retirement Age and Pension Eligibility Age

(tentative)

Country		Japan	Rep. of Korea	Singapore	Thailand	China	Vietnam	Indonesia	Myanmar	Malaysia	Cambodia	Lao PDR	Philippines	Brunei Darussalam
Commonly perceived age boundary for the elderly		65	65	65	60	60	60	60	60	60	60	60	60	n.a.
Retirement Age	MALE (Gov. officer)	60	65	62	55	60	60	55	n.a.	60/55	60	60	65	55
Retirement Age	FEMALE (Gov. officer)	60	65	62	55	55	55	55	n.a.	60/55	60	55	65	55
Pension Eligibility Age	MALE	65/60	65	62	55	60/55	60/55	55	n.a.	60/55	n.a.	n.a.	65/50	n.a.
Pension Eligibility Age	FEMALE	65/60	65	62	55	55/50	55/50	55	n.a.	60/55	n.a.	n.a.	65/50	n.a.

Source) (Asia Development Bank Institute (2012) *Developing Asia's Pension Systems and Old-Age Income Support*, p.12.

(<http://www.adbi.org/files/2012.04.26.wp358.dev.asia.pension.systems.pdf>)

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