

Chronology of Public Pension System in Japan (tentative translation)

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| Year | Demographic Structure/Industrial Structure | Concept of Social Security System | Pubic Pension System |
|------|---|--|---|
| 1870 | From a period of high rate of birth and infant mortality to a period of high birth rate and low infant mortality/Beginning of population growth | Prerogative for public officers | Germination term of pension system |
| | Population: 35 million (around 1870) Population: 50 million (around 1910) Birth rate:32.4, Death rate:20.8, Average life expectancy 43.97(male), 44.85(female) (1900, the birth rates and death rates are per thousand) Youth population(0-14):36%, elderly population(65-):5.3%(1920) Peak in population increase(Around 1930) | · National policy of increasing wealth and military power | 1875 Establishment of pension system for the military 1884 Establishment of pension system for civil officials 1923 Integregation of pension systems for public officers |
| 1940 | Wartime economic system/A period of high birth rate and low infant mortality | Financing for WW | Foundation term of current pension system |
| | Birth rate:29.4, Death rate:16.5, Population:70million(1940) | · Forced savings of wages for financing for war and constraining war inflation · Intensification of labour and expansion of productivity for war | 1942 Enactment of Laborers' Pension Insurance Law (aimed only at blue-collar male workers) 1944 Renaming "Laborers' Pension Insurance Law" "Employees' Pension Insurance Law" (aimed at all workers) |
| 1945 | Postwar chaotic period/From a period of high birth rate and low infant mortality to period of low birth rate and infant mortality | Creation of basic philosophy of social security system under new Constitution | (Social welfare aimed at persons coming back from former colonies and jobless persons) |
| | Postwar baby boom (number of birth between 1947-49: 8 million) Average life expectancy 50.06(male), 53.96(female) (1947) Birth rate 28.1, Death rate 10.9 (1950) Rapid decline in the birth rate with the popularization of birth control and rapid extension of average life expectancy Percentage of the number of workers by industry: 37.5%(primary), 24.4%(secondary), 38.0%(tertiary) (1955) Percentage of the number of workers by work situation: 25.1%(self-employed workers), 31.4%(family workers), 43.5%(employees) | | |
| 1960 | Economic growth and improved living standards/The coming aging society with fewer children | From social welfare to social security | Accomplishment of universal pension coverage/Development of public pension as full-scale social security system |
| | Average life expectancy 65.32(male), 70.19(female) (1960) Percentage of the number of workers by work situation:22.7%(self-employed workers), 23.9%(family workers), 53.4%(employees) | · Increasing weight of developing social security system with economic growth and improved living standards | 1954 Total revision of Employees' Pension Insurance Law (formulation of the basic grounds for modern public pension system) Benefits planning integrated with income redistribution function Raising of premium level progressively as premises for future economic growth Raising the pensionable age from 55 to 60 over the next 20 years in view of future aging and pension financing 1961 Enforcement of National Pension Law (accomplishment of universal pension coverage) Foundation of pension plans for self-employed workers and farmers against public strong demands Foundation of the system that supplies benefits to the persons being already the elderly at the inception of this system Foundation of the system in which enrollment period is summed up in case of career switch and transition to another pension system |
| 1965 | High economic growth | Improvement of social security system | Expansion of the pension benefit level |
| | Average life expectancy: 69.31(male), 74.66(female) (1970) Birth rate:18.8, Death rate:6.9, Elderly population: 7.1%, Elderly population over 70: 4.2%(1970) Percentage of the number of workers by industry: 13.8%(primary), 34.1%(secondary), 51.8%(tertiary) (1975) | · Raising pension benefit levels in accordance with inflation of prices and improved living standards · 1973 is called "the first year for welfare society" because of the upgrading and expanding of social security system. | 1965- Raising pension benefit level progressively 1975 Fixing pension benefit level at around 60% of active generation's average monthly salary 1975 Introduction of automatic consumer price sliding scale |
| 1980 | Transition to stable economic growth | Response to the aging | Revision of pension benefit level |
| | End of the high economic growth(1973), Administrative and financial reform Trend toward late marriage and discoverture Birth rate:13.6, Death rate:6.2, Elderly population: 9.1%, Elderly population over 70: 5.7%(1980) Youth population rate drops below 20%. Average life expectancy:73.75(male), 78.76(female) (1980) (It became the world's longest in the mid-1980s) Percentage of the number of workers by work situation:17.2%(self-employed workers), 10.9%(family workers), 71.7%(employees) (1980) Birth rate:10.0, Death rate:6.7 (1990) Elderly population:13.5%, Elderly population over 70:8.7%(1990) (growth of the elderly population over 75) Average life expectancy:75.92(male), 81.9(female) (1990) Percentage of the number of workers by work situation:13.5%(self-employed workers), 7.7%(family workers), 78.5%(employees) (1991) | · Revision of a path of expansion of social security system as part of the administrative and financial reform · Pension reform, such as lowering pension benefit levels and raising pensionable age | 1986 Introduction of Basic Pension (the only and the same basic pension system covers whole all the people) Inbalance in each pension financing was caused by the change in the percentage of the number of workers by industry because pension system is based on intergenerational support. Therefore basic pension system in which the whole of the active generation supports all pensioners was introduced. 1994 Pensionable age for flat-rate part of employees' pension is raised from 60 to 65 progressively |
| 2000 | Prolonged economic slump after the burst of the bubble economy / Decline in population / Growth of job-hopping part-timers | Response to decrease in the workforce and increase in the pensioners | Establishment of sustainable public pension system under the present circumstances of decrease in the workforth and the rapidly aging of the population |
| | Birth rate:9.5, Total fertility rate:1.36, Youth population:14.6%, Working-age population (15-64):68.1%, Elderly population:17.4% (2000) Average life expectancy:77.71(male), 84.62(female) (2000) Percentage of the number of workers by industry:4.8%(primary), 32.1%(secondary), 63.1%(tertiary) (2000) Job-hopping part-timers under 35:4.17million (about 5% of the working-age population) (2001) Total fertility rate:1.29 (2003) | · Restructuring of the balance of benefits and burdens to maintain a certain pension benefit level under the situation that elderly population reach 25% in 2014 | 2000 Pensionable age for earning-related part of employees' pension is raised from 60 to 65 in progressively 2003 Introduction of whole salary system (Premiums are imposed on not only monthly wages but also bonuses) 2004 Presenting a picture of benefits and contributions over the next 100 years 2004 Premium level is raised every year and it is fixed at the FY 2017 level / Benefit level is lowered every year and it is fixed at 50% or more of active generation's average net-income from FY 2023 onward. 2004 Increasing the state subsidy from 1/3 to 1/2 by FY2009 |