

# The Outline of the Draft Budget for Fiscal Year 2012

Ministry of Health,  
Labour and Welfare  
(MHLW)

# MHLW-related Draft Budget for FY2012

(Unit: Billion yen)

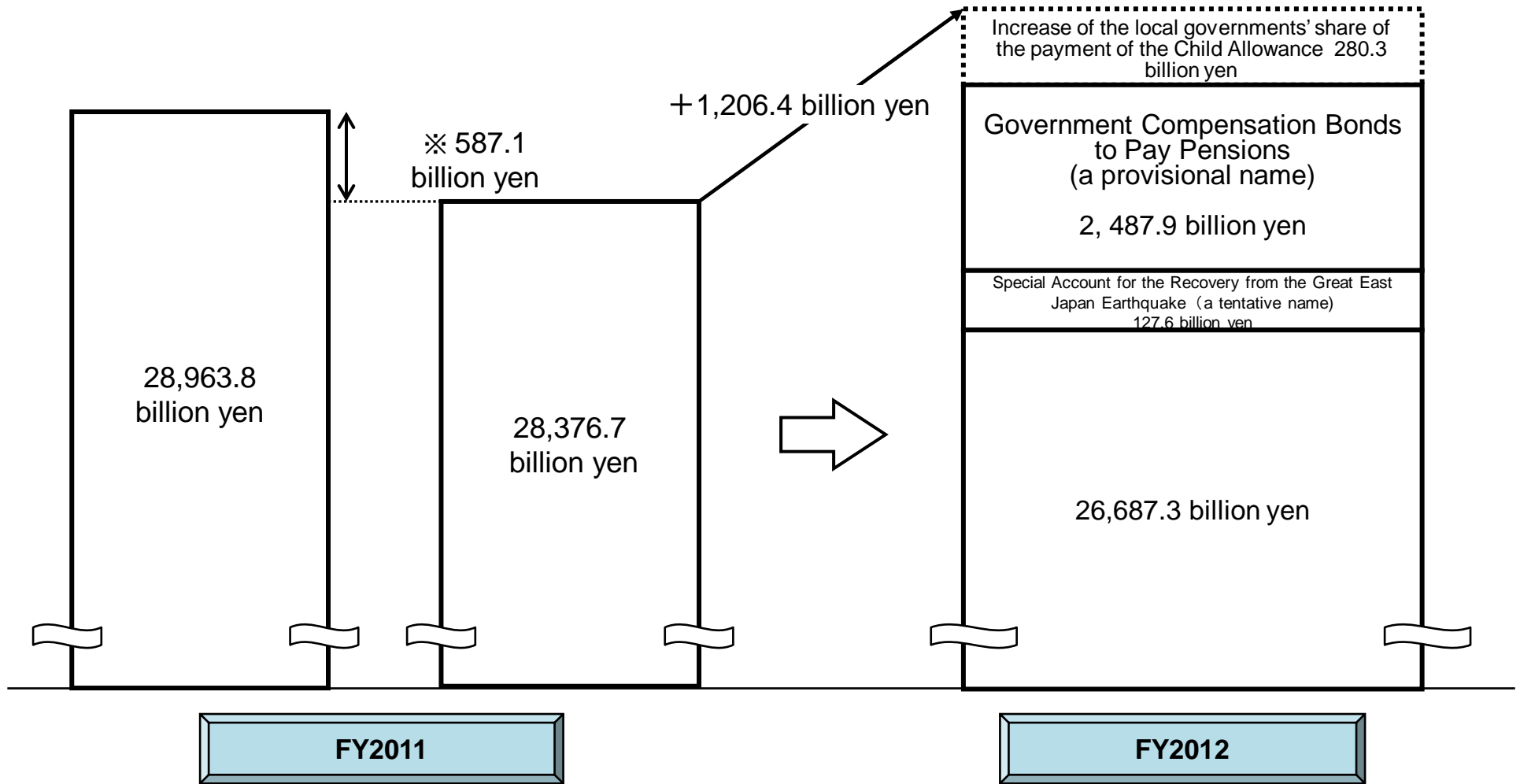
| Accounts  | FY2011 Budget<br>(A) | FY2012 Draft Budget<br>(B)  | Change<br>(FY2011→FY2012)<br>(C)<br>((B)-(A))   | % Change<br>(FY2011→FY2012)<br>(C)/(A) |
|---|----------------------|---|---|--|
| General Account   | 28,963.8             | 26,687.3<br>In addition, 2,487.9 for<br>the Government<br>Compensation Bonds to<br>Pay Pensions (※) | Δ2,276.5<br>In addition, 2,487.9 for<br>the Government<br>Compensation Bonds to<br>Pay Pensions (※) | Δ7.9 %<br>(※※)                         |
| Special Account for the<br>Recovery from the Great East<br>Japan Earthquake<br>(a tentative name) | —                    | 127.6   | 127.6   | —                                      |
| Allocated in MHLW   | —                    | 28.3  | 28.3  | —                                      |
| Allocated in the<br>Reconstruction<br>Agency  | —                    | 99.3  | 99.3  | —                                      |

[As a result of counting, the above allocations may shift to under different budget items.]

※ The National Subsidy Rate for the Basic Pension in FY2012 is maintained at ½ by issuing the “Government Compensation Bonds to Pay Pensions” (a tentative name) to be redeemed by the expenditure budget (36.5%) and financial resources secured through the drastic tax reforms. The “Government Compensation Bonds to Pay Pensions” (a provisional name) are issued in the amount of pension balance and investment income equivalent combined.

※※ For increase or decrease from the FY2011 budget, please refer to the “Reference” in page 2.

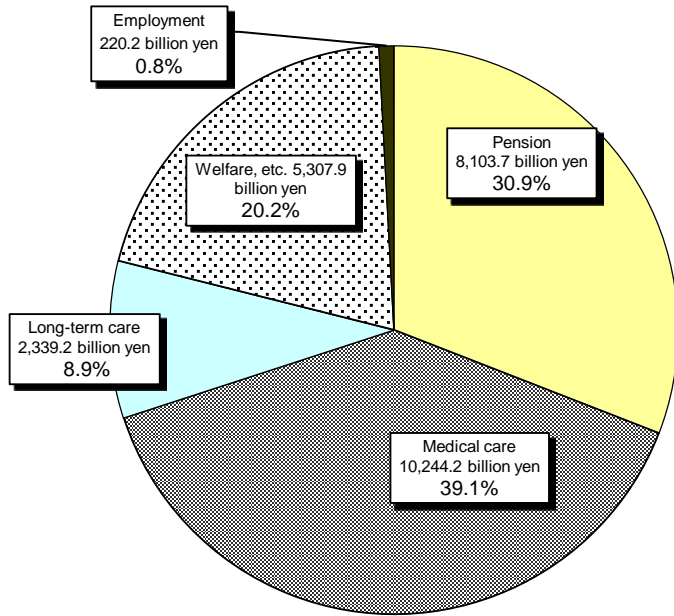
[ Reference ]



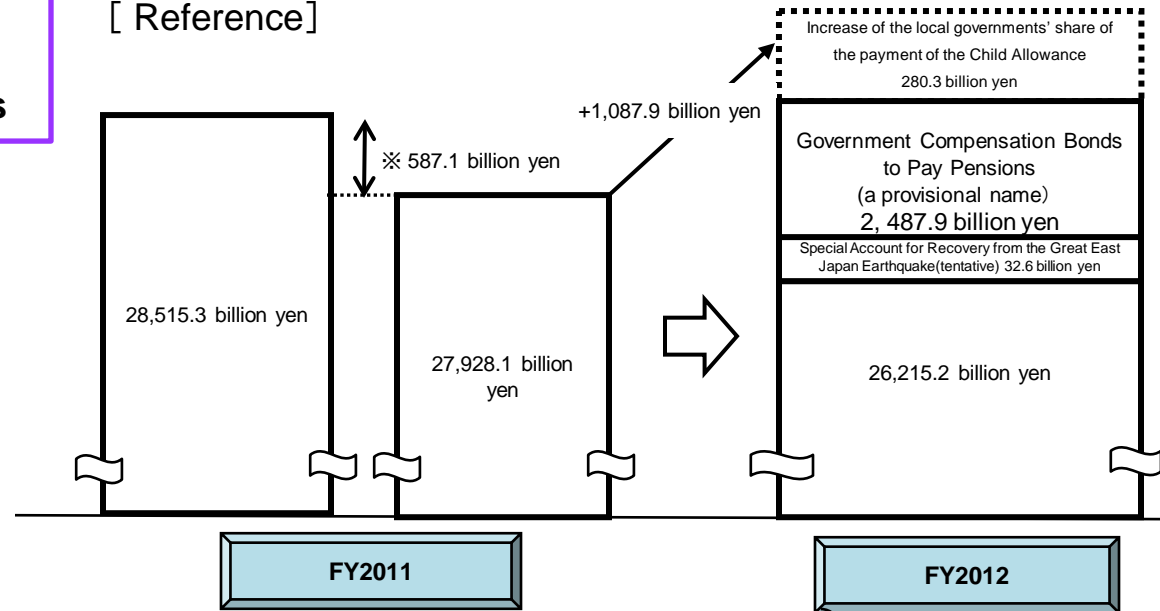
※ Changes in the amount of the Child Allowance (monthly payment)  
 (based on the “Act on Special Measures of Child Allowance Payments in Fiscal Year 2011”)  
 Under 3-year-old      20,000 yen      ⇒      15,000 yen  
 3-year-old and above    13,000 yen      ⇒      10,000 yen  
 (However, a third-born child between age 3 and elementary school,  
 13,000 yen→15,000 yen)

# Draft General Account Budget of MHLW for FY2012

## Breakdown of social security related expenses



[ Reference ]



※ Changes in the amount of the Child Allowance (monthly payment)  
(based on the "Act on Special Measures of Child Allowance Payments in FY2011")

|                      |            |   |            |
|----------------------|------------|---|------------|
| Under 3-year-old     | 20,000 yen | ⇒ | 15,000 yen |
| 3-year-old and above | 13,000 yen | ⇒ | 10,000 yen |

(Unit: Billion yen)

|                                  | FY2011 Budget<br>(A) | FY2012 Draft Budget<br>(B)   | Change<br>(FY2011→FY2012)<br>(C)<br>((B)-(A))  | % Change<br>(FY2011→FY2012)<br>(C)/(A) |
|----------------------------------|----------------------|--|--|--|
| Social security related expenses | 28,515.3             | 26,215.2<br>In addition, 2,487.9 for the Government Compensation Bonds to Pay Pensions (※) | Δ2,300.1<br>In addition, 2,487.9 for the Government Compensation Bonds to Pay Pensions (※) | Δ8.1%                                  |
| Pension                          | 10,384.7             | 8,103.7<br>In addition, 2,487.9 for the Government Compensation Bonds to Pay Pensions (※)  | Δ2,280.9<br>In addition, 2,487.9 for the Government Compensation Bonds to Pay Pensions (※) | Δ22%                                   |
| Medical care                     | 9,925                | 10,244.2   | 319.3  | 3.2%                                   |
| Long-term care                   | 2,203.7              | 2,339.2  | 135.5  | 6.1%                                   |
| Welfare, etc.                    | 5,747.3              | 5,307.9  | Δ439.4   | Δ7.6%                                  |
| Employment                       | 254.7                | 220.2  | Δ34.5  | Δ13.5%                                 |

[ As a result of counting, the above allocations may shift to under different budget items. ]

※ The National Subsidy Rate for the Basic Pension in FY2012 is maintained at ½ by issuing the "Government Compensation Bonds to Pay Pensions" (a tentative name) to be redeemed by the expenditure budget (36.5%) and financial resources secured through the drastic tax reforms. The "Government Compensation Bonds to Pay Pensions" (a provisional name) are issued in the amount of pension balance and investment income equivalent combined.

# Special Account

(Unit : Billion yen)

| Accounts                                   | FY2011 Budget<br>(A) | FY2012 Draft<br>Budget<br>(B) | Change<br>(FY2011→FY2012)<br>(C)<br>((B)-(A)) | % Change<br>(FY2011→FY2012)<br>(C)/(A) |
|--|----------------------|-------------------------------|---|--|
| Special Account                            | 83,856.3             | 84,357.9                      | 501.5   | 0.6%                                   |
| Special Account<br>for Labour<br>Insurance | 4,256.9              | 3,888.7                       | △368.2  | △8.6%                                  |
| Special Account<br>for Pensions            | 79,599.4             | 80,469.1                      | 869.7   | 1.1%                                   |

※ Expenditure-based

[ As a result of counting, the above allocations may shift to under different budget items. ]

# Major Measures under MHLW's Draft Budget for FY2012

Individual reform items included in the "Outline of the draft integrated tax and social security reform (social security part)"

I Support for children and childrearing II Medical and long-term care III Pension IV Promotion of employment and the realization of Decent Work V Strengthening of measures against poverty and economic disparities VI Innovation in medical care VII Measures for people with disabilities

## I. Support for Children and Childrearing

### 【The Child Allowance System】

【1 trillion 284 billion yen】

- ◆ Appropriation of the amount of money required for the Child Allowance System from FY2012 and after

【Enhancement of childcare services, such as the promotion of the elimination of waiting children, and regional childrearing support services

【491.9 billion yen】

- ◆ Expansion of the number of children accepted at the daycare centers in order to resolve the problem of waiting children
- ◆ Enhancement of regional childrearing support services, including after-school children's clubs, regional childrearing support centers, and the day-care service

### 【Enhancement of social care for children】

【94.2 billion yen】

- ◆ Improvement of staffing levels at orphanages

## II. Medical and Long-term Care

### 1. Revision of fees

#### 【Revision of medical fees】

【10 trillion 196.2 billion yen】

- ◆ In order to create conditions for Japanese people and patients to receive safe and high-quality medical care services that they desire, the medical fee base is raised in the amount of approximately 550 billion yen (full fiscal year).

Overall revision rate +0.00% (+0.004%)

### 【Revision of long-term care fees】

【2 trillion 403.3 billion yen】

- ◆ The long-term care fees are revised by 1.2% by taking into account the improvement of working conditions of long-term care staff, downward price trend, business conditions of long-term care operators, and the promotion of an integrated community care.

## 2. Promotion of home medical and long-term care

【3.5 billion yen】

### 【Development of personnel in charge of home team medical care】

【110 million yen】

- ◆ Conduct specialist trainings for the development of personnel responsible for home team medical care, in order to enhance their knowledge and skills and develop and expand the team medical care.

### 【Establishment of the bases for the implementation of home medical and long-term care (promotion of the collaboration system for home medical care)】

【2.3 billion yen】

- ◆ In order to construct a support system for home care patients through the Specialist Teams, promote collaboration among medical institutions offering home medical care, based on local areas and the characteristics of diseases.
- ◆ Additionally, establish the base pharmacies offering regional medical care and the support for nutrition care management in community, and enhance the bases for home care service, such as the “combined multiple services” where a combined service of multifunctional small group homes and home-visit nursing care is provided.

### 【Improvement of and support for services in response to individual diseases】

【1.1 billion yen】

- ◆ Promote efforts to improve and support services, including conducting researches in accordance with the characteristics of individual diseases, and activities that provide effective treatment and long-term care services in accordance with the conditions of home care patients’ diseases.

## 3. Promotion of other medical and long-term care

### 【Expansion of the establishment of regional medical support centers】

【730 million yen】

- ◆ Increase the number of “regional medical support centers” set up by prefectures and promote activities aimed to resolve the uneven distribution of doctors in regional areas.

**【Promotion of the provision of community care through the Specialist Team】**

**【770 million yen】**

- ◆ In order to strengthen the functions of integrated community care support centers as part of the build-up of the integrated community care system, support the construction of regional networks and the dispatch of professional staff to the “community care conference” where Specialist Teams collaborate.

**【Promotion of measures against childhood cancer】**

**【400 million yen】**

- ◆ Develop the designated hospitals for childhood cancer, build up a consultation and support system for patients with childhood cancer, and train medical staff in cancer treatment who treat childhood cancer and offer palliative care.

**【Promotion of vaccination】**

**【52.6billion yen】**

**【Strengthen measures against novel influenza】**

**【9.1billion yen】**

- ◆ Increase and extension of the Provisional Special Fund for the Urgent Promotion of Vaccination against such as cervical cancer, and stockpile antivirals and pre-pandemic vaccine in bulk. (Prepared by the Forth Supplementary Budget of Fiscal Year 2011)

**III. Pension**

**【Promotion of livelihood support for incurable disease patients (a research project on the treatment of specific diseases)】**

**【3.5 billion yen】**

- ◆ Boost the research project on the treatment of specific diseases in order to reduce the excess burden on part of prefectures.

※The “Government Compensation Bonds to Pay Pensions” (a provisional name) are issued in the amount of pension balance (2 trillion 487.9 billion yen) and investment income equivalent combined.

**【The government financial contribution to the pension payment】**

**【8 trillion 94.5 billion yen】**



- ◆ The National Subsidy Rate for the Basic Pension in FY2012 is maintained at ½ by issuing the “Government Compensation Bonds to Pay Pensions” (a tentative name) to be redeemed by the expenditure budget (36.5%) and financial resources secured through the drastic tax reforms.

#### 【Price-indexation of pension benefits】

- ◆ Under a special law, the amount of pension benefits has been kept unchanged, resulting in paying the benefits at a level 2.5% higher than the level adjusted through indexation. However, in order to reduce the burden on pension funds and secure the pensions for the working generation (future pension recipients) in the future, the pension benefits paid to the current pension recipients are reduced according to price-indexation in a planned manner.

#### 【Comparison of paper ledgers and computer data regarding pension records】

【66 billion yen】

- ◆ Compare pension records of pension recipients on paper ledgers and computer and promote sending out necessary information on the results.

## IV. Promotion of Employment and the Realization of Decent Work

### Realization of full-participation society

#### 【Strengthening of the employment support for new graduates through the promotion of the “Project to Promote Employment of College Students”】

【11.2 billion yen】

- ◆ Strengthen the employment support for new graduates by implementing the “Project to Promote Employment of College Students,” targeting mainly students who are currently enrolled in universities, in order to reduce the number of unemployed college graduates.

**【Strengthening of the employment support for job-hoppers (so called ‘freeters’) through the “Youth Step-up Program”】**  
**【6.5 billion yen】**

- ◆ Promote the “Youth Step-up Program” by which the employment support of ‘freeters,’ such as the generation who underwent the employment ice age, is further strengthened through the promotion of the use of trial employment and vocational training.

**【Job security until age 65 for all those who wish】**  
**【4.4 billion yen】**

- ◆ Consider improving legislations in order to link employment and pensions and ensure employment of all those who are interested until age 65. In addition, provide necessary support for the activities of companies, such as providing subsidies to employers who hire older people close to retirement and wish to get employment through an employment agency in other firms where their knowledge and experience can be utilized.

**【Promotion of the Project to Support the Development of Regional Human Resources through New Business Development】**  
**【100 million yen】**

- ◆ Industry groups in regions where local industries accumulate provide companies seeking to develop new businesses with support in cooperation with educational training institutions on, such as, the development of educational training curricula and implementation of educational training, from the viewpoints of revitalizing and ensuring employment in regions.

**Realization of Decent Work**

**【Development of new rules concerning fixed-term labour contract】**  
**【53 million yen】**

- ◆ Consider establishing the legal system for the realization of employment stabilization and fair treatment for fixed-term contract workers based on the discussions in the Labour Policy Council, and take necessary measures.

【Ensuring equal and balanced treatment of part-time workers and promotion of transformation of them to ordinary workers】  
【500 million yen】

- ◆ Provide instructions based on the Part-time Workers Act and support of experts for the implementation of job analysis and evaluation. Additionally, take necessary measures based on consideration given by the Labour Policy Council on the development of the legal system for ensuring the fair treatment of part-time workers.

#### Construction of multilayered safety nets

【Securing safety nets based on the employment insurance system】  
【171.4 billion yen】

- ◆ Based on the current severe employment situation, provisional measures are taken to extend the number of days for which unemployment benefits are paid (individual extension) (until the end of FY2011).

【Provision of employment support through the provision of vocational training and payment of allowances based on the Support System for Job Seekers】  
【147.9 billion yen】

- ◆ Implement support for the early employment of job seekers by conducting vocational training for job seekers not covered by employment insurance to acquire new vocational abilities and skills and by paying allowances to support their living during the training period.

### V. Strengthening of Measures Against Poverty and Economic Disparities

【Enhancement of the “From Welfare to Employment” Support Project】  
【4 billion yen】

- ◆ Strengthen employment support for welfare recipients based on agreements concluded between the local governments and the Public Employment Security Offices.

**【Strengthening of employment and independent support measures for welfare recipients (trampoline functions) (new project)】** **【part of 23.7 billion yen】**

- ◆ For those welfare recipients who have difficulty landing on jobs immediately through ordinary employment support, support for improving the basic daily lifestyle, support for obtaining the basic skills and abilities that help them gain employment, and exploration of job openings on a case-by-case basis are implemented in a comprehensive manner.

**【Improvement of support for measures against children's poverty (prevention of the “cycle of poverty”)】** **【part of 23.7 billion yen】**

- ◆ Offer childrearing counseling and study support for children and their parents of households on welfare in order to prevent the “cycle of poverty.”

**【Implementation of the Project to Promote Regional Settlement】** **【part of 23.7 billion yen】**

- ◆ In order to promote social rehabilitation and local settlement of those who leave correction facilities and experience difficulty to become financially independent due to old age and disability, the “Regional Settlement Support Centers” and probation offices cooperate to provide consultation support for them during and after their placement in the facilities, in a consistent manner.

## **VI. Innovation in Medical Care**

Promotion of Life Innovation in an integrated manner **【12.7 billion yen】**

**【Support for research development and practical application in individual focused areas】** **【7.1 billion yen】**

- ◆ Develop diagnostic and treatment methods and medicines for cancer, hepatitis B, and intractable and rare diseases, and promote activities towards the practical application of them, where public needs are high.
  - ①Promotion of diagnosis and treatment research for cancer
  - ②Promotion of research on the innovative development and the practical application of new drugs for hepatitis B
  - ③Promotion of research on the diagnosis and treatment research for mood disorder
  - ④Support for the development of medicines and medical devices for the treatment of rare diseases
  - ⑤Promotion of regeneration medicine and iPS cell research
  - ⑥Promotion of individualized medical care

### 【Preparation of and strengthening of functions of Core Clinical Research Hospitals】

【3.4 billion yen】

- ◆ Establish Core Clinical Research Hospitals (a tentative name) in 5 locations to serve as the bases for conducting international-level clinical studies and playing a central role in implementing doctor initiated clinical trials, in order to create innovative drugs and medical devices based on Japan's abundant basic research findings.
- ◆ Support the international-level clinical research conducted at core clinical research hospitals. Also, provide support for the establishment of the systems of and clinical studies carried out at the National Research Center for Advanced and Specialized Medical Care.

### 【Enhancement of the pharmaceutical approval review and safety measures in response to technological progress】

【2.1 billion yen】

- ◆ Speed up the pharmaceutical approval review and strengthen safety measures against innovative drugs, medical devices, and regenerative medicine
  - ① Establishment of the evaluation methods for safety and effectiveness and the development of human resources
  - ② Promotion of research for the development of guidelines needed for accelerating the pharmaceutical approval review
  - ③ Strengthening of safety measures
  - ④ Measures against the globalization of production and distribution

### 【Research and investigations on the evaluation of medical technologies based on cost-effectiveness】

【75 million yen】

- ◆ As for the setting up of the insurance redemption price of medical technologies, etc., examine reported overseas cases and consider the possibility for technology adaptation, in order to conduct evaluations on technologies including their cost-effectiveness, while securing incentives for the evaluation and development of further innovation.

## VII. Measures for Persons with Disabilities

### 【Ensuring the availability of welfare services for persons with disabilities and the revision of fees】

【743.4 billion yen】

- ◆ Secure welfare services necessary for persons with disabilities to live in regional areas and places where they are used to live, in a planned manner.
- ◆ Revise the fees for welfare services for persons with disabilities by +2.0% in April 2012, and promote the improvement of the working conditions of welfare and long-term care staff, the provision of support for the regional life of the persons with disabilities, including the provision of transportation services for ambulatory care, and enhancement of the quality of the welfare services for persons with disabilities.

### 【Steady implementation of Community Life Support Service】

【45 billion yen】

- ◆ Steadily implement the provision of transportation and communication support, etc.. In addition, develop the consultation support system and enhance support for children with disabilities.

### 【Development of the infrastructure for the provision of the welfare service system for disabled children and people】

【11.7 billion yen】

- ◆ Promote the establishment of the base infrastructure for the “place of daytime activity,” where care for daily life and support for continuous employment are provided, and promote the development of the “place for living,” including group home, etc..
- ◆ Promote setting up “the core consultation support centers” and strengthening of the regional support functions of “the development support centers for children with disabilities and enhancing support for children with disabilities, including medical treatment and education through small groups in the facilities for children with disabilities, etc..
- ◆ Promote establishing the disaster prevention center, etc., where persons and children with disabilities can be accepted in emergency situations, at businesses providing welfare service for persons with disabilities and facilities for children with disabilities.

**Major measures implemented under the Special Account  
for the Recovery from the Great East Japan Earthquake**  
(a tentative name)

※ Budget allocated as a lump sum at the Reconstruction Agency

| Items  | Descriptions of Projects  | Proposed Budget<br>(billion yen) |   |
|--|---|----------------------------------|---|
| <Chapter 1. Recovery of Livelihood in the Community>   |   |                                  |   |
| <b>(Development and maintenance of water supply utilities)</b>   |   |                                  |   |
| ①Restoration and reconstruction of water supply facilities   | Restore and reconstruct water supply facilities, which require city planning and therefore are insufficient to be restored to the original forms, in areas severely affected by tsunami.  | 20                               | ※ |
| <b>(Implementation of disaster relief)</b>   |   |                                  |   |
| ②Relief expenses based on the Disaster Relief Act  | Bear costs necessary for emergency relief activities, such as providing stable housings for disaster victims.   | 49.4                             | ※ |
| <b>(Job security)</b>  |   |                                  |   |
| ③Provision of support based on the Support System for Job Seekers  | For job seekers not covered by unemployment insurance, provide employment support to help them get jobs at an early stage, by conducting vocational training for acquiring new occupational abilities and skills and by paying allowances to support their living during the training period, based on the “Support System for Job Seekers.”  | 7.6                              | ※ |
| ④Strengthening of the employment support for new graduates   | <ul style="list-style-type: none"> <li>▪Place Job Supporters with a focus on disaster-affected areas, strengthen cooperation with schools, and provide support for new graduates.</li> <li>▪Set up a system to provide ongoing job interviewing opportunities, conduct various job interviews, and provide many job opportunities.</li> </ul>   | 440 million yen                  | ※ |
| ⑤Implementation of a comprehensive support project on livelihood and employment, in cooperation with the local governments | Based on the cooperation between the local governments, organizations carrying out support activities for the recovery and reconstruction from the earthquake disaster, and Hello Works, provide comprehensive consulting and assistance on housing and living, and strengthen employment support for affected people based on, such as, job matching through the provision of job counseling, development of job opportunities through an employment agency, and capacity development, by assigning staff. | 1.3                              | ※ |
|  |   | <b>15</b>                        |   |

| Items   | Descriptions of Projects  | Proposed Budget (Billion yen) |   |
|---|---|-------------------------------|---|
| <b>(Other)</b>  |   |                               |   |
| ⑥Build-up of a welfare network to help in time of disasters   | Construct a broad welfare support network covering private businesses and organizations, to urgently deal with vulnerable people (the elderly and disabled in need of help) in time of disasters, and strengthen disaster measures.   | 5.2                           | ※ |
| ⑦Measures to reduce co-payments and insurance premiums for medical care, long-term care, and welfare services for persons with disabilities | Provide financial support to reduce burdens on part of the insurers, when the measures to reduce co-payments and insurance premiums for medical insurance, long-term care insurance, welfare services for persons with disabilities, are extended for residents in evacuation zone, etc. designated in response to the accident at TEPCO's No.1 Fukushima Nuclear Power Plant.  | 142                           | ※ |
| ⑧Establishment of Core Clinical Research Hospitals in the aim of the recovery of affected areas   | Develop a Core Clinical Research Hospital in 1 location which provides a platform for playing a central role in implementing international-level clinical studies and doctor initiated clinical trials, with a view to implementing high-quality clinical research through the formation of the production bases for innovative medicines and medical devices and reconstruction of the areas by forming industrial clusters and creating new industries. | 5.1                           | ※ |
| ⑨Provision of support for environment health related businesses affected by the disaster  | Support the resumption of affected businesses so that the affected business operators themselves can support the reconstruction.  | 1.4                           | ※ |

etc.

| <Chapter 2. Recovery from the Nuclear Disaster>               |   |     |   |
|---|---|-----|---|
| ⑩Promotion of measures against radioactive materials in foods | Concerning measures against radionuclides in foods, new standard limits are continuously tested, and measures, such as the government's investigations into the purchase of foods during the distribution stage, are promoted.  | 2   |   |
|   | Concerning measures against radionuclides in foods, the establishment of the survey system is supported by subsidizing the local governments to set up testing equipment and facilitating their monitoring surveys under new standard limits, and proceed with research on and investigations into the radioactive materials in foods | 5.1 | ※ |

etc.



| Items  | Descriptions of Projects  | Proposed Budget (Billion yen) |
|--|---|-------------------------------|
| <b>&lt;Chapter 3. Future Preparedness for Disasters&gt;</b>  |   |                               |
| ⑪Promotion of the Coordination System for Home Medical Care, which assures safety in times of disasters  | Promote cooperation among medical institutions as well as prepare necessary equipment for home medical care in time of disaster for the provision of comprehensive and ongoing home medical care by regional Special Teams, so that people in need of home medical care feel assured that they can get medical service when disasters happen. | 10.5                          |
| ⑫Preparation of an infrastructure for the coordination and maintenance of medical information            | Medical institutions can externally save diagnosis data in standard formats, enabling the use of the information as a backup information at the time of disaster and mutual viewing of the data by cooperating medical institutions, and thus establishing an infrastructure for the coordination and maintenance of medical information.     | 9.5                           |
| ⑬Establishment of a system to provide welfare services for persons with disabilities in time of disaster | Promote establishing the disaster prevention center, etc., where persons and children with disabilities can be accepted in emergency situations, at businesses providing welfare service for persons with disabilities and facilities for children with disabilities  | 45                            |
| ⑭Strengthening of disaster prevention measures on water supply facilities                                | Promote earthquake resistance of water supply facilities based on the lessons learned from the Great East Japan Earthquake.   | 176                           |

etc.

|  |   |                          |
|--|---|--------------------------|
| Sum of expenses for the recovery and reconstruction from the Great East Japan Earthquake |   | <b>127.6 billion yen</b> |
| (Breakdown   | (total allocations at MHLW 28.3 billion yen)                      |                          |
|  | (total allocations at the Reconstruction Agency 99.3 billion yen) |                          |

# Visions Sought by Social Security Reform

- Increasing investment for the future (children and child raising) and enhancing measures against poverty and income inequality -

## Situations calling for social security reform

Changes in the employment base, e.g. increase of irregular employment

Changes in family form and communities

Aging population & decreasing working generations

Rapid increase of social security costs because of the aging population

- Because of relatively heavy benefits to older people, livelihood risks of working generations are not sufficiently covered.
- Measures against poverty problems and widening income inequality are insufficient.
- Most of social security costs are financed with deficit-covering government bonds, passing the burden on to future generations.

**Need to enhance social security function to meet social/economic changes**



**Rebuilding a social security system whereby all the people, including working generations, can better realize the benefits**

## Key elements of reform

- ◆ Support independence of every citizen based on **mutual assistance and cooperation**
- ◆ Simultaneously implement functional **enhancement** and thorough **prioritization/rationalization** of benefits
- ◆ Emphasize **fairness** not only among generations but also **within a generation**
- ◆ Give higher priority in reform to (1) children and young people, (2) medical and long-term care services, (3) pension, and (4) measures against poverty and income inequality
- ◆ Expand allocation of consumption tax revenue to four fields: pension, medical care, long-term care, **childcare <four costs of social security>**
- ◆ Simultaneously achieve **stable financial resources for social security and fiscal consolidation** → Incrementally raise the consumption tax rate to 10% by mid-2010s
- ◆ Enhance the base for the social security system through **employment promotion**

## Reform directions

1

Increase investment for the future (support for children and child raising)

- Establish a new system to support children and child raising

2

Enhance both security of medical/long-term care services and insurance system's safety-net functions

- Establish an integrated community care system
- Enhance safety-net functions of medical/long-term care insurance systems
- Simultaneously revise medical service fees and long-term care fees

3

Enhance measures against poverty and income inequality (build a multilayered safety net)

- Establish second safety nets, e.g. job-seeker support system
- Review public assistance and promote independence and employment
- Create a total accumulation system

4

Build a social security system meeting diverse work styles

- Extend social insurance to part-time workers
- Consider a new pension program

5

Realize a society with participation of all the people and decent work

- Consider legislation concerning fixed-term labour contract, part-time work, and elderly employment

6

Secure stable financial resources for social security system

- Secure stable financial resources to ensure that 50% of the basic pension is funded by the national treasury
- Increase the consumption tax rate