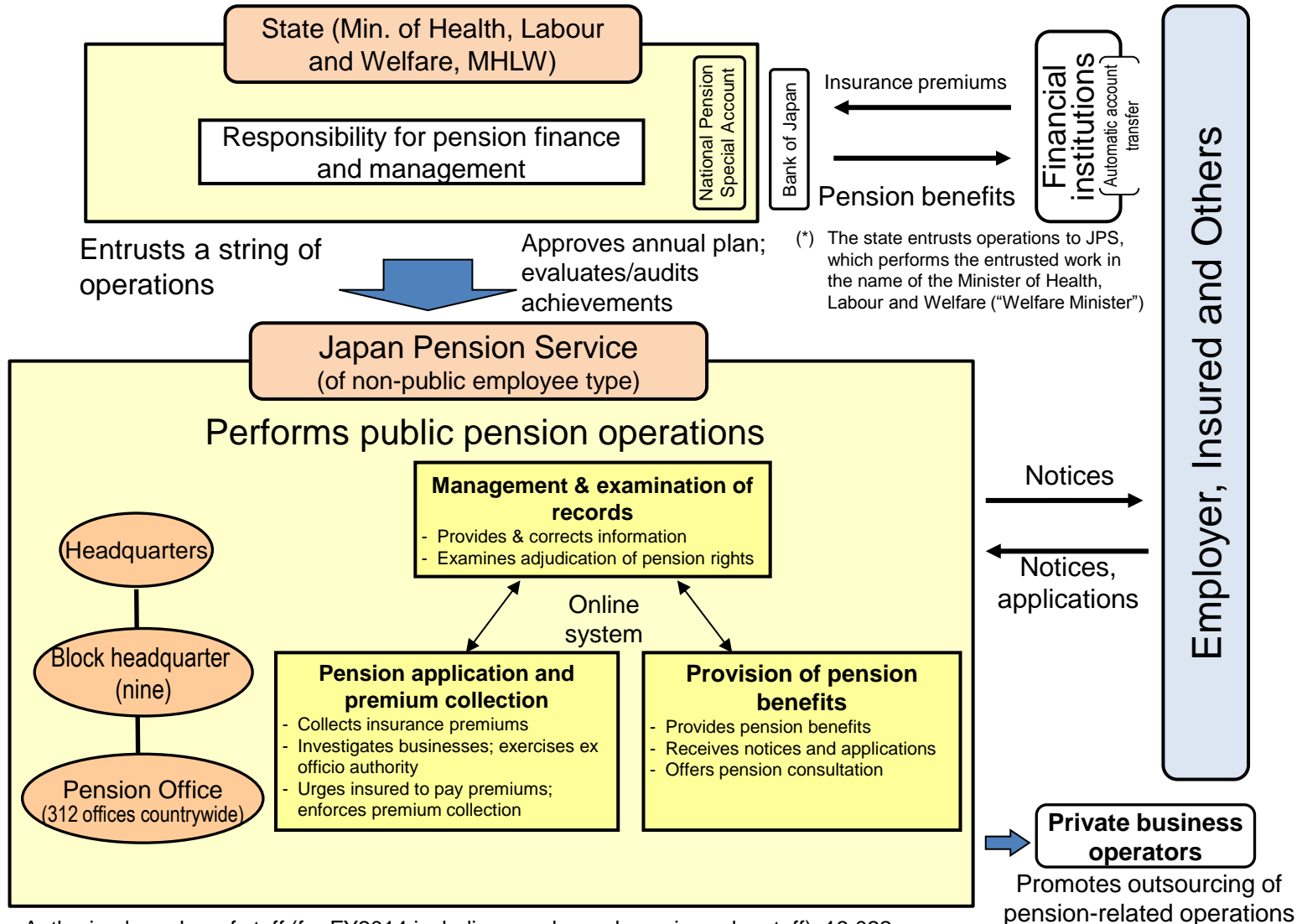


MANAGEMENT OF PENSION SERVICE

System for Management of Public Pension Operations

○ Under the state's responsibility for their finance and management, a string of operations of public pensions (pension application, premium collection, management of records, consultations, right adjudication, benefits payment, etc.) are entrusted to **the Japan Pension Service** (JPS, a public corporation of a non-public employee type). (Established on January 1, 2010)



Authorized number of staff (for FY2014 including regular and quasi-regular staff): 13,022

*In addition, quasi-regular staff (868 who are hired specially for resolving the pension records problem) are deployed. (13,890 staff in total)

Pension Records

1. What are pension records?

- Pension records are information per insured individual composed of number, name, sex, date of birth, date when the subject individual became an insured (date of qualification acquired for pension benefits), date when the insured ceased to be an insured (date of disqualification), amount of standard monthly remuneration, contribution of insurance premiums, etc.
- Legally, the Welfare Minister is responsible for the management of each insured's pension records. The operations related to the records' actual management are entrusted to JPS.

2. Brief history of pension records management

- At the time when the pension system was created, personal records of each citizen was written down on paper (such paper was called "paper ledger"). Thus, pension records were managed by means of paper ledgers.
- In the subsequent years, management of the records began to be computerized. In 1984, National Pension records were computerized, followed by Welfare Pension records in 1986 (via Social Security Online System).

3. Implementation of Basic Pension Number

- Until the end of 1996, each citizen had a number assigned to each pension he/she participated in, such as National Pension and Welfare Pension Insurance ("Pension Handbook Registration Number"). Thus, pension records were managed under such multiple numbers.
- In and after 1997, one single number is assigned to each citizen ("Basic Pension Number"). Since then, a citizen who has multiple registration numbers assigned in his/her pension handbook (and pension records that are managed under such numbers) now has all such numbers and records unified and managed.

4. What is the pension records problem?

- The pension records problem refers to incorrect or deficient records relating to each citizen's participation in different pensions or receipt of benefits that are stored in the state-operated computers that manage and control pension records.

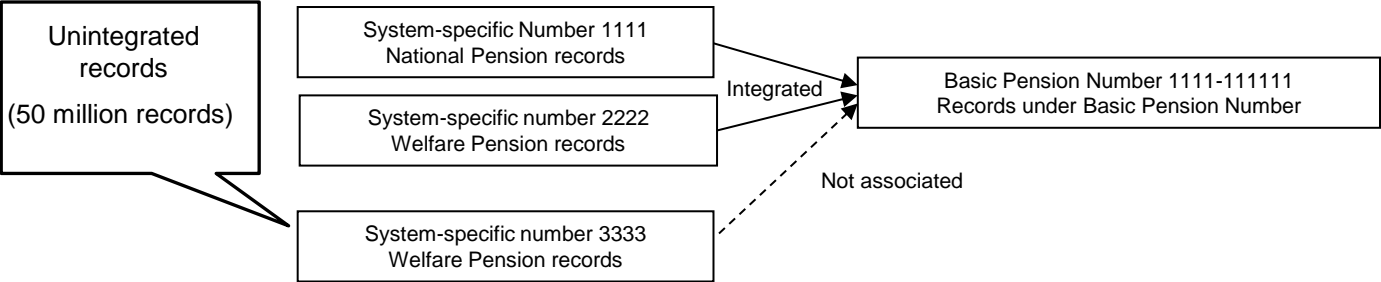
Summary of Pension Records Problem

Problem of pension records that are yet to be integrated under Basic Pension Numbers (50.95 million records)

<Problem of pension records not integrated under Basic Pension Number>

- In and after 1997, each citizen's pension records are managed and controlled under one single number (Basic Pension Number); however, as of June 2006, some 50 million pension records exist that are not associated with any Basic Pension Numbers.

(Image of unintegrated pension records)



Problem of incorrect records

<Problem of incorrect online records>

- Pension records were initially managed by means of paper ledgers. Gradually their management was computerized. In the change process, the records on paper ledgers were not correctly transcribed. It gave rise to incorrect records.
- Some of the Welfare Pension records kept by the state differ from those held by the Welfare Pension Fund.
- Cases exist where Welfare Pension records kept by the state were retroactively amended, causing salary amounts (standard monthly remuneration) to be stated lower than they really were or the period worked to be shorter than the period actually worked.

Efforts for Resolving the Problem of Incorrect Pension Records

○ How to address the problem of unintegrated records (some 50 million)

Since 1997 each citizen's pension records are managed and controlled under one single number assigned to him/her (Basic Pension Number). Currently there exist in the stated-operated computers some 50 million pension records that are not associated with any Basic Pension Numbers. This issue was reported to the Diet in 1997.



○ JPS sent pension records to each of the presumably affected premium contributors via *Nenkin Tokubetu Bin* (Special Pension Mail) for his/her review and confirmation, and then restored correct records.

- As of September 2014, of the unintegrated 50.95 million records
 - ◇ 30.44 million records were identified.
(18.06 million records had been integrated under Basic Pension Numbers; 12.38 million records were associated with deceased persons)
 - ◇ 20.51 million records are currently being identified or waiting to be identified pending an answer to *Nenkin Tokubetsu Bin*, or remain unidentifiable because of lack of clues as to their holders.

(Future actions for resolving unidentified records)

- Further efforts for requesting each citizen to check his/her own pension records
 - ◇ To call on citizens by *Nenkin Teiki Bin* (Regular Pension Mail) or *Nenkingaku Kaitei Tsuuchi* (Pension Amount Revision Notice) to check and verify his/her own records
 - ◇ To have citizens informed of *Nenkin Net*, which will permit them to retrieve their own pension records as well as unintegrated records.
- Proactive actions by taking an individual approach to those pensioners whose records are considered likely to be integrated under Basic Pension Number.

○ Actions to be taken relating to the problem of incorrect records

It was found that there are paper ledger records that were not correctly transcribed into computerized records when pension records were switched from paper ledger-based control to computerized control (in 1984, relating to National Pension and in 1986, relating to Welfare Pension).



○ Crosschecks between paper ledgers and computerized records (starting in October 2010)

- As of end-March 2014, crosschecks were completed on a targeted 79 million insured.
- Upon completion of the crosscheck notice was sent to all insured whose records needed correction.
- In 2014, upon receipt of replies from notified insured, if applicable, records will be corrected and/or their pension rights will be re-adjudicated.

○ Crosschecking was made between National Pension records held by the state and funds records kept by National Welfare Pension Fund

- At end-March 2014, a crosscheck was completed on a targeted 37 million citizens.
- JPS completed reviews and corrections relating to discrepancies found in crosschecking.

Identification of Unintegrated Records (50.95 million)

<As of September 2014>

I (Identified records) 30.44 million	(1) Records that were integrated under Basic Pension Number 18.06 million
	(2) Records that relate to deceased persons; records that are not associated with pension benefits 12.38 million
	(1) Records associated with deceased persons 6.88 million (2) Records not associated with receipt of benefits 5.50 million

Corresponding to
14.06 million people

(Beneficiaries 7.48 million
Insured and others 6.58 million)

II (Records that are in the identification process or require to be further identified) 20.51 million	(1) Records currently under investigation process (Records under investigation based on respondents' answers) 4,000
	(2) Records that were stated in Tokubetu-Bin for Crosschecking but are not identifiable because no answer has been received 8.26 million
	(- Not answered by the insured 3.02 million - Answer was given that "Records do not belong to me" 1.86 million - Notice to the insured yet to arrive 0.50 million - Other (Note 1) 2.88 million)
	(3) Records without any clues as to who their owners are 9.15 million
	(- Presumable cases - - Owner is presumed dead - Owner is presumed to have moved out of the country - Data was recorded on the basis of incorrect notification (name or date of birth) - Insured notified different names or dates of birth under any special circumstance)
	(4) Records that are presumed to belong to the same persons as are referred to in (1)-(3) above (Note 2) 3.10 million

*Due to fractions being rounded, the sum of the numbers of records indicated in the columns above may not agree with the number of unintegrated records.

Note 1: "Other" includes: The records which respondents replied "Will need to be corrected," but were found later as not belonging to the respondents; the records which were crosschecked with those covered by Basic Pension Number but not stated in Nenkin Tokubetu Bin because their period overlapped the period of the crosschecked records; the records whose names and other data were corrected as being eligible for Yellow Mail but were not crosschecked with the records covered by Basic Pension Number and therefore no Yellow Mail was sent, and some other records.

Note 2: Records (4) are identical with those referred to in (1) through (3) relating to names, dates of birth and sex (three items).

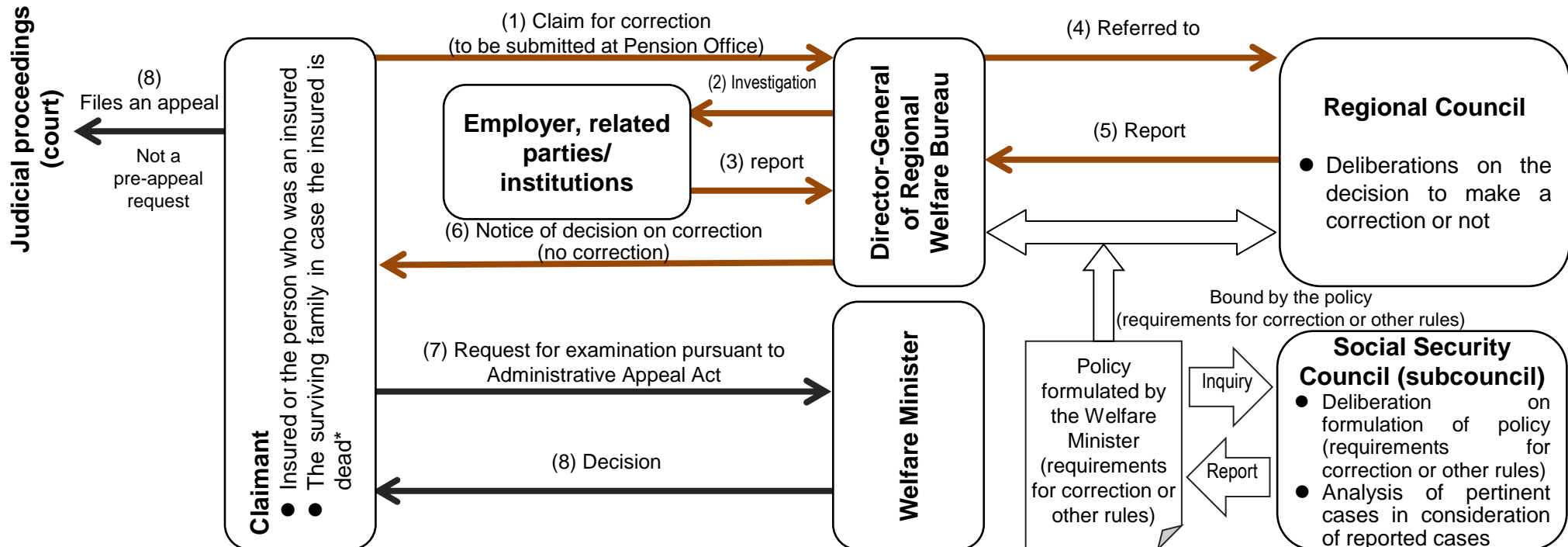
Creation of Procedures for Correcting Pension Records

○ Pursuant to the Act on the Partial Modification of the National Pension Act for Improvement of Management of Pension Service and Other Businesses Managed by the Government which was approved in June 2014 procedures will be created for correction of pension records. Consequently, a decision will be taken for correction of pension records in and after April 2015. (The Third-party Committee for Checking Pension Records under the jurisdiction of the Ministry of Internal Affairs and Communications (MIC) which has been engaged in mediation services will end its activities in March 2015.)

[Key Items permitted under revised procedures]

- To grant to the insured the right to claim correction of pension records.
- To establish a provision that permits the Welfare Minister to request any concerned institutions to submit materials and data that shall help fact finding as much as possible.
- The Welfare Minister shall decide on corrections pursuant to the deliberations made by a panel of private-sector knowledgeable persons.
- If an insured is opposed to the decision he/she may file an appeal or opt for judicial proceedings.

[Image of a claim for correction of pension records]



* The claimant shall be the insured himself/herself or the person who is entitled to the pension (insurance benefits) yet to be provided following the death of the insured or entitled to Pension for Surviving Family

Supplemental provision to the Act on the Partial Modification of the National Pension Act for Improvement of Management of Pension Service Managed by the Government <Abstracts>

June 3, 2014 Committee on Health, Welfare and Labour, House of Councillors

For enforcing this Act the government shall take appropriate measures for the following matter:

(Omitted)

III. With respect to the procedures for correcting pension records, for creating procedures whereby the Minister of Health, Labour and Welfare shall make corrections pursuant to the deliberations made by a panel composed of private-sector knowledgeable persons, the government shall create an appropriate system and structure that shall prevent citizens from being subject to greater disadvantages than when subject to the procedures followed by a third-party committee for checking pension records, and continue efforts for identifying unidentified pension records that remain to be integrated.

(Omitted)

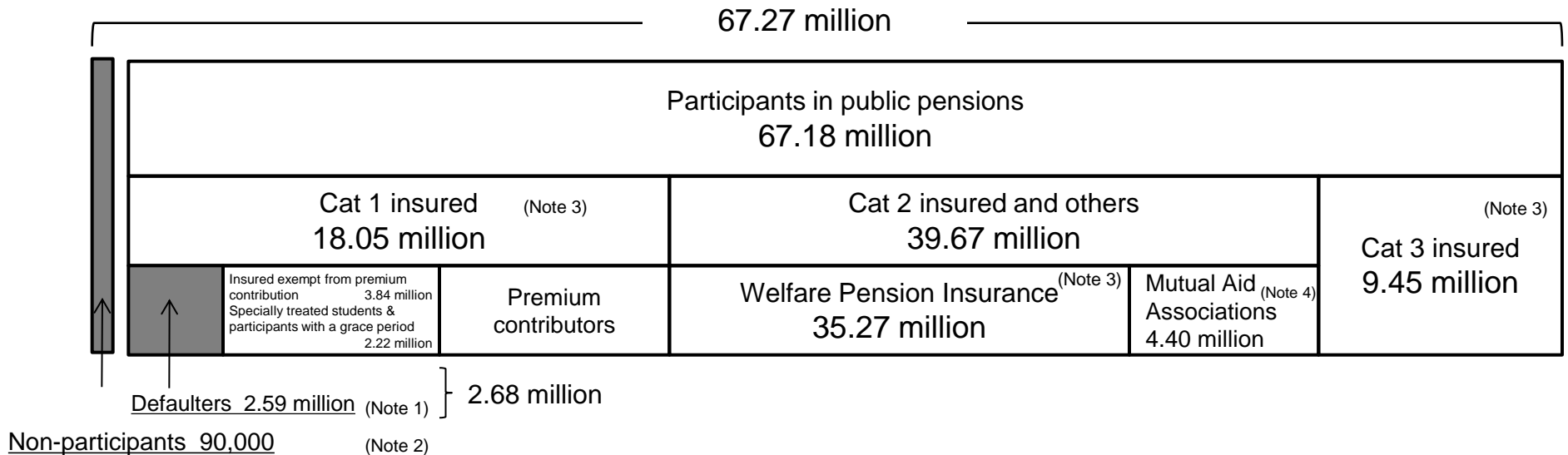
Current Principal Tasks to be Addressed for Management of Pension Service

- Smooth implementation of the following:
 - Measures for collection (including by judicial means) of National Pension Insurance premiums
 - Application of Welfare Pension Insurance and collection of its premiums
- Implementation of individual number-based social security and tax management system
 - In and after January 2016 individual numbers will be used for all consultations and inquiries about pensions. In and after July 2017 (planned month) an information network will be in service, and inquiries or consultations will not be required to be accompanied by attached documents.
- Act on the Unification of Employee Pensions (due to be enforced in October 2015)
 - Act on Reinforcing Pension Function (by extending application of Welfare Pension Insurance to part-time workers for enforcement in October 2016, and by shortening the period required for qualifying for pension benefits (from 25 years to 10 years) for enforcement in April 2017;
 - Act on the Provision of Benefits to Pensioners (due to be enforced in April 2017)

Application of Public Pension Systems and Premiums Collections in General

- Approximately 96% of participants in public pensions contribute premiums (including those who are exempt from premium contribution and who are granted a grace period for contribution).
- There are approximately 2.59 million defaulters ^(Note 1) and some 90,000 non-participants ^(Note 2) (Approximately 4% of people eligible for public pensions)

[Breakdown of participants in public pensions]



Note 1: A defaulter means a participant who is 24 months in arrears with premium payment (since April 2012 through March 2014).

Note 2: In the past numbers were presented that reflect the result of the investigation made on participations in public pensions. For FY2007 and FY2010, no investigation was made on non-participants; therefore, we provisionally present FY2007 numbers as liner-prorated based on the results to FY2004.

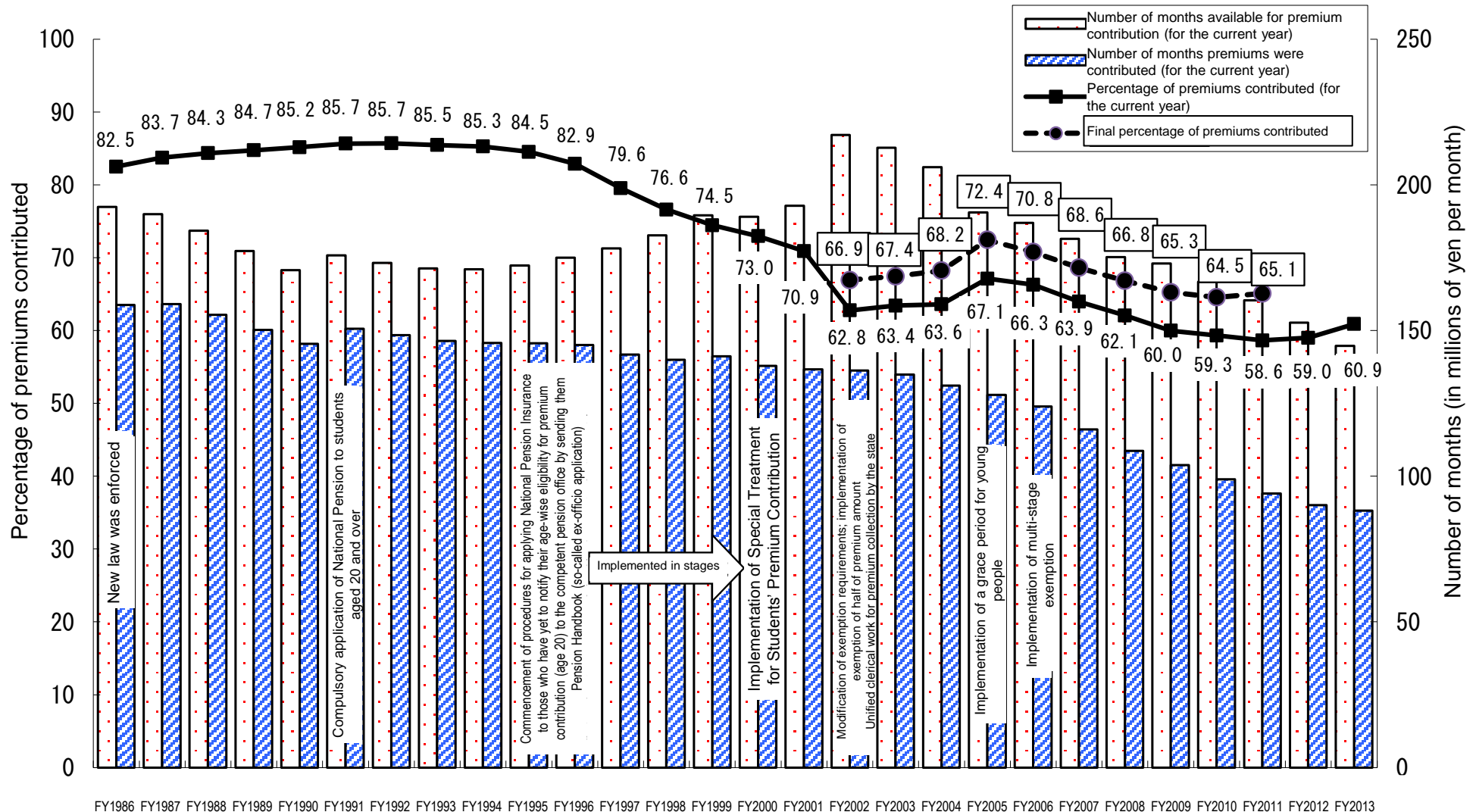
Note 3: As of end-March 2014. Cat I insured include voluntary insured (0.27 million)

Note 4: As of end-March 2013

Note 5: The numbers above are rounded. When summed up, they may not coincide with the totals indicated.

Note 6: As of end-March 2014, included in Cat 2 insured and Cat 3 insured are those who were Cat 1 insured between April 2012 and March 2014 having a non-payment period.

Changes in Percentages of National Pension Insurance Premium Contribution



FY1986 FY1987 FY1988 FY1989 FY1990 FY1991 FY1992 FY1993 FY1994 FY1995 FY1996 FY1997 FY1998 FY1999 FY2000 FY2001 FY2002 FY2003 FY2004 FY2005 FY2006 FY2007 FY2008 FY2009 FY2010 FY2011 FY2012 FY2013

Note: Premiums can be paid for the past two years. The final contribution percentage represents the percentage that includes paid premiums including those paid in the past years.

Scheme of Measures Designed for Collection of National Pension Insurance Premiums (conceptual figure)

Premium collection scheme (conceptual)

Creation of an environment that facilitates premium contribution

- Promotion of payment by automatic account transfer
- Implementation of discount system for payment by automatic account transfer
(Apr 2005 onwards)
(Percentage of payment by automatic account transfer)

End-FY2011	End-FY2012	End-FY2013
36%	35%	36%
4.75 million	4.51 million	4.27 million
- General application of automatic account transfer to voluntary participants
(Apr 2008 onwards)
- Implementation of credit-card payment
(cases paid) (Feb 2008 onwards)

FY2011	FY2012	FY2013
1.18 million	1.26 million	1.35 million
- Implementation of contribution via convenience stores
(cases paid) (Feb 2004 onwards)

FY2011	FY2012	FY2013
12.23 million	13.16 million	14.38 million
- Implementation of premium contribution over Internet
(Apr 2004 onwards)
(cases paid)

FY2011	FY2012	FY2013
0.4 million	0.41 million	0.42 million
- Obligation implemented for all participants to have tax returns accompanied by certificate of deduction of social insurance premiums
(Nov 2005 onwards)

Defaulters

Income information provided by municipalities
(as of Nov 2013, by 99% of municipalities nationwide)

Defaulters subject to enforced premium collection

Defaulters subject to urged contribution

Defaulters exempt from premium contribution

Urged participants to contribute premiums

In writing

FY2011: 25.79 million cases
 FY2012: 45.17 million cases
 FY2013: 43.47 million cases

By phone

FY2011 40.60 million
 FY2012 52.50 million
 FY2013 44.39 million

Visits to individual participants (for interview)

FY2011 4.65 million cases
 FY2012 5.76 million cases
 FY2013 7.57 million cases

Enforced premium collection

⇒ Served to remove sense of inequality and generate spillover effects

	FY2011	FY2012	FY2013
Final reminder	30,045	68,974	78,030
Collection letter	17,615	34,046	46,274
Attachment	5,012	6,208	10,476

Failed to respond to repeated reminders

- Quality improved
- Higher efficiency

• The number of final reminders represents the number of the reminders that were written and sent within the same fiscal year.
 • The number of collection letters and cases of attachment: as of end-March 2014

○ Cases of collection outsourced by way of market testing (from Oct 2005 until the year when the goal is set)

(No. of outsourcing offices)	(No. of cases of urged contribution)
FY2007 95	FY2007 6.21 million
FY2008 185	FY2008 16.69 million
FY2009 312	FY2009 24.31 million
FY2010 312	FY2010 34.36 million
FY2011 312	FY2011 52.27 million
FY2012 312	FY2012 65.00 million
FY2013 312	FY2013 62.54 million

Notice of exemption; recommendation of special treatment

Formulation of action plan and management of its progress per National Pension (Social Insurance) Office (Oct 2004 onwards)

Notifying or recommending to eligible defaulters of exemptions or Special Treatment for Students' Premium Contribution (a scheme whereby students are granted a grace period for premium contribution while at school for payment at a later date) thereby ensuring their entitlement to pension benefits and increasing pension amounts.

- Notify unemployed people of the applicable exemption plan in collaboration with Hello Work offices. (Oct 2004 onwards).
- Implement a scheme for a grace period for premium contribution for younger people (Apr 2005 onwards).
- Ease requirements for exemption; approve exemption retroactively (Apr 2005 onwards).
- Simplify application for exemption ((1) Confirmation of participants' will to continue to be participants (Jul 2005 onwards); (2) simplify procedures for applying for exemption (Oct 2009 onwards)
- Simplify procedures for application for Special Treatment for Students' Premium Contribution (Oct 2008 onwards)

Activities aimed at dissemination and education

- Communicate to people security and advantages provided by national pension systems and ease any worries or concerns.
- Promote understanding among students and other younger people about the significance of national pension systems.
- Provide the nation with carefully elaborated information and service including Nenkin Teikibin.

Measures for Collecting National Pension Insurance Premiums (tasks and efforts)

[Task] Enforcement of premium collection

[Efforts made] ○ Enforced collection on those defaulters who failed to positively respond to repeated reminders.

* During FY2014 collections were strictly enforced on those defaulters who with post-deduction income of ¥4 million or more were in arrears with premium payment for 13 months or more.

Defaulters subject to enforced collection: 69,000 (in FY2012) → 140,000 (projected for FY2014)

[Task] Urging defaulters to contribute premiums or recommending them to apply for exemptions

[Efforts made] ○ Urged defaulters to contribute premiums or apply for exemptions in writing, by phone or door-to-door visits. Utilized also private service providers (eligible for market testing).

* In the previous Diet session, lawmakers approved the Act on the Partial Modification of the National Pension Act for Improvement of Management of Pension Service and Other Businesses Managed by the Government. The act is intended to increase people eligible for the scheme for a grace period for premium contribution.

[Task] Creating an environment that facilitates premium contribution

[Efforts made] ○ Promoted payment by automatic account transfer; implemented contribution by credit card or at convenience stores.

* Measures implemented: Increase in the fee payable to municipalities for promoting payment by automatic account transfer; trial project via financial institutions for promoting automatic account transfer; providing information for payment at convenience stores.

[Task] Incentivizing defaulters to contribute premiums — Promoting understanding/knowledge of public pension systems

- [Efforts made]
- Disseminated knowledge and information about national pension systems; educated younger generations in pension systems.

* In FY2014, visual materials will be prepared that will serve to promote knowledge about pension systems. A model project will be implemented to measure effects generated by all such measures.

JPS 2nd medium-term plan (Apr 2014 through Mar 2019) (abstracts)

[Measures aimed at collection of National Pension Insurance premiums]

- Percentage of premium contribution for the current fiscal year: Efforts will be made to effectively and efficiently increase the percentage toward the mid-60% range in the course of the period of medium-term objective based on action plan.
- Final percentage of premium contribution: In the course of the period of medium-term objective efforts will be made to ensure a 5 percentage point annual increase from the current year contribution percentage.

Application of Welfare Pension Insurance and Collection of Premiums

- **At the end of FY2013 Welfare Pension Insurance was applied to 1.8 million businesses. The number of businesses whose eligibility for application of Welfare Pension Insurance was investigated was 357,000.**
- **For FY2013, the percentage of collected Welfare Pension Insurance premium was 98.4% (including collection of premiums due in past years).**

Changes in the application of Welfare Pension Insurance

(As of fiscal year-end)

	Business; Person	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Number of business to which Welfare Pension Insurance is applied	Business	1,681,355	1,715,590	1,739,566	1,753,964	1,748,578	1,745,027	1,758,192	1,800,619
Number of Insured	Person	33,794,056	34,570,097	34,444,751	34,247,566	34,411,013	34,514,836	34,717,319	35,272,821
Number of businesses investigated	Business	97,427	100,470	103,247	111,990	107,935	246,165	387,840	357,303

Changes in percentages of premium contribution

Indicator	¥100 million; percentage	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Amount of premiums charged (including those charged in past years) (1)	¥100 million	212,612	222,672	230,627	226,940	232,430	239,581	246,116	254,629
Amount of premiums collected (including those due in past years) (2)	¥100 million	209,834	219,690	226,905	222,409	227,253	234,699	241,549	250,472
Percentage of collected premiums (2)÷(1)	%	98.7	98.7	98.4	98.0	97.8	98.0	98.1	98.4

Comparison of the number of businesses to which Welfare Pension Insurance applies (“insurance-applied businesses”) with the number of corporations

Differences exist between the number of insurance applied-businesses and the number of employers with the withholding obligation and the number of incorporated companies (*)

Note: The numbers of “businesses” and “corporations” are not strictly comparable with each other due to differences in the “comparable unit” and the period of survey.

Businesses to which Welfare Pension Insurance is applied

counted per business that directly manages personnel and labor matters

Insurance-applied businesses
1.80 million (FY2013)

Business with the withholding obligation

counted per business that pays salaries

Corporation with the withholding obligation
2.46 million (FY2012)

Incorporated companies

counted per registered corporation

Incorporated companies (approximate number of head offices exclusive of branches)
4.20 million (as of Oct 2013)

* These differences are considered attributable to our failure to apply Welfare Pension Insurance to some eligible businesses as well as to the existence of the following businesses:

- Dormant or inactive corporations
- Shell company (having no employees)
- Businesses that have only those employees who do not meet requirements necessary for the application of Welfare Pension Insurance (aged 70 or over or part-time workers)

[Task] How to better identify businesses eligible for application of Welfare Pension Insurance

Prior to promoting application of Welfare Pension Insurance it is necessary to identify eligible businesses in an appropriate, exhaustive manner.

[Efforts to be made]

- In collaboration with related agencies and institutions, such as Hello Work (state-run employment agency) and District Transport Bureaus (including cargo transport companies and taxi companies), JPS will check its own data with the data about all of the businesses to which labor insurance applies and identify businesses eligible for the application of Welfare Pension Insurance. Subsequently, JPS will recommend those eligible businesses to participate in the insurance providing them with necessary instructions.
- Identifying eligible businesses in an efficient, exhaustive manner
JPS will utilize new information provided by the Ministry of Justice's Corporate Registry, identify eligible businesses, and strongly recommend them to participate in the insurance providing them with necessary instructions. →In November 2013, JPC began to check its own information with the information available from the Corporate Registry.
- In order to obtain information about inactive or closed corporations for more efficient clerical work relative to the application of Welfare Pension Insurance, the National Tax Agency will provide MHLW with information about active companies that have the (income tax) withholding obligation by year-end.

[Task] Promoting the application of Welfare Pension Insurance to identified eligible companies

[Efforts to be made]

- More strongly recommend eligible companies to participate in Welfare Pension Insurance utilizing private-sector agencies; have JPS personnel provide stronger guidance and instructions for their participation.
- Designate larger-size unscrupulous eligible businesses as being subject to priority guidance for participation. JPS headquarters and local Pension Offices jointly will work to recommend them to participate.
- Provide guidance to unscrupulous eligible businesses keeping in mind the possibility to bring a charge against them (→names of businesses will be made public if a charge is brought against them).
- Provide guidance in writing to all businesses that are found to be eligible as of the end of FY2011, by paying a visit or otherwise, and seek to reduce the number of eligible non-participant businesses by half within 3 years.
- Conduct a business survey at least every four years on those pension insurance-applied businesses and ensure information submitted by them are correct. (Starting in FY2012)

[Task]

- Prevent delinquent businesses from becoming permanently delinquent.
- Strictly enforce collections on delinquent businesses.

[Efforts to be made]

- Urge new delinquent businesses for early contribution and prevent their delinquency from becoming permanent.
- Properly resolve cases of delinquency by means of disposition (attachment)
 - * Number of businesses subject to attachment: 22,556 (FY2012) → 24,626 (FY2013)
Number of delinquent businesses: 154,000 (FY2012) → 141,000 (FY2013)
- Proactively utilize the scheme for entrusting premium collection to the National Tax Agency.
 - Proactively utilize the scheme for entrusting premium collection to the National Tax Agency relating to those unscrupulous businesses that have high amounts of premiums in arrears for a long time and meet the requirements of a case to be entrusted to the National Tax Agency (8 cases since FY2010).
 - * Requirements for entrusting premium collection to the National Tax Agency:
The amount of ¥100 million or more is in arrears by 24 months or more; subject business is likely to conceal properties, and other situations.

Measures for increasing the percentage of premium contribution as contemplated in the Act on the Partial Modification of the National Pension Act for Improvement of Management of Pension Service and Other Businesses Managed by the Government (Law No. 64 of June 2014)

1. Increasing people eligible for the scheme for a grace period for premium contribution [Due to be enforced on July 1, 2016]

- In consideration of an increase in the number of part-time workers not only among younger generations but also among all generations, increase the age eligible for a grace period for premium contribution from “under 30” to “under 50” (temporary measure effective until June 2025).
 - * Currently the effective measure is targeted at the insured younger than 30, being temporarily in effect from July 2005 to June 2025.

2. Revision of the system applicable to educational corporations eligible for Special Treatment for Students’ Premium Contribution [Due to be enforced on October 1, 2014]

- On the date when a university is entrusted by a student with an application for a grace period such application is deemed to have been filed with the Welfare Minister.
 - * Under the current system the universities as designated by the Welfare Minister can be entrusted by an enrolled student with an application for a grace period on premium contribution. In this case, the application shall be deemed to have been filed on the date when the university submits the same to the Welfare Minister.

3. Increasing opportunities for premium contribution [Due to be enforced on October 1, 2015]

- For the purpose of increasing opportunities for premium contribution and preventing no-pension or low-pension cases, create a scheme that permits insured to contribute premiums due and payable for the past five years in place of the currently effective deferred premium contribution scheme (temporary measure effective until September 2018).
 - * Insured will contribute higher amounts of insurance premiums than in the case of the currently effective deferred contribution scheme. (Set forth in the relevant Cabinet Order)
(The currently effective deferred payment scheme is a temporary measure effective from October 2012 to September 2015 for insurance premiums unpaid for the past 10 years.)

4. Revision of the full exemption scheme for National Pension Insurance premium [newly implemented] [Due to be enforced on July 1, 2015]

- For the purpose of reducing procedural burden on the part of the insured and increase opportunities for application for full premium exemption, a scheme will be created that will permit those designated by the Welfare Minister to be entrusted by certain insured with applications for premium exemption.
- On the very date when such designated persons are entrusted by an insured with an application for premium exemption, the application shall be deemed to have been filed with the Welfare Minister.

Supplemental resolutions to the Act on the Partial Modification of the National Pension Act for Improvement of Management of Pension Business and Other Businesses Managed by the Government (abstracts)

June 3, 2014 Committee on Health, Welfare and Labour, House of Councilors

For the enforcement of this Act the government shall implement appropriate measures relating to the following:

1. For the purpose of enhancing the reliability for the nation of the pension system greater efforts shall be made in favor of publicity and educational activities relating to public pensions, along with continued efforts for increasing the percentage of contribution of National Pension Insurance premium and for identifying businesses to which Welfare Pension Insurance have yet to be applied. A reliable, efficient system of premium collection and organizational structure shall be reinforced, including appropriate collection of pension insurance premiums and utilization of the scheme for entrusting the National Tax Agency with the authority to enforce disposition for premium delinquency, and further measures shall be taken for correcting inappropriate receipt of pension benefits. At the same time, appropriate information about the results of fiscal review shall be submitted at an appropriate time so that the information shall serve for considering revision of the existing pension system.
2. In connection with increasing insured eligible for a grace period for premium contribution, future premium contribution shall be ensured by means of appropriate efforts to be made after such grace period is granted, from the perspective of preventing in the future an increase in low-pension or non-pension insured.

(The rest is omitted.)

Pension Service Management Committees

To address pension-related issues and problems a hierarchical structure has so far been in existence, which is composed of **the Social Security Council, Japan Pension Service Evaluation Committee**. Under this structure **the Ad Hoc Committee on Pension Records Problem** has been operating; however, because it is considered necessary to

- (1) create a forum for not only evaluating the achievements of Japan Pension Service but also investigating and deliberating on the pension service as a whole; and
- (2) continue to follow up on the problem of pension records and clear one “key milestone” in the period through FY2013, a new committee was established combining the two functions required for the above two tasks.

(April 2014)

Social Security Council Japan Pension Service Evaluation Committee (in operation since December 2009)

○ Pursuant to the provisions of the Japan Pension Service Act, this committee expresses opinions on the items below in response to relevant inquiries by the Welfare Minister.

- (1) Formulation or modification of JPS' medium-term objectives
- (2) Evaluation of JPS' achievements
- (3) Business improvement order to JPS

[Committee is composed of 7 members] Member marked with ◎ is President.

◎ **Katsuhiko Honda** (Corporate Counselor of Japan Tobacco, Inc.);
[Since Feb. 2014 **Hiroya Masuda** (Visiting Professor at University of Tokyo Graduate School of Public Policy)]; **Takanobu Ishii** (Director, ISHII Certified Public Tax Accountants' Corporation); **Tatsuya Iwase** (journalist); **Nagaaki Oyama** (Professor, Tokyo Institute of Technology); **Akiko Konoma** (Director, Incorporated NPO *Women's Association for a Better Aging Society*); **Kiyomi Saito** (President, JBond Totan Securities Co., Ltd.); and **Kazuhiko Nishizawa** (Senior Economist, The Japan Research Institute, Ltd.)
(Titles omitted)

Ad Hoc Committee on Pension Records Problems (FY2013)

○ This committee investigates and deliberates on measures necessary for addressing pension records-related problems.
○ Organizes the efforts made so far relating to pension record problems and submits a “report” in January 2014.

[Committee composed of 9 members] Member marked with ◎ is President.

◎ **Motoshi Isomura** (Guest Professor, Hakodate University); **Tatsuya Iwase** (journalist); **Yukiko Okuma** (International University of Health and Welfare Graduate School); **Keiko Oto** (Labor and Social Security Attorney); **Osamu Kaneda** (President, Japan Federation of Labor and Social Security Attorneys' Associations); **Yoichi Kitamura** (lawyer); **Kiyomi Saito** (President, JBond Totan Securities Co., Ltd.); **Takako Shiraiishi** (Vice President, Tokyo Federation of Labor and Social Security Attorneys' Association); **Takenobu Miki** (President, Japan Flagship Project Co., Ltd.)
(Titles omitted)

Social Security Council Pension Service Management Committee (since April 2014)

○ This committee not only evaluates JPS' achievements relating to the management of pension service but also investigates and deliberates on how JPS is addressing currently and should in the future address the problem of pension records as well as the pension service as a whole including MHWL.

(Matters for deliberation)

- Formulation/modification of JPS' medium-term objective, evaluation of its achievements, and opinions about JPS' business improvement (items inquired of the committee).
- How the problem of pension records is being addressed
- Proposals for improvement of pension operations
- Other investigations and deliberations on pension operations

[Committee is composed of ten members] Member marked with ◎ is the president.

◎ **Hiroya Masuda** (Visiting Professor at University of Tokyo Graduate School of Public Policy); **Takanobu Ishii** (Director, ISHII Certified Public Tax Accountants' Corporation); **Motoshi Isomura** (Guest Professor, Hakodate University); **Tatsuya Iwase** (journalist); **Nagaaki Oyama** (Professor, Tokyo Institute of Technology); **Yoichi Kitamura** (lawyer); **Akiko Konoma** (Director, Incorporated NPO *Women's Association for a Better Aging Society*); **Kiyomi Saito** (President, JBond Totan Securities Co., Ltd.); **Kazuhiko Nishizawa** (Senior Economist, The Japan Research Institute, Ltd.); **Atsuko Yoshiyama** (Labor and Social Security Attorney).
(Titles omitted)