Overview of the Annual Actuarial Report on the Public Pension Plans in Japan

Fiscal Year 2024

June 16, 2026

Pension Actuarial Subcommittee, Social Security Council

0. The annual actuarial report on the public pension plans in Japan for Fiscal Year 2024

- The "Annual Actuarial Report on the Public Pension Plans in Japan" is a compilation of the results of cross-plan analyses and evaluation of the financial status of Japan's public pension plans each fiscal year from a professional perspective, based on the reports from each pension plan and implementing organization.
- This report clarifies trends in actual performance, compares actual results with the actuarial valuation, evaluates the financial status of public pension plans, and summarizes the financial status of the whole Employees' Pension Insurance (EPI), including Mutual Aid Associations, etc.
- FY2024 is the first fiscal year for which actual results can be compared with the projections of the 2024 actuarial valuation.

Contents of the Annual Actuarial Report on the Public Pension Plans in Japan Fiscal Year 2024

Chapter 1 Outline of public pensions

Chapter 2 Financial situation

- Section 1 Current situation and trends of insured persons
- Section 2 Current situation and trends of beneficiaries
- Section 3 Current situation and trends of fiscal revenue and expenditure
- Section 4 Current conditions and trends of fiscal indices

Chapter 3 Comparison with the results of actuarial valuation

- Section 1 Significance and methodology of comparison with actuarial valuation
- Section 2 Comparison of actual and projected fiscal revenues, expenditures, etc. (demographic/economic factors, number of insured persons, revenues, expenditures, reserves, etc.)
- Section 3 Comparison of actual and projected fiscal indices
- Section 4 Analysis of deviations in reserves
- Section 5 Evaluation of the actuarial status of the EPI
- Section 6 Evaluation of the actuarial status of the public pension plans

Reference materials (history of the public pension system, list of public pension plans, etc.)

Reports and hearings for FY2024 report

- **108th Pension Actuarial Subcommittee**
  (Held on February 2, 2026)
  - Employees' Pension Insurance (Category-1)
  - National/Basic Pension Plans
- **109th Pension Actuarial Subcommittee**
  (Held on February 6, 2026)
  - National Public Officers Mutual Aid Associations
  - Local Public Officers Mutual Aid Associations
  - Private School Teachers/Employees Mutual Aid Association

(*) This overview contains excerpts from Chapters 2 and 3 of the annual report. In addition, at the beginning of the overview, it contains reference materials a to d as basic information when reading the report.

a. Pension Actuarial Subcommittee of the Social Security Council

Pension Actuarial Subcommittee of the Social Security Council

- In response to the 2001 Cabinet Decision on promoting the unification of public pension plans, the Subcommittee was established within the Social Security Council to review matters including review at the time of actuarial recalculations and annual reporting to ensure the stability and fairness of employee pension plans.
- Following the unification of employee pension plans in October 2015, the Subcommittee has requested reports on and reviewed the results of actuarial valuations and annual accounts from the perspective of ensuring plan stability.

Cabinet Decision "Promotion of the Unification of Public Pension Plans" (2001)

The Social Security Council is requested to establish a subcommittee comprising members with expertise and experience in pension actuarial science. To ensure the stability and fairness of employee pension plans, the subcommittee is to conduct reviews at the time of each actuarial recalculation and require annual reporting.

Actuarial valuation — Conducted for each public pension plan and by each implementing organization — **Annual settlement of accounts**

Pension Actuarial Subcommittee of the Social Security Council

Hearing on results, methods, etc.

Verification of the results of the actuarial valuation, the treatment of basic data for projections, and projection methods

Peer Review of the Actuarial Valuation of Public Pension Plans

Analysis and review of basic data for projections and projection methods.
Review of methods for analyzing projection results.
Analysis and review of the actuarial valuation from the perspective of plan stability.
Recommendations for future actuarial valuations.

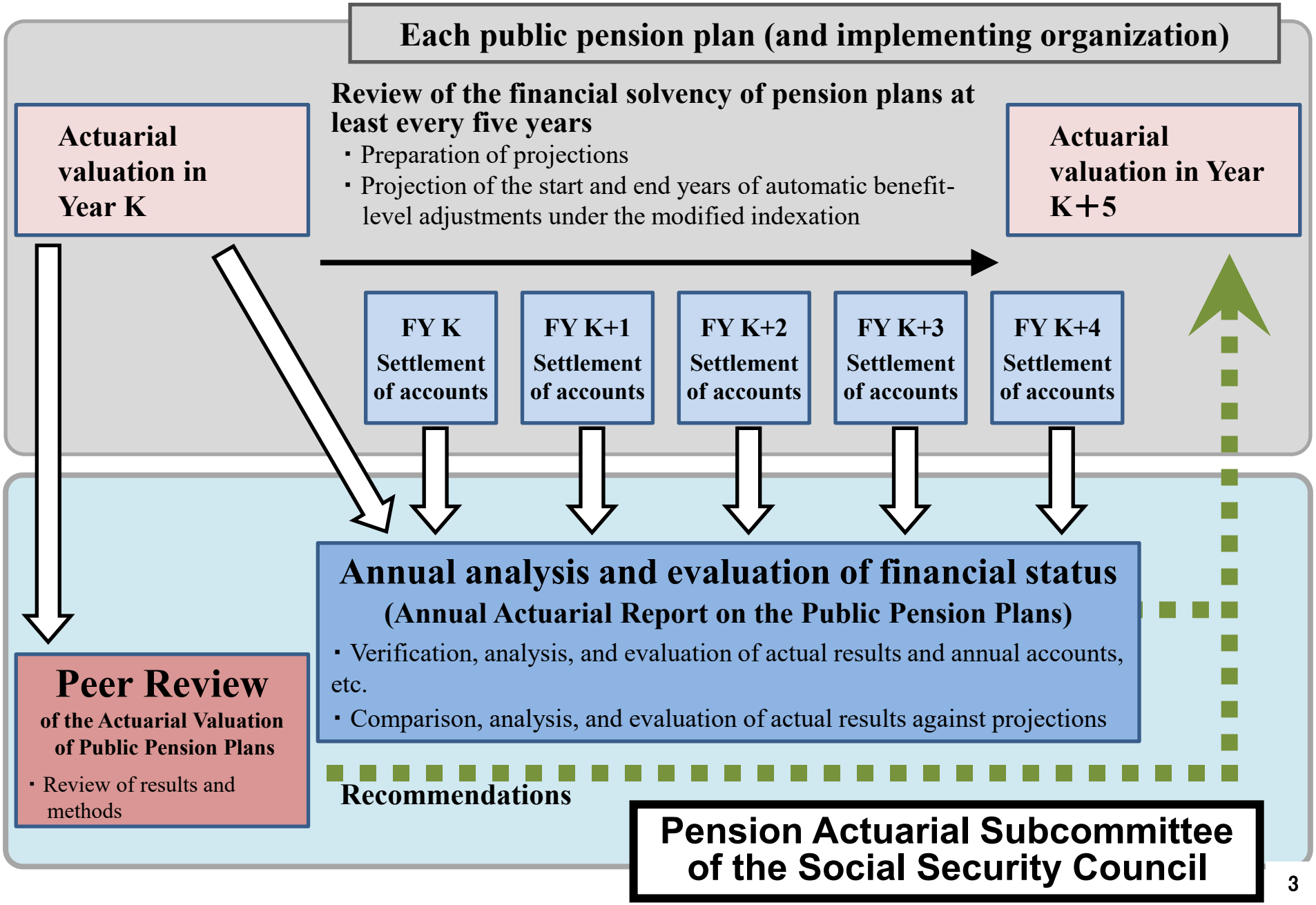
Hearing on the annual accounts

Verification of the annual accounts and comparison with the actuarial valuation

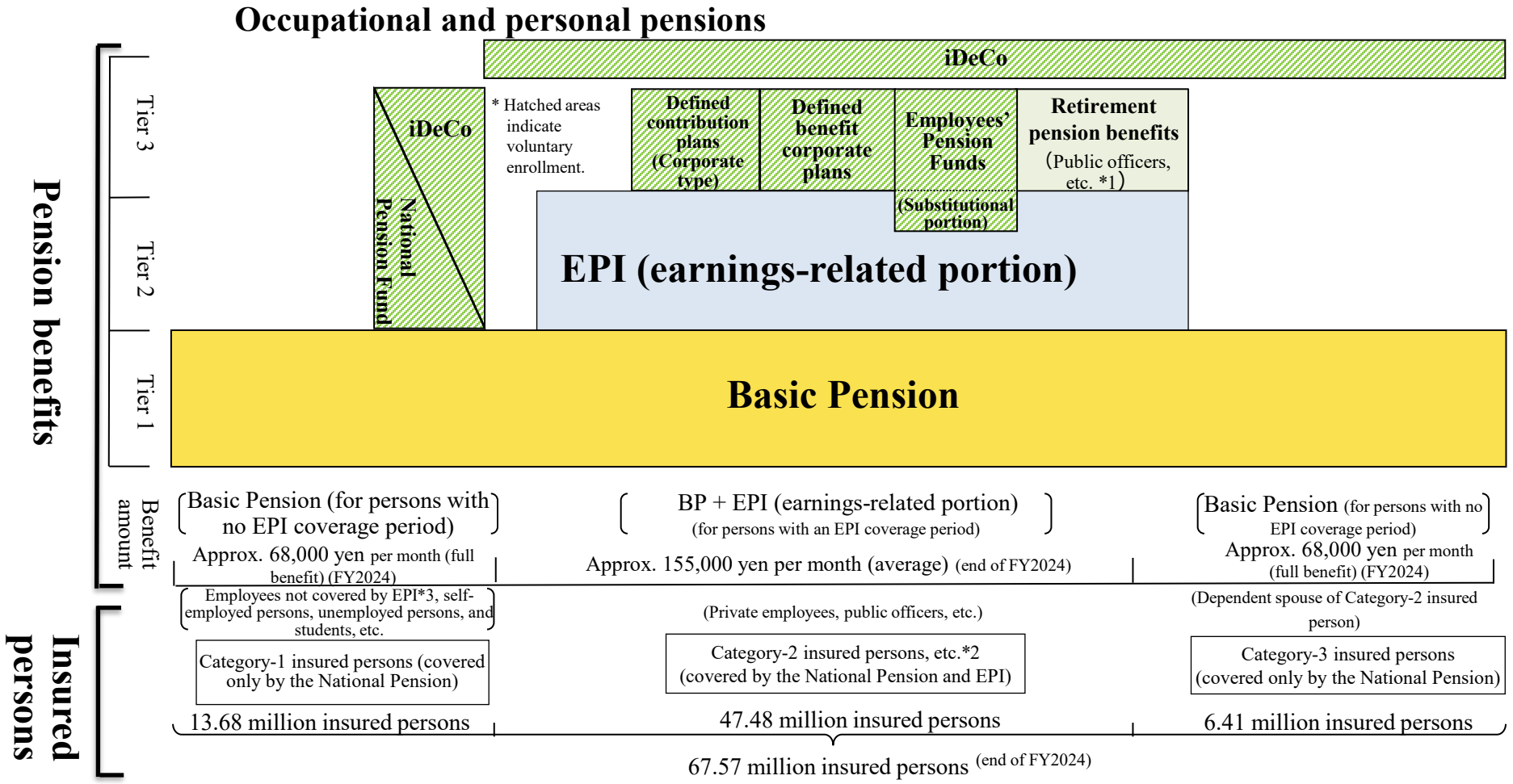
Annual Actuarial Report on the Public Pension Plans

Cross-plan analysis and evaluation of the financial status of each plan and implementing organization from a professional perspective. Clarification of trends in actual results and their underlying factors, and analysis and evaluation of the financial status of the public pension plans as a whole and of each plan and implementing organization through comparison with the actuarial valuation.

b. Role of the Pension Actuarial Subcommittee of the Social Security Council



c. Structure of the pension system



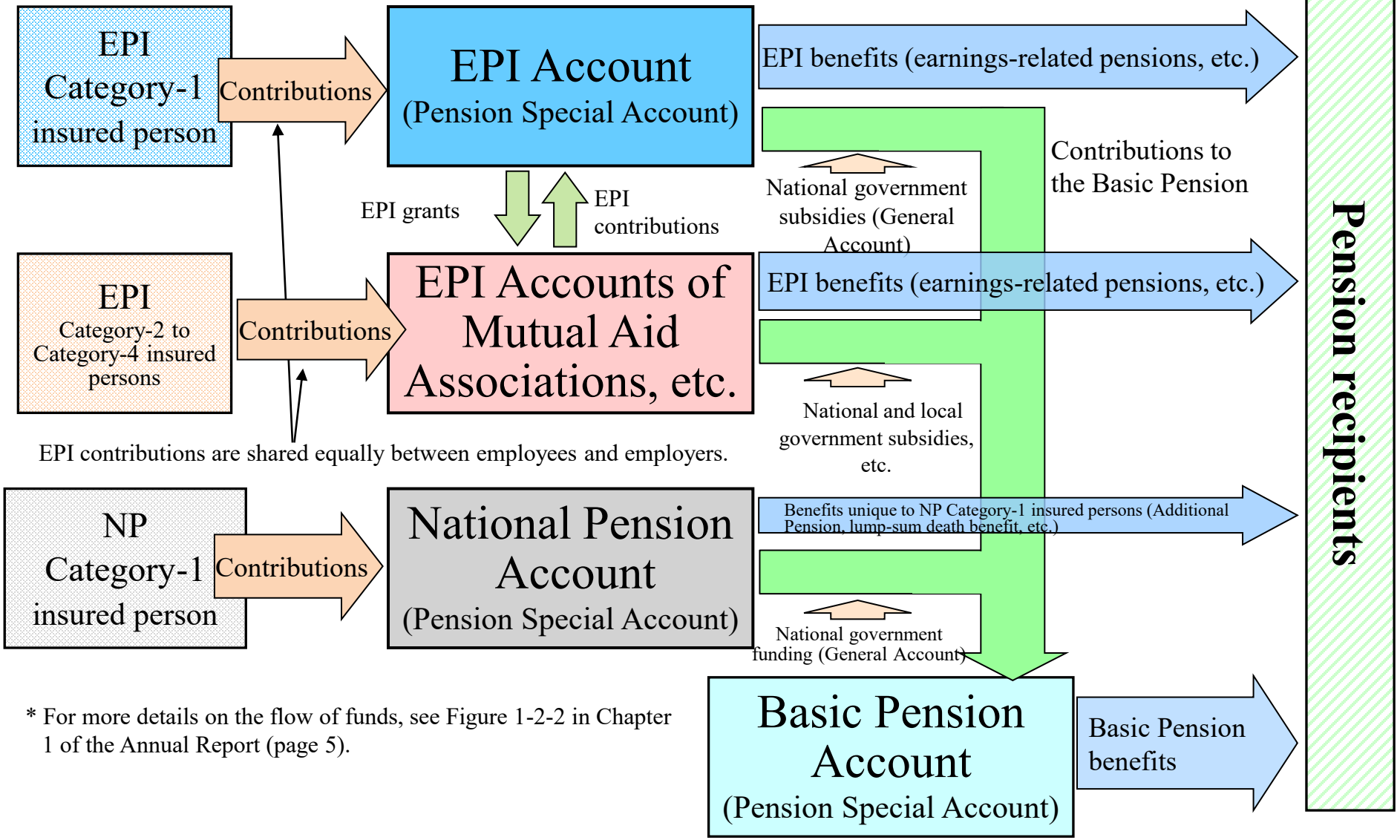
*1 Following the unification of employee pension plans, public officers and private school teachers and staff were enrolled in EPI from October 1, 2015. The occupational addition under the mutual aid pension plans was abolished and new retirement pension benefits were introduced. However, for periods of enrollment in the mutual aid pension plans through September 30, 2015, the occupational addition corresponding to the length of enrollment continues to be paid after October 2015.

*2 "Category-2 insured persons, etc." refers to persons insured under EPI. In addition to Category-2 insured persons, this includes persons aged 65 or older who are entitled to pension benefits payable on the grounds of old age or retirement.

*3 Limited to persons who are not Category-3 insured persons.

d. Flow of funds in the public pension system

Insured persons pay contributions to the National Pension Account, the EPI Account, or the EPI accounts of mutual aid associations, etc., depending on their insured category. Basic Pension benefits are paid from the Basic Pension Account, while other pension benefits are paid from the accounts to which the corresponding contributions were made.



* For more details on the flow of funds, see Figure 1-2-2 in Chapter 1 of the Annual Report (page 5).

* The figure shows the structure after the completion of the transitional measures, etc.

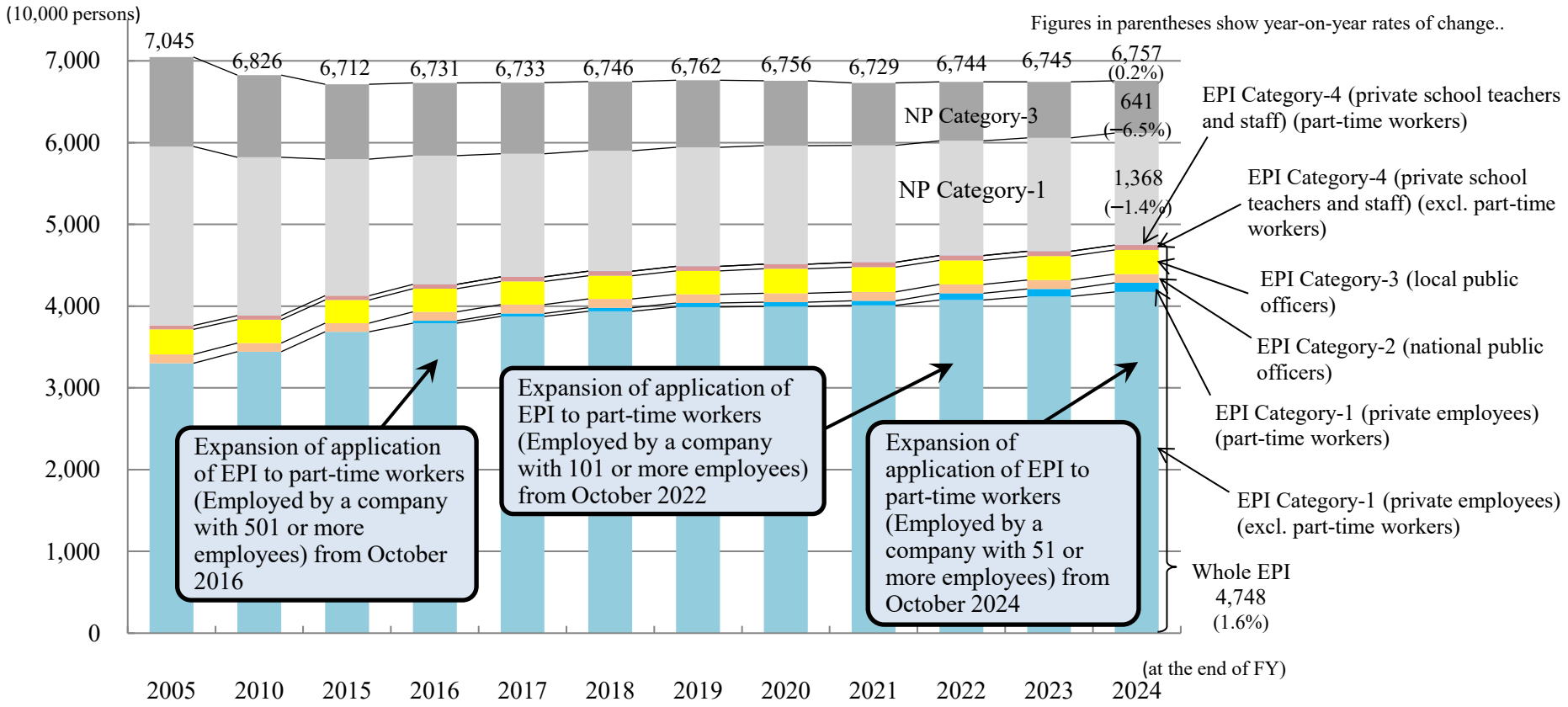
Current situation and trends of insured persons (Excerpt from Chapter 2, Section 1)

1. Trends in the number of insured persons with public pensions
2. Age distribution of insured persons
3. Change in age distribution of insured persons (whole EPI)
4. Change in age distribution of insured persons (part-time workers)
5. Change in age distribution of insured persons (NP Category-1)
6. Change in age distribution of insured persons (NP Category-3)
7. Distribution of EPI insured persons by standard monthly remuneration
8. Expansion of application to part-time workers
9. Change in age distribution of part-time workers
10. Change in distribution of part-time workers by standard monthly remuneration

1. Trends in the number of insured persons with public pensions

P39-42
in the annual
report

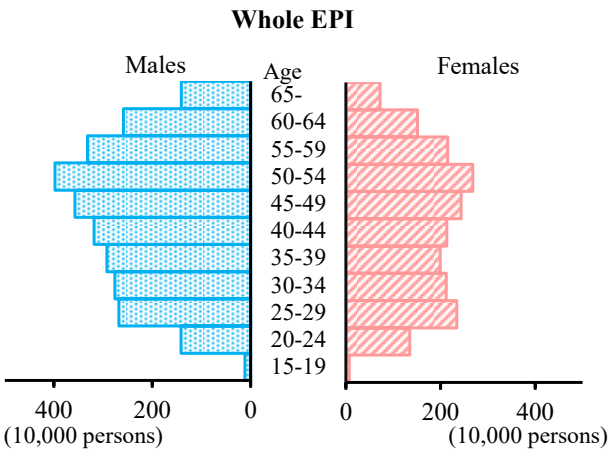
- At the end of FY2024, the total number of persons insured under the public pension plans increased by 0.2% from the end of the previous fiscal year. While the number of National Pension (NP) Category-1 and Category-3 insured persons decreased, the number of EPI insured persons increased.
- The year-on-year rate of increase in the number of EPI insured persons was 1.6%; the rate excluding part-time workers was 1.2%; and the rate for part-time workers was 21.2%.

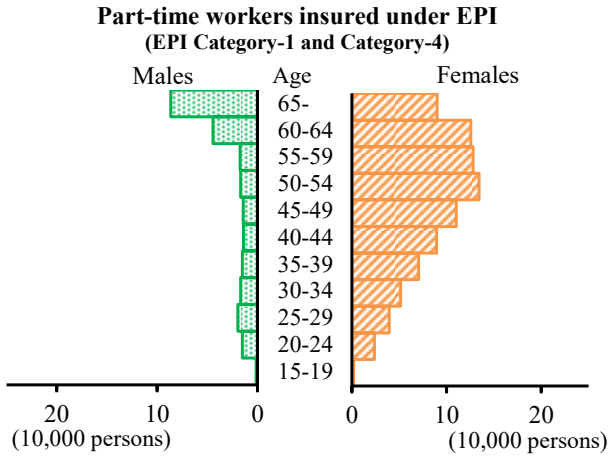


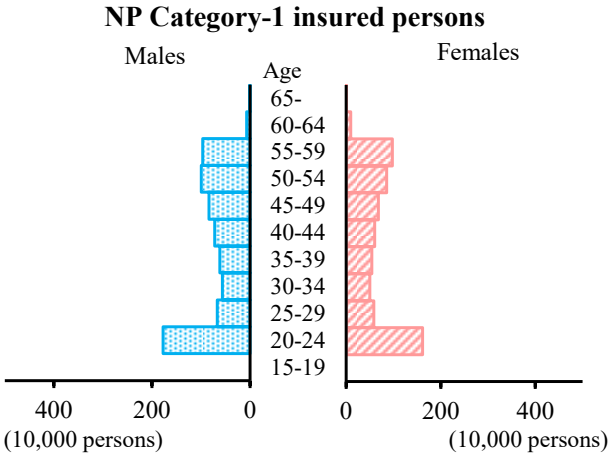
2. Age distribution of insured persons

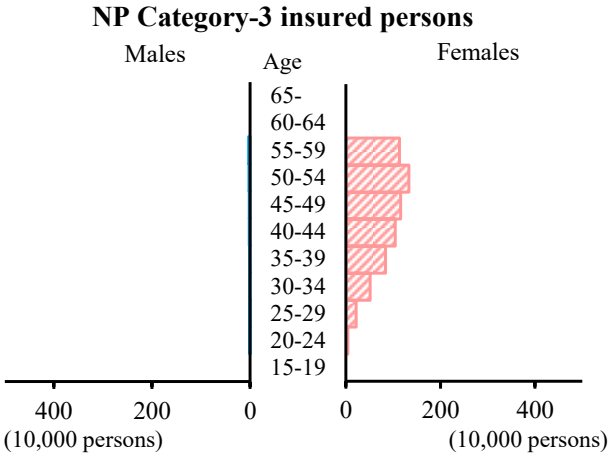
P43-45
in the annual
report

- At the end of FY2024, the largest age groups were 50–54 for both males and females in the whole EPI, 20–24 for both males and females in NP Category-1, and 55–59 for males and 50–54 for females in NP Category-3.
- Among part-time EPI insured persons (comprising 2.4% of all EPI insured persons), the numbers are relatively high for males aged 60 or older and females aged 45–64.





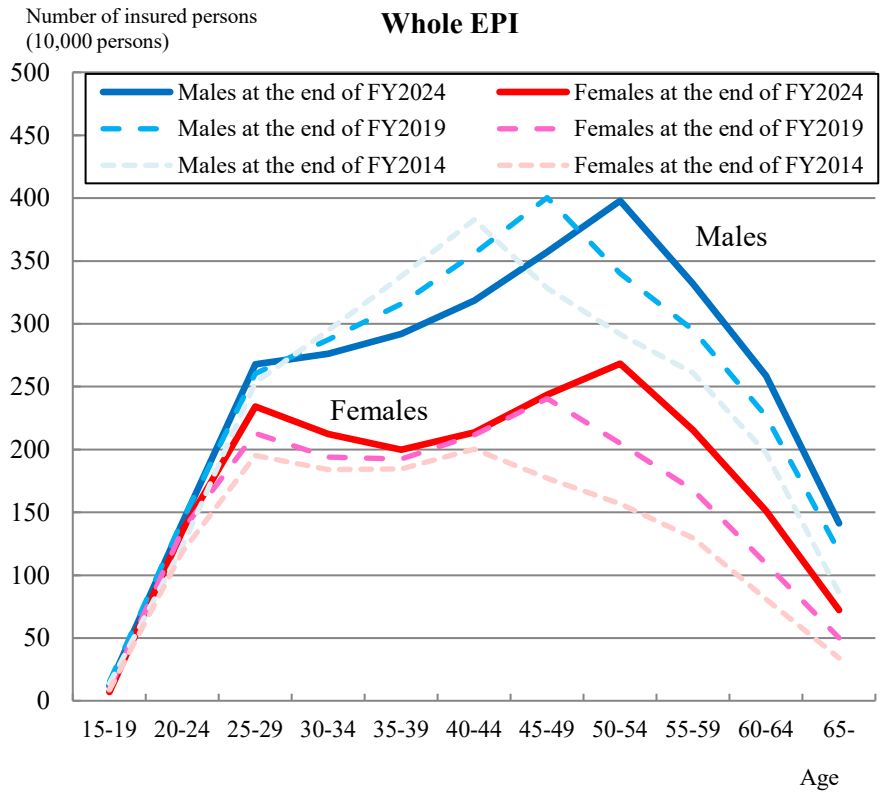


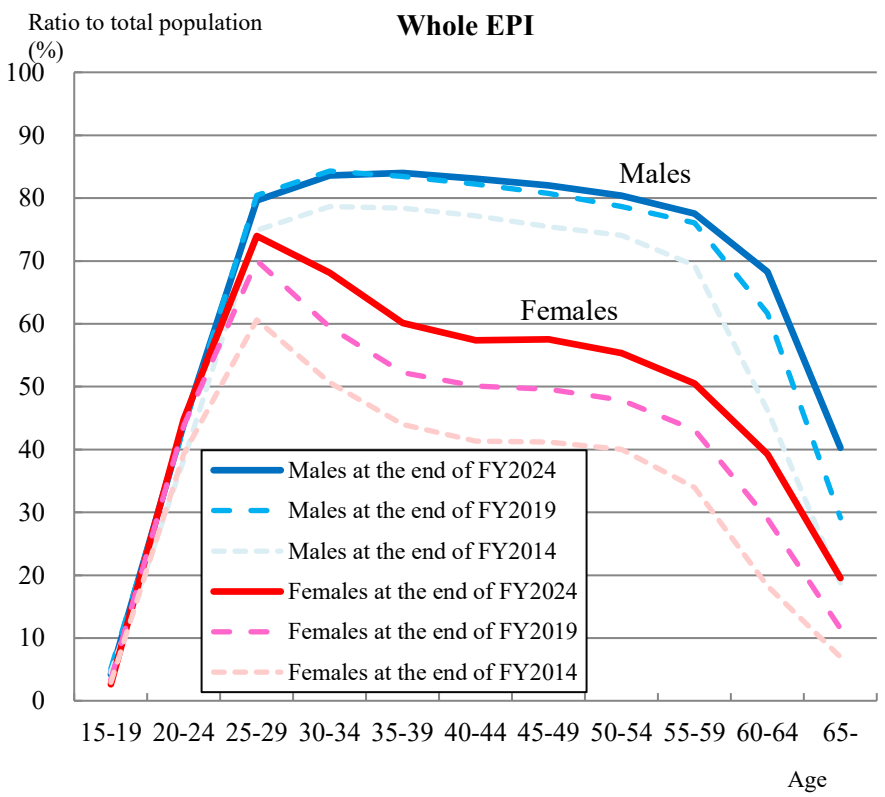


3. Change in age distribution of insured persons (whole EPI)

P46, 47, 53 in the annual report

- Among male insured persons in the whole EPI, the largest age group shifted from 40–44 a decade ago to 45–49 five years ago, followed by 50–54 at the end of FY2024 (as the junior baby-boomer generation aged). Among females, the number of insured persons increased in all age groups except those aged 15–24 compared with five years ago.
- As a percentage of the population, the number of insured persons increased except for the young generation (15–19 and 25–34 age groups for males and the 15–19 age group for females) compared with five years ago. Among those aged 65–69, it rose from 29.1% to 40.2% for males and from 11.5% to 19.6% for females, indicating increased employment among those aged 65 or older.

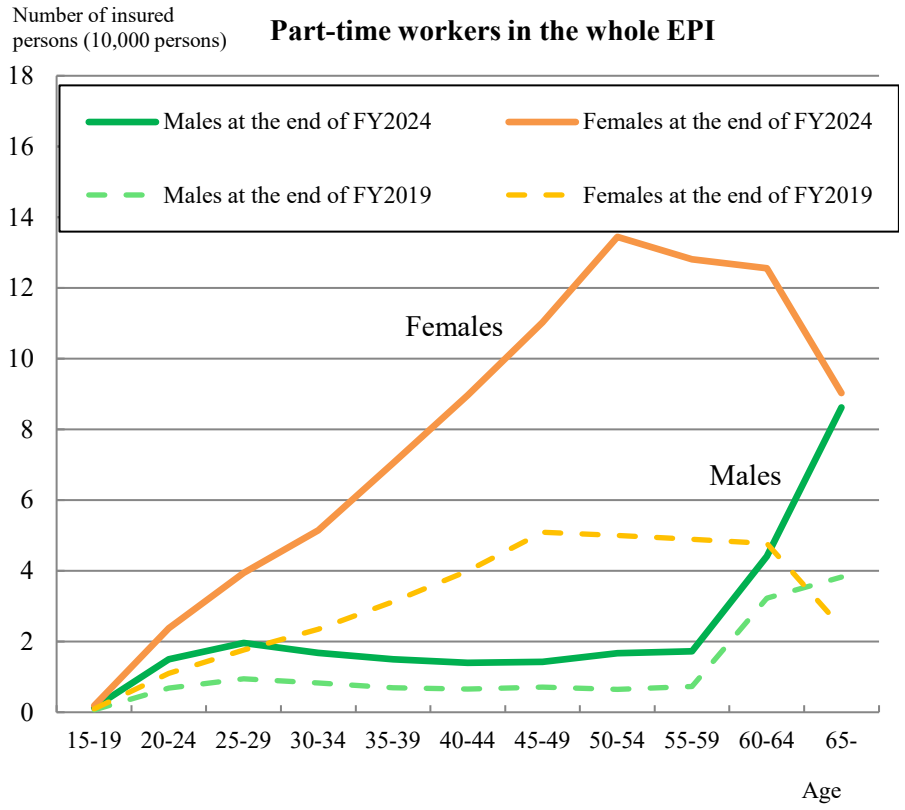


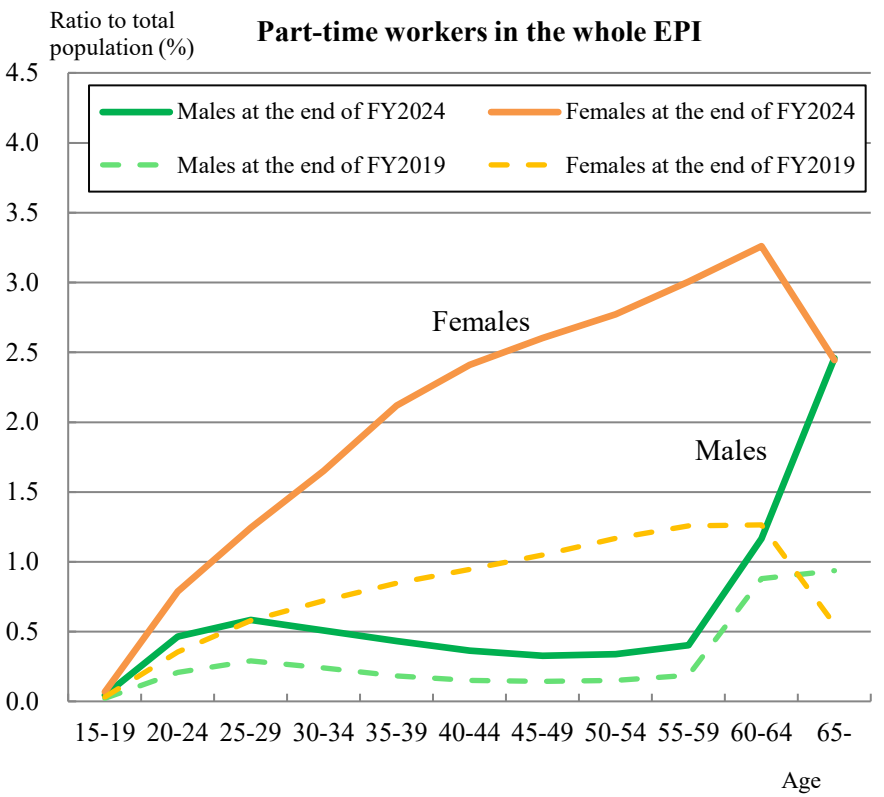


4. Change in age distribution of insured persons (part-time workers)

P46, 48, 53 in the annual report

- Among part-time EPI insured persons (2.4% of the whole EPI), the number of insured persons increased in all age groups for both males and females compared with five years ago.
- As a percentage of the population, the number of insured persons increased in all age groups of both males and females compared with five years ago.

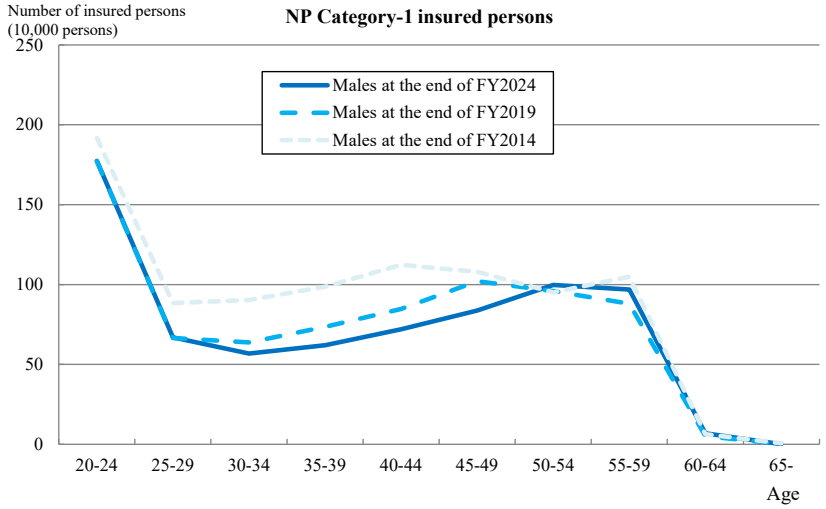


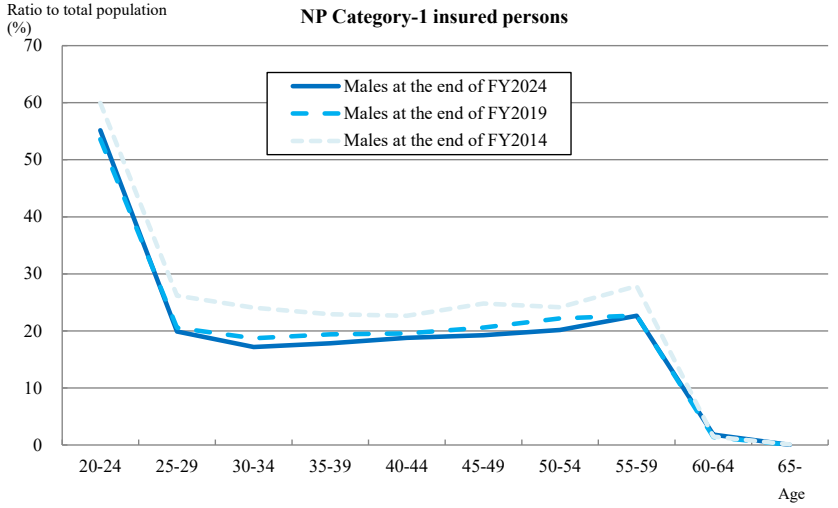


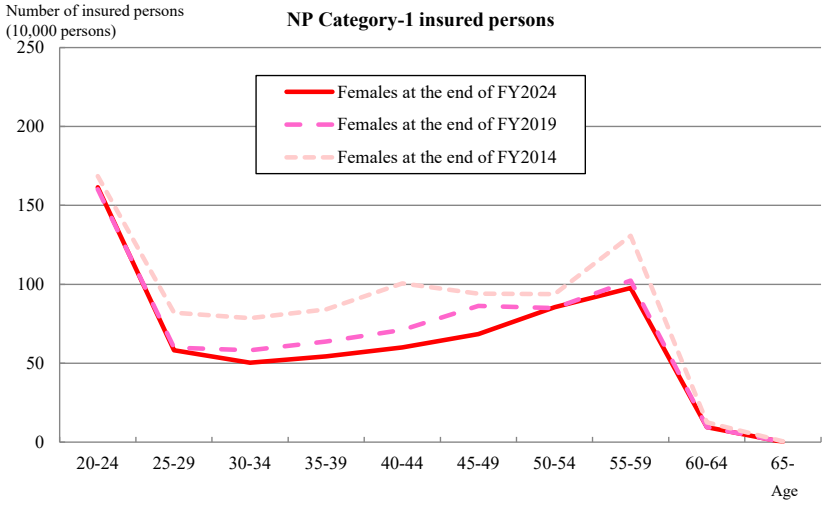
5. Change in age distribution of insured persons (NP Category-1)

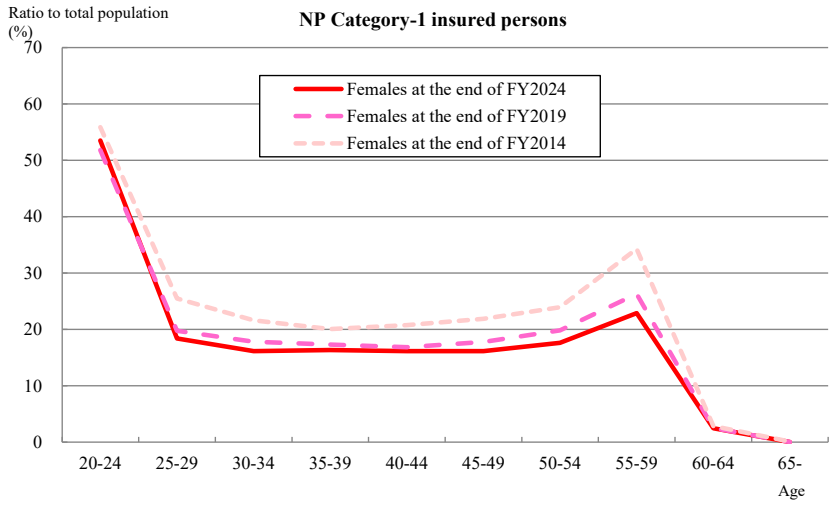
P47, 51, 52, 54 in the annual report

- For NP Category-1 insured persons, the total number of insured persons declined for both males and females, except for the shift in the junior baby-boomer generation.
- As a percentage of the population, the number of insured persons decreased compared with five years ago, except among males aged 20–24 and 60–64 and females aged 20–24.





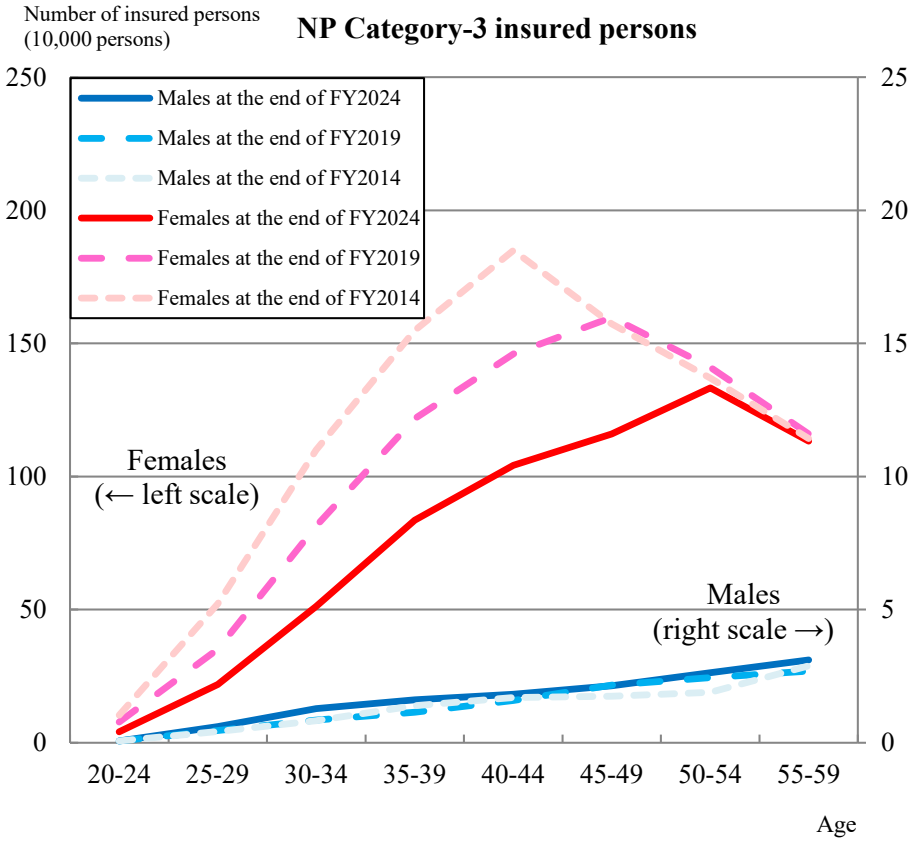


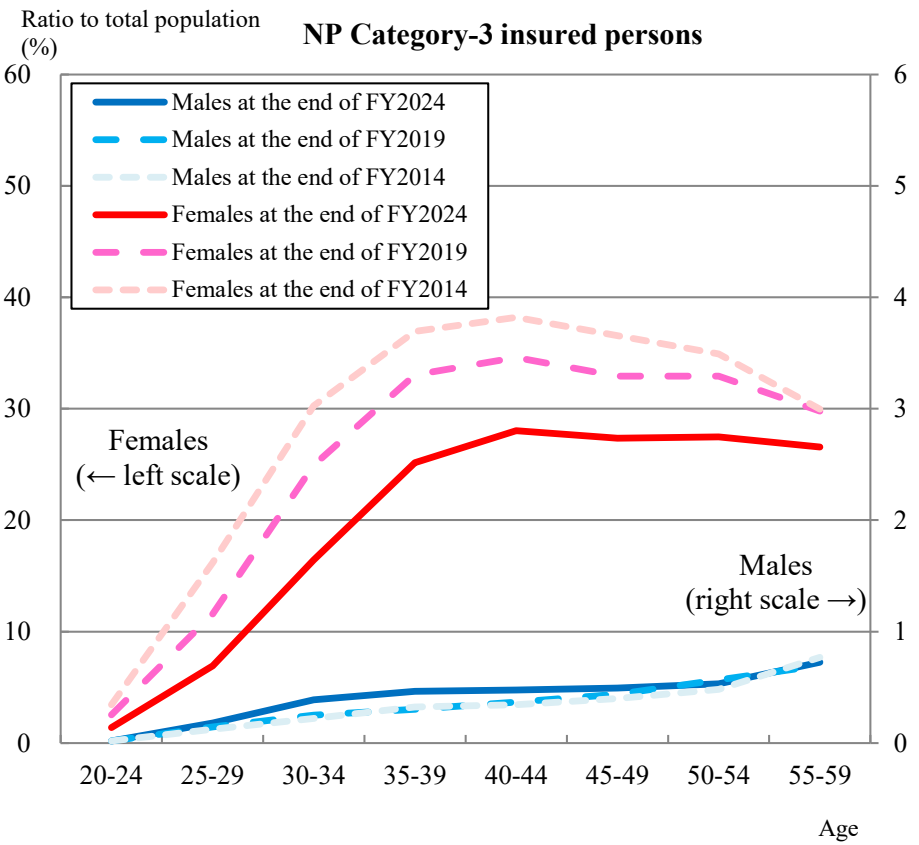


6. Change in age distribution of insured persons (NP Category-3)

P47, 52, 55 in the annual report

- Among female NP Category-3 insured persons, the number aged 49 or younger declined significantly.
- As a percentage of the population, the number of insured persons reveals no significant change in the number of males from five years ago, while the number of females declined in all age groups.

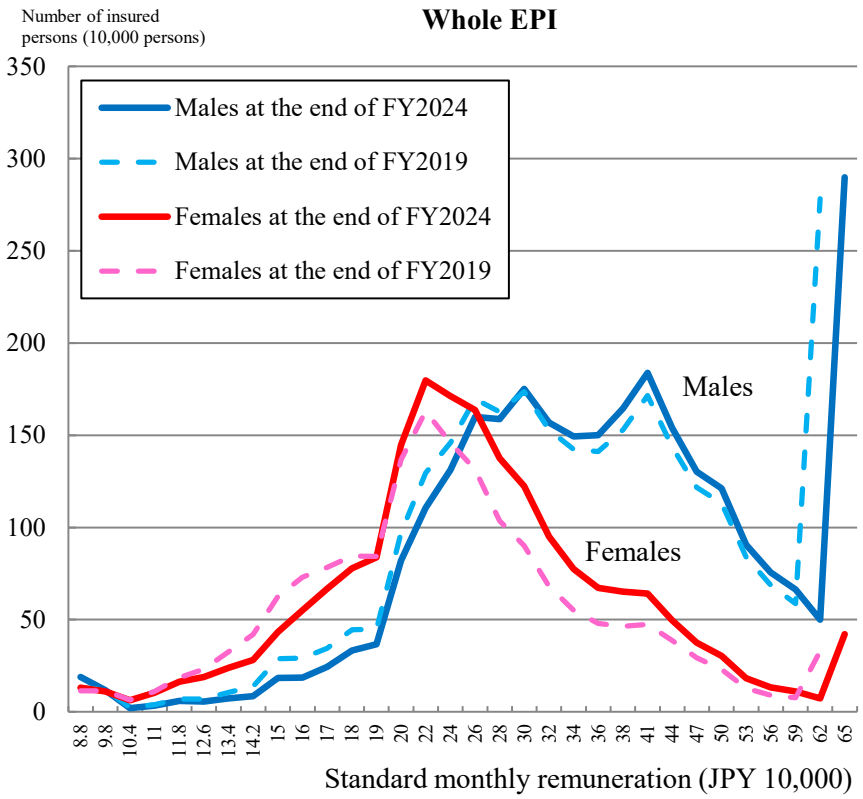


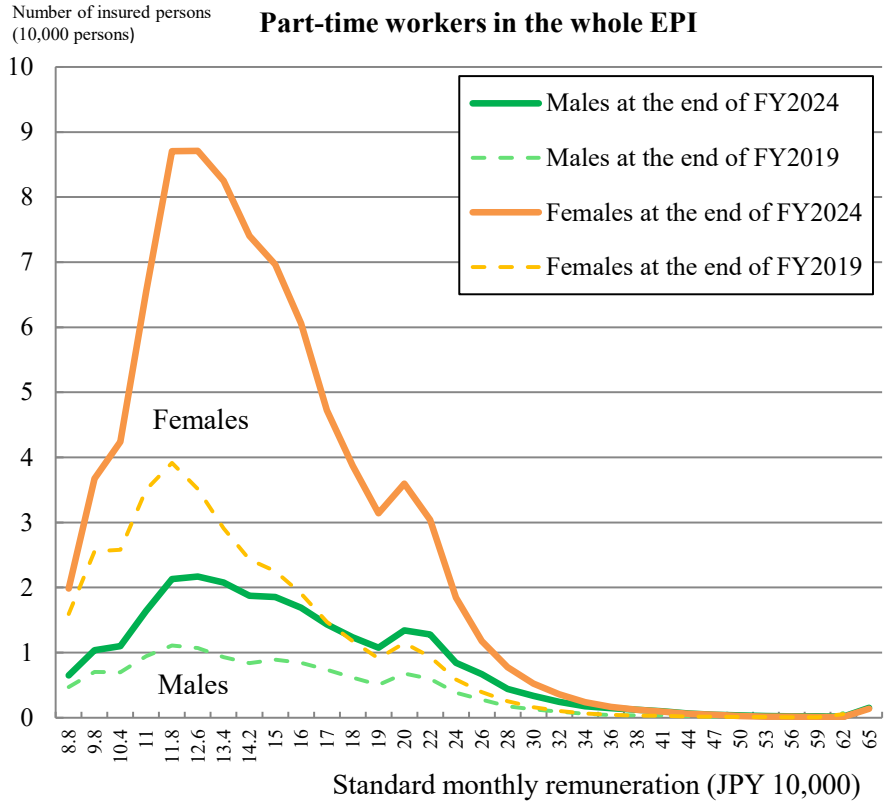


7. Distribution of EPI insured persons by standard monthly remuneration

P61-63
in the annual
report

- For male insured persons in the whole EPI, the distribution peaks at JPY 650 thousand, with additional peaks at JPY 300 thousand and JPY 410 thousand. For females, it peaks at JPY 220 thousand. Compared with five years ago, the number of insured persons increased except in the JPY 98–280 thousand range for males and the JPY 98–190 thousand range for females.
- Among part-time EPI insured persons, the distribution peaks at JPY 126 thousand for both males and females. Compared with five years ago, the number increased in all remuneration grades for both males and females, reflecting the substantial increase in part-time EPI insured persons following the expansions of application that took effect in October 2022 and October 2024.



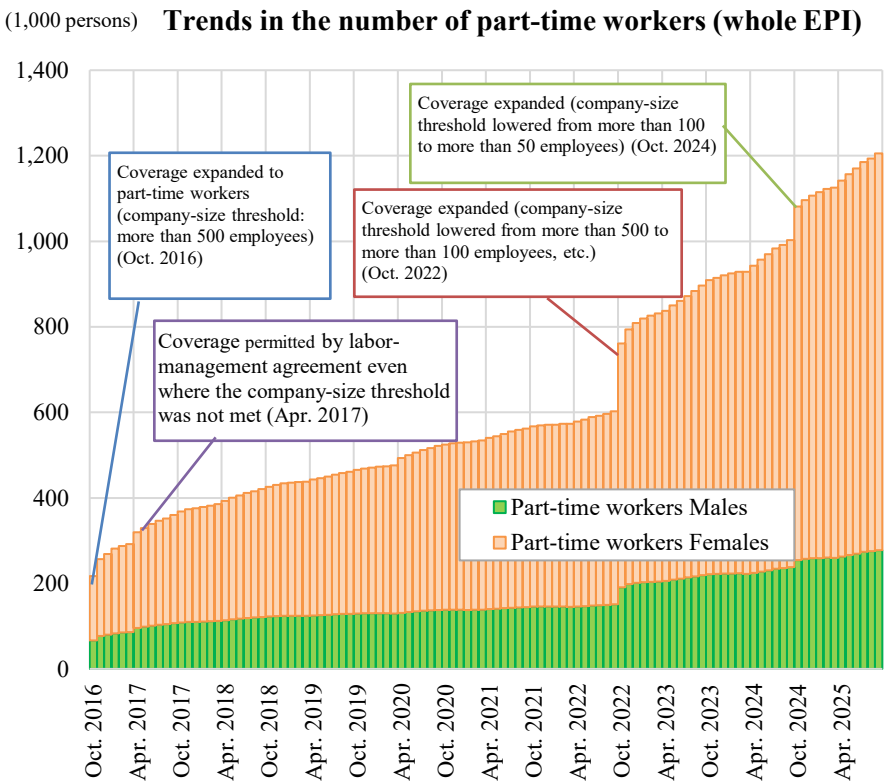


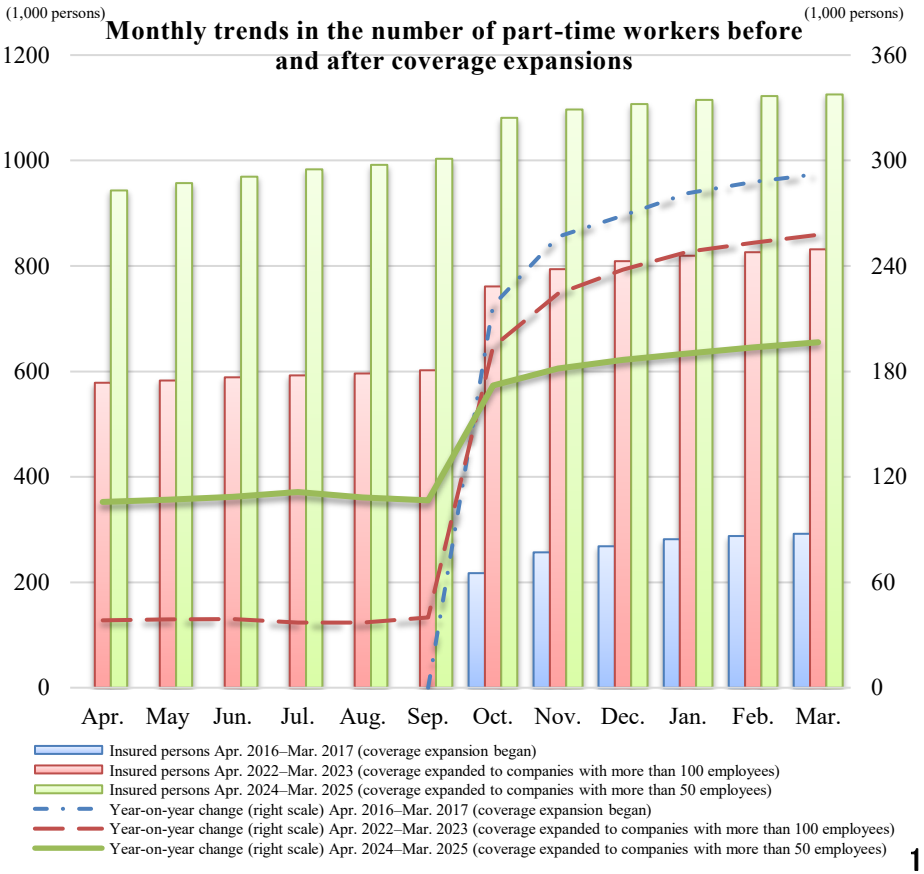
Note: In September 2020, a new grade was added, raising the maximum standard monthly remuneration from JPY 620 thousand to JPY 650 thousand.

8. Expansion of application to part-time workers

P75-77
in the annual
report

- The monthly number of part-time EPI insured persons has generally continued to increase for both males and females, with a greater increase among females. The number rose substantially around the months when the application of EPI to part-time workers was expanded.
- Monthly trends over the six months before and after each expansion show a substantial increase in part-time EPI insured persons at the end of October, when each expansion took effect. The year-on-year increase was also substantial at the end of October, with the largest increase in October 2016 and the smallest in October 2024.





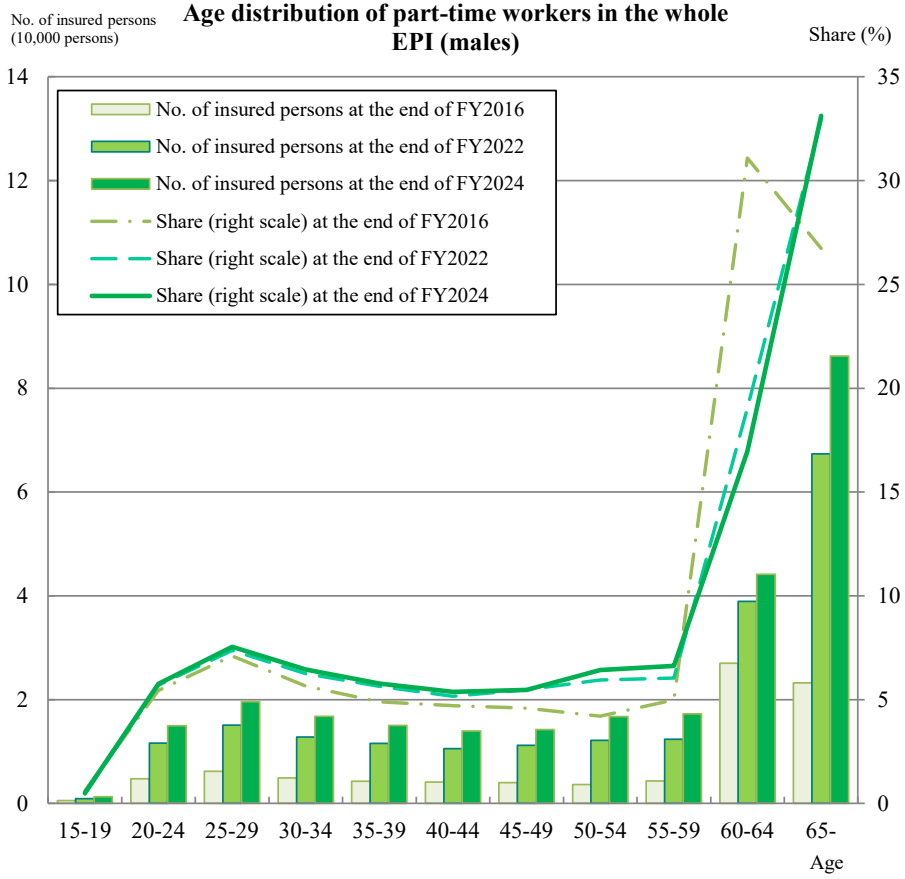
9. Change in age distribution of part-time workers

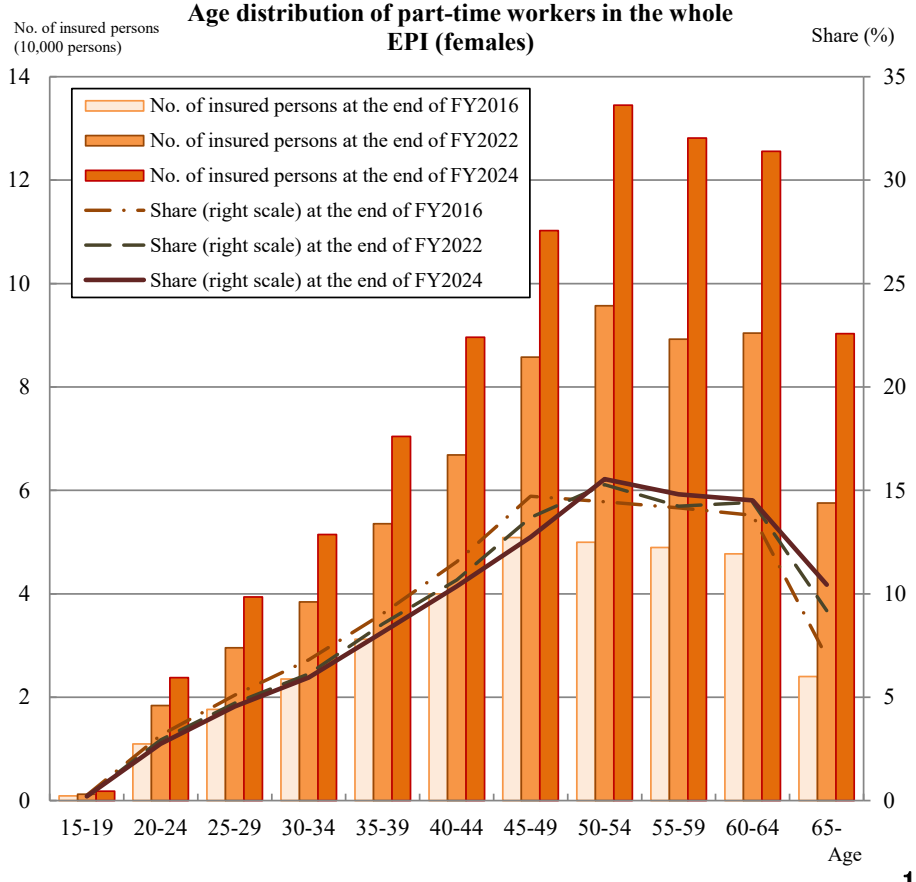
P77, 78 in the annual report

- To examine changes in the age distribution of part-time workers, we compare the age distributions of males and females at the end of FY2016, FY2022, and FY2024.*

*Changes over time may reflect not only the expansion of application but also changes in employment conditions.

- The number of part-time workers at the end of FY2024 increased in all age groups for both males and females compared with FY2016 and FY2022.
- In terms of composition, the peak of the age distribution shifted toward older ages for both males and females.





10. Change in distribution of part-time workers by standard monthly remuneration

P79, 80 in the annual report

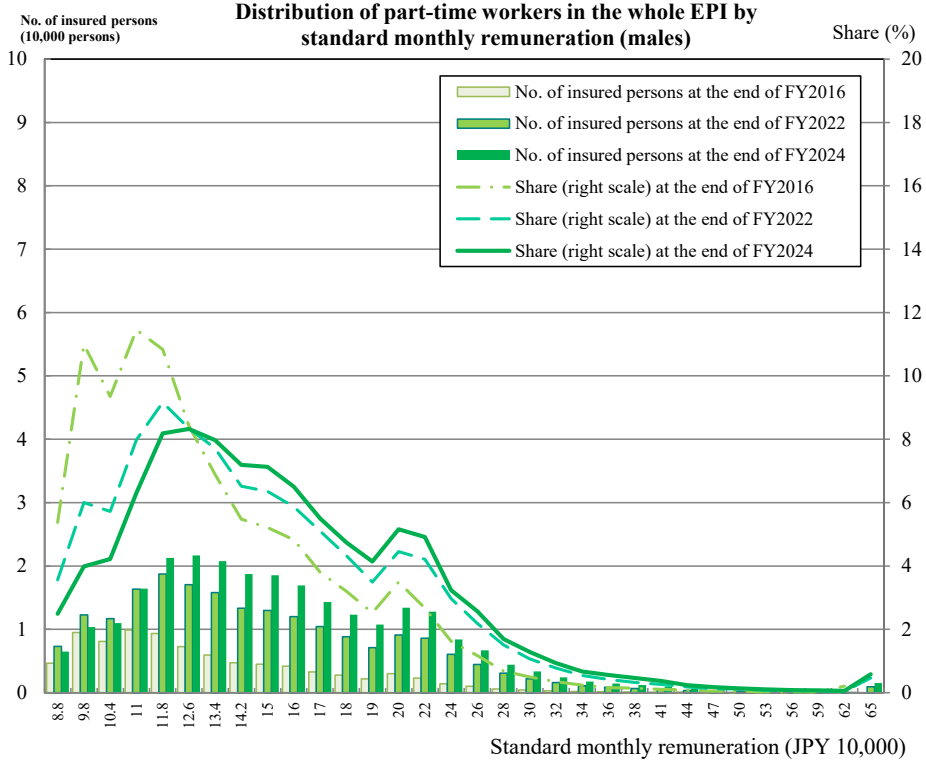
- To examine changes in the distribution of part-time workers by standard monthly remuneration, we compare the distributions for males and females at the end of FY2016, FY2022, and FY2024.*

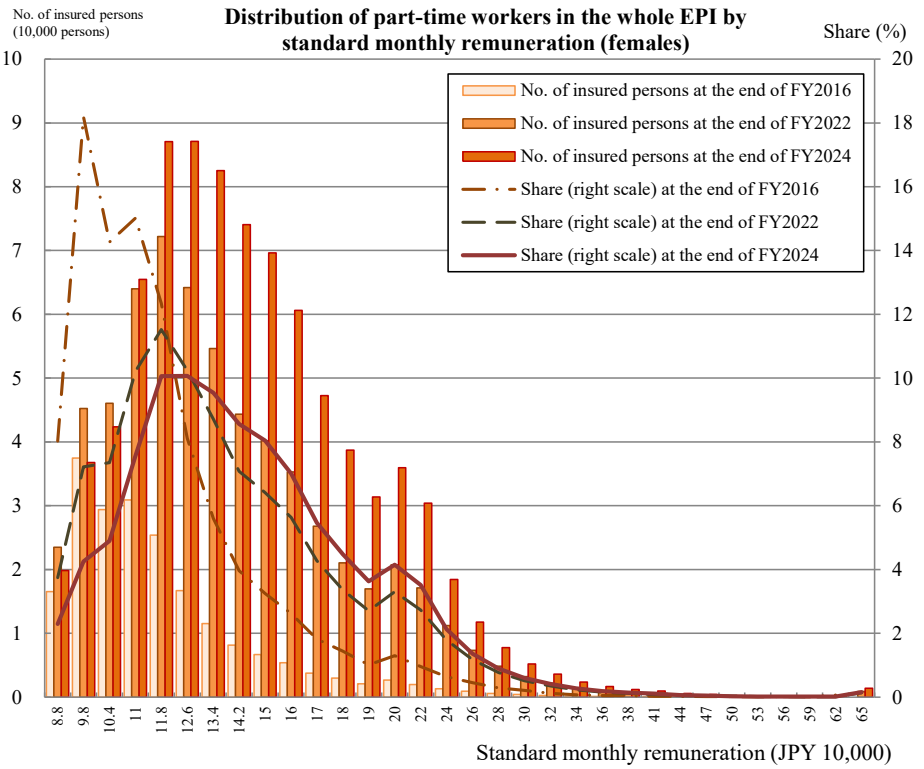
*Changes over time may reflect not only the expansion of application but also changes in employment conditions.

- Compared with the end of FY2016, the number of part-time workers at the end of FY2024 increased in all remuneration grades for both males and females except JPY 620 thousand.* Compared with the end of FY2022, it increased for both males and females in all grades except those of JPY 104 thousand or less.

*A new standard monthly remuneration grade of JPY 650 thousand was introduced in September 2020, which is considered to have reduced the number of insured persons in the JPY 620 thousand grade, previously the highest grade.

- In terms of composition, the peaks in the distribution by standard monthly remuneration shifted toward higher grades for both males and females.





Current situation and trends of beneficiaries (Excerpt from Chapter 2, Section 2)

11. Trends in the total pension amount for beneficiaries
12. Age distribution of old-age pension beneficiaries for long-term contributors
13. Average monthly old-age pension for long-term contributors excluding occupational additions of MAAs, etc. (estimated)
14. Average monthly pension for old-age pension beneficiaries by age group
15. Number of old-age pension beneficiaries by class of monthly pension amount

11. Trends in the total pension amount for beneficiaries

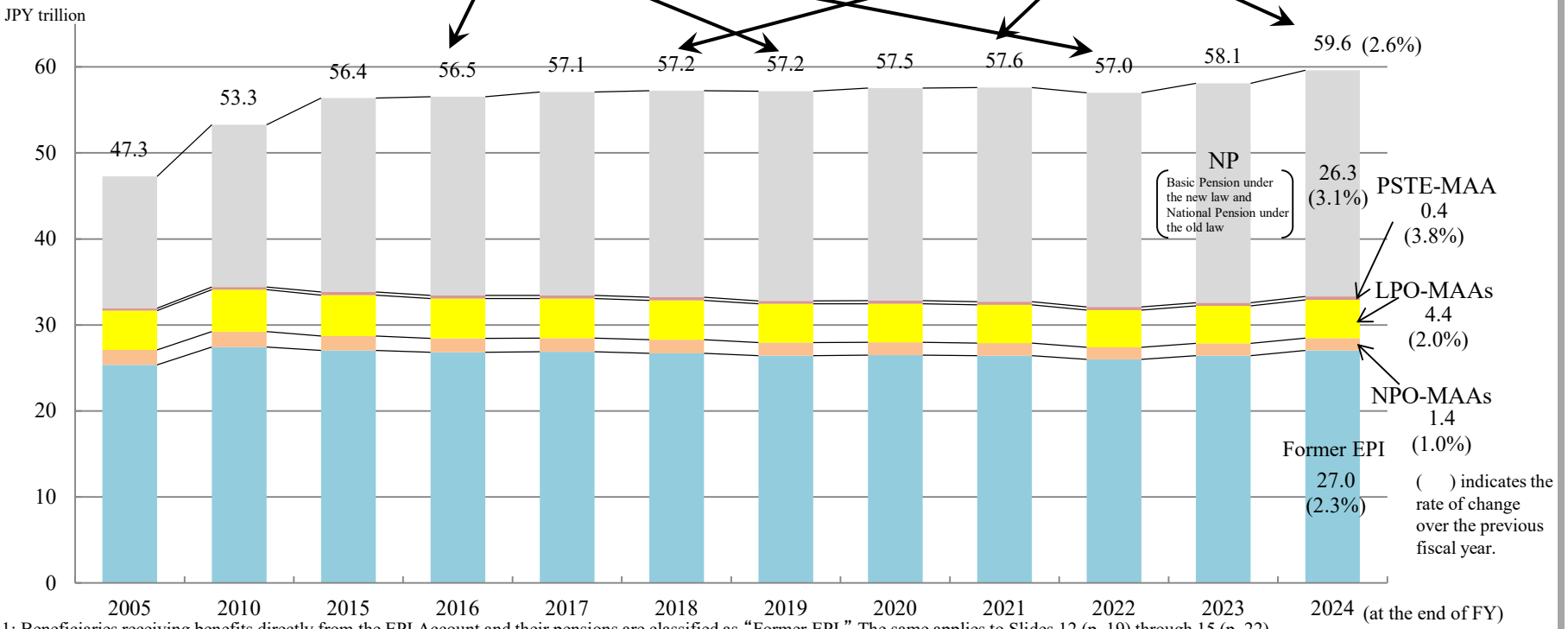
P87-89
in the annual
report

At the end of FY2024, the total pension amount for all public pension plans was JPY 59.6 trillion, up 2.6% from the previous fiscal year. With a positive pension amount revision rate, the amount increased in all plans from the end of the previous fiscal year.*

* In FY2024, the revision rate was 2.7% for both newly awarded pensions (age 67 or younger) and already awarded pensions (age 68 or older).

The pensionable age for the earnings-related portion was raised to 62 in FY2016, 63 in FY2019, and 64 in FY2022 for male insured persons and female insured persons of MAAs.

The pensionable age for the earnings-related portion was raised to 61 in FY2018, 62 in FY2021, and 63 in FY2024 for female insured persons of the former EPI. (The fixed amount portion of special payment also ended in FY2018.)



Note 1: Beneficiaries receiving benefits directly from the EPI Account and their pensions are classified as "Former EPI." The same applies to Slides 12 (p. 19) through 15 (p. 22).

Note 2: From FY2015 onward, the figures for NPO-MAAs, LPO-MAAs, and PSTE-MAA represent the sum of pensions for beneficiaries of MAA pensions awarded before the integration of the employees' pension schemes and pensions for EPI beneficiaries awarded after the integration.

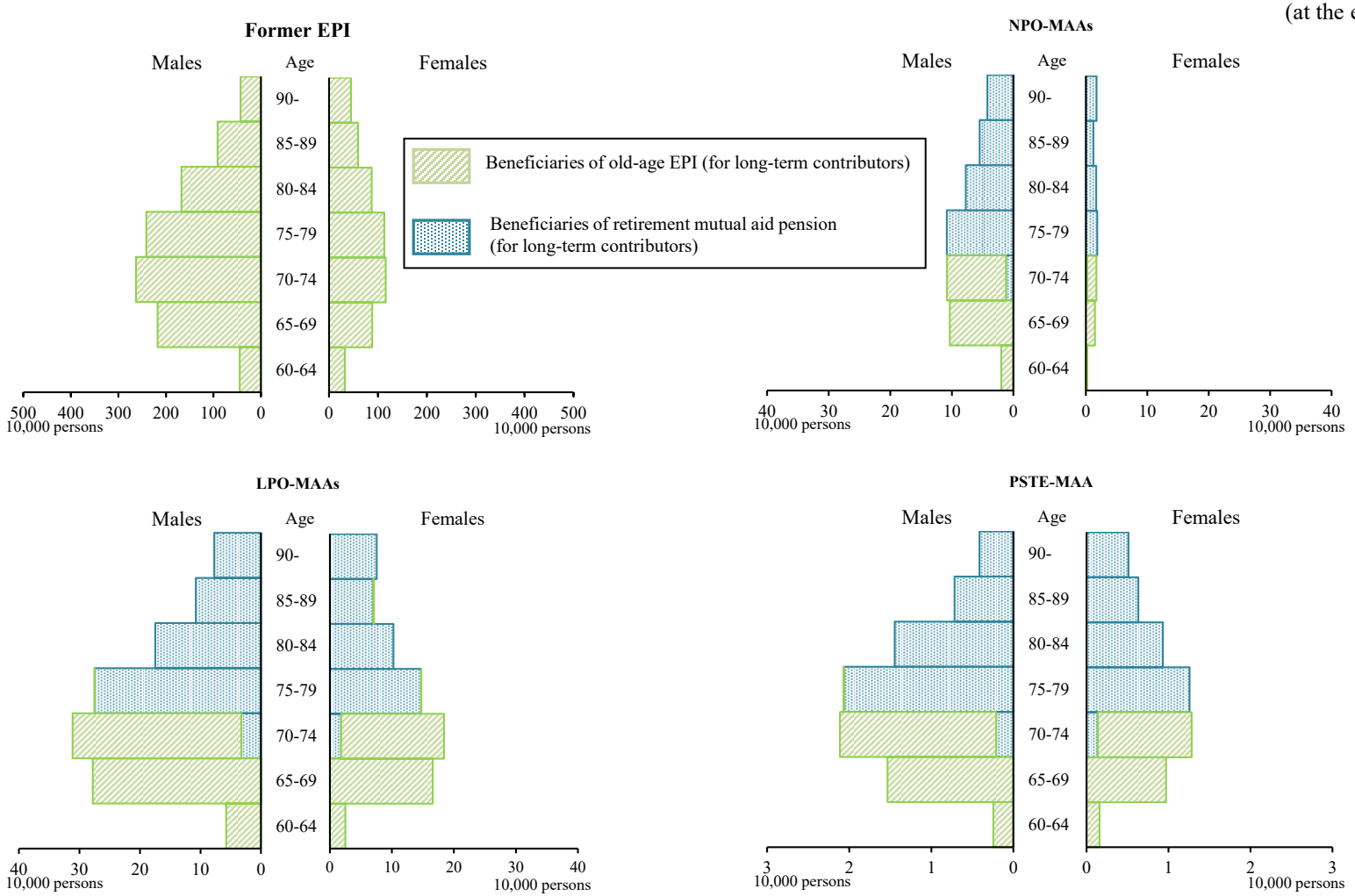
12. Age distribution of old-age pension beneficiaries for long-term contributors

P95 in the annual report

- At the end of FY2024, the largest age group among old-age pension beneficiaries for long-term contributors was 75–79 in NPO-MAAs and 70–74 in all other schemes.
- NPO-MAAs are characterized by a small number of female beneficiaries and little variation in their numbers across age groups aged 65 or older

**"Beneficiaries of old-age pension for long-term contributors" refers to beneficiaries of old-age (retirement) pensions who, in principle, have at least 25 years of coverage under the relevant plan.

(at the end of FY2024)



13. Average monthly old-age pension for long-term contributors excluding occupational additions of MAAs, etc. (estimated)

P101, 102 in the annual report

Since mutual aid pensions provided by MAAs include occupational additions, we estimate the pension amounts equivalent to EPI benefits by excluding these additions. The average monthly pension for the whole EPI was JPY 155 thousand: JPY 173 thousand for males and JPY 120 thousand for females.

For males, although the average contribution period is longer for Former EPI than for NPO-MAAs and PSTE-MAA, the differences in average monthly pension amounts are considered attributable to the higher standard remuneration used to calculate pensions under MAAs, etc., as well as the higher average age of their beneficiaries.

Classification		Former EPI	NPO-MAAs	LPO-MAAs	PSTE-MAA	Whole EPI
Average monthly pension amount (including the Old-age Basic Pension)		JPY	JPY	JPY	JPY	JPY
(at the end of FY2024)	Total	150,289	180,378	184,218	184,339	155,208
	Males	169,967	183,697	190,371	200,098	172,815
	Females	111,413	163,291	173,988	160,894	120,293
Female-to-male ratio (male = 100)		65.5	88.9	91.4	80.4	69.6

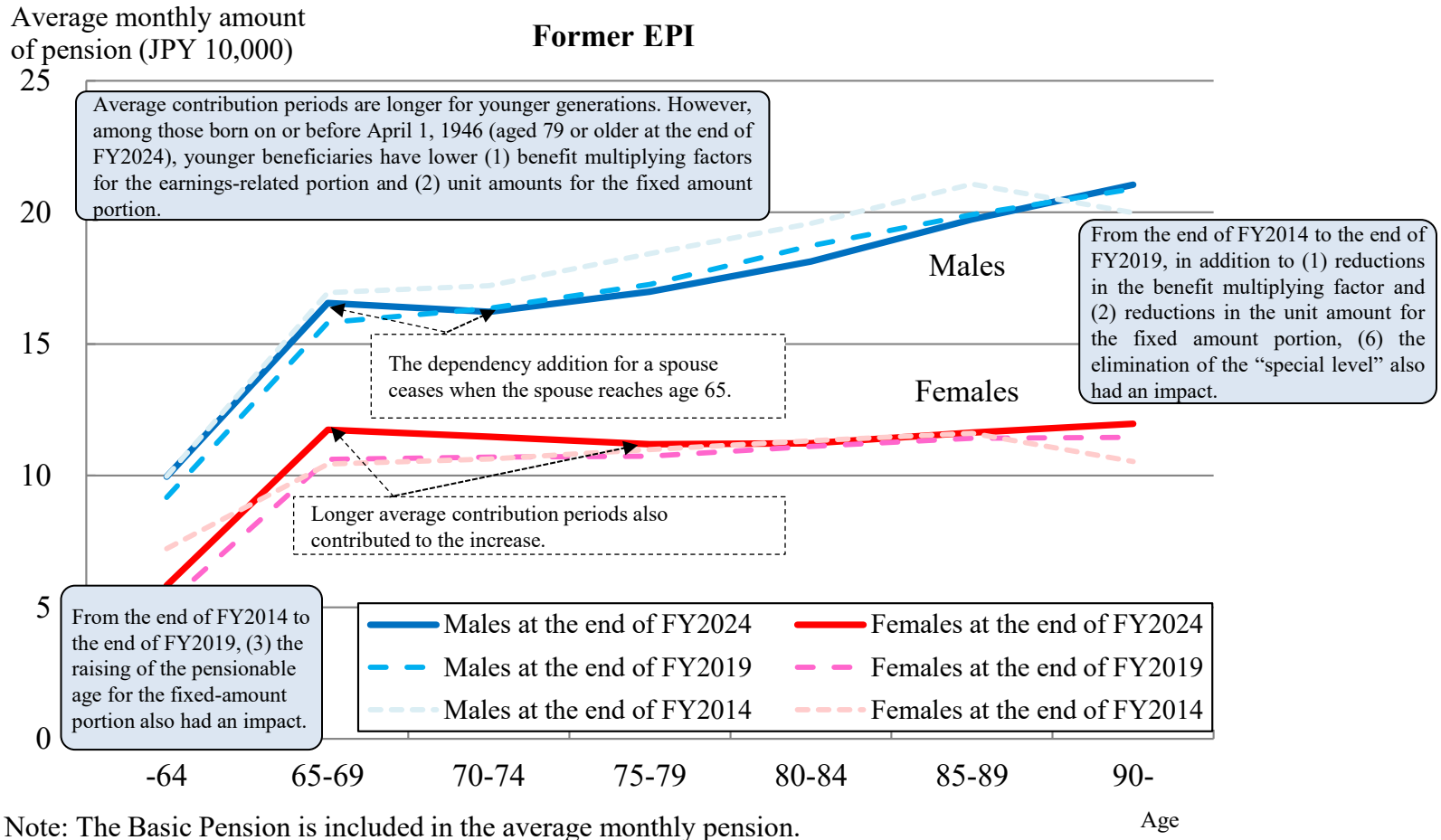
Note 1: For NPO-MAAs, LPO-MAAs, and PSTE-MAA, pension amounts excluding the occupational addition to retirement mutual aid pensions for long-term contributors are estimates.
Note 2: For NPO-MAAs, LPO-MAAs, and PSTE-MAA, the figures are averages for beneficiaries of retirement mutual aid pensions for long-term contributors and beneficiaries of old-age EPI pensions in the corresponding category.

For females, the differences in average monthly pension amounts are considered attributable to differences in the standard remuneration used to calculate pensions, the considerably longer average contribution periods under MAAs, etc. than under Former EPI, and the higher average age of beneficiaries under NPO-MAAs and PSTE-MAA than under Former EPI.

14. Average monthly pension for old-age pension beneficiaries by age group

P114-118 in the annual report

- While the average contribution period for all beneficiaries has increased, the average monthly pension under the former EPI was on a downward trend through FY2022. The factors behind this trend are considered to include: (1) reductions in the benefit multiplying factors for the earnings-related portion, (2) reductions in the unit amount for the fixed amount portion, (3) increases in the pensionable age for the fixed amount portion, (4) a decline in the number of persons eligible for dependency additions, (5) pension revision rates,* and (6) the elimination of the "special level" through negative pension revisions.
- Since FY2023, however, the average monthly pension has been on an upward trend. Although the downward factors listed above, other than (3), (5), and (6), remain, this is because increases in pension revision rates have been larger than in previous years.* Since FY2014, in addition to (6), pension revision rates were negative in FY2017, FY2021, and FY2022.

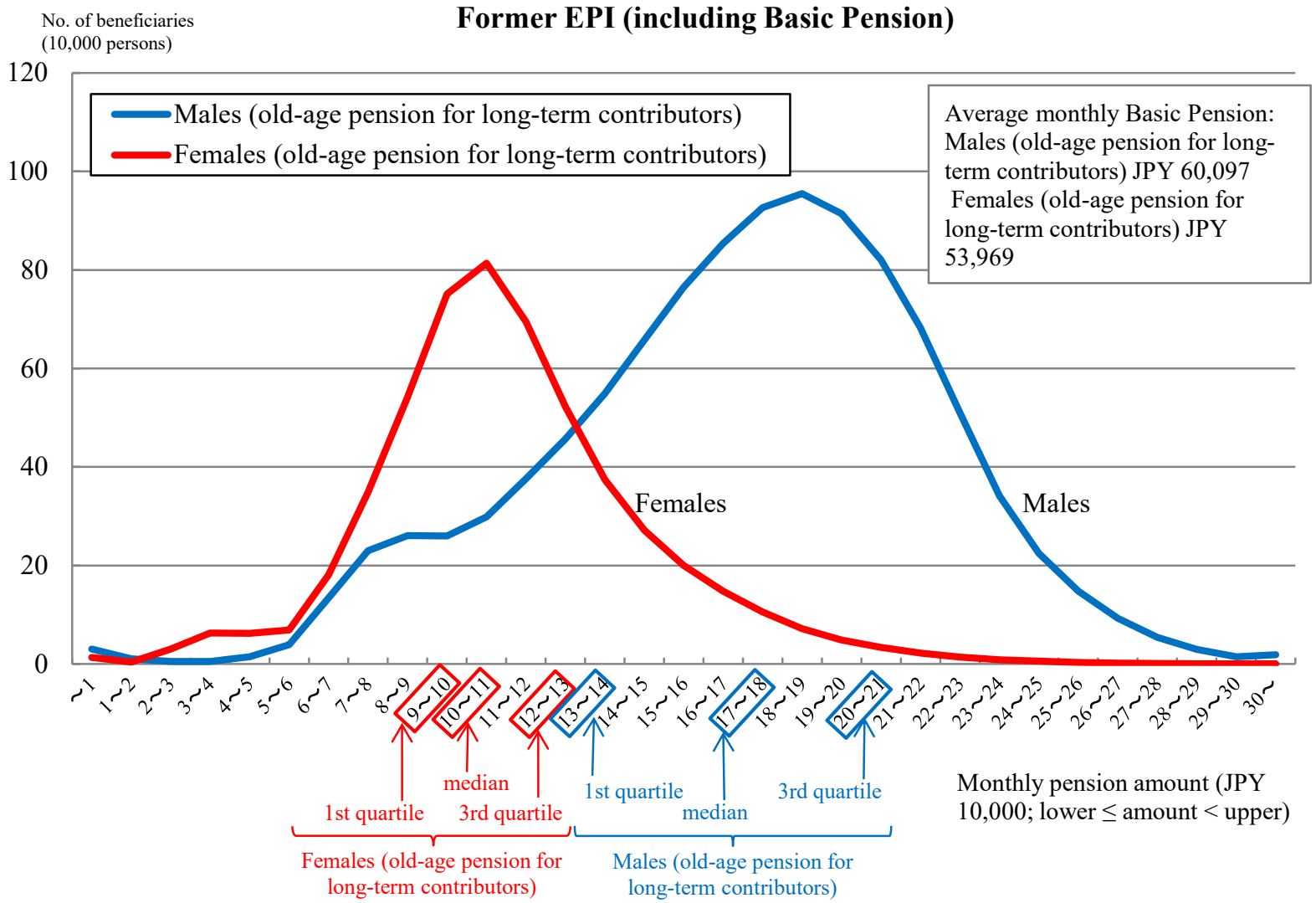


Note: The Basic Pension is included in the average monthly pension.

15. Number of old-age pension beneficiaries by class of monthly pension amount

P119-121 in the annual report

The amount includes the Basic Pension. The number of beneficiaries peaks at JPY 180–190 thousand for males and JPY 100–110 thousand for females.



Current situation of fiscal revenue and expenditure (Excerpt from Chapter 2, Section 3)

16. Annual balance of revenues and expenditures in FY2024

17. Analysis of factors behind changes in EPI contribution revenue

16. Annual balance of revenues and expenditures in FY2024

P130-135 in the annual report

- The annual balance is analyzed in two components: the annual balance excluding investment gains or losses, and investment gains or losses.
- For the public pension plans as a whole, contribution revenue amounted to JPY 43.1 trillion, while national and local government subsidies, etc. amounted to JPY 12.1 trillion. Total revenue excluding investment gains or losses amounted to JPY 55.7 trillion. On the expenditure side, pension benefit expenditures were JPY 55.3 trillion, and total expenditures were JPY 55.8 trillion. As a result, the annual balance excluding investment gains or losses recorded a deficit of JPY 0.1 trillion.
- Investment gains amounted to JPY 2.0 trillion on a market value basis.
- As a result, the reserves of the public pension plans as a whole at the end of FY2024 increased by JPY 2.0 trillion from the end of the previous fiscal year to JPY 306.0 trillion on a market value basis.

Classification		Whole EPI	National Pension		Public pension plans as a whole
			National Pension Account	Basic Pension Account	
		JPY 100 million	JPY 100 million	JPY 100 million	JPY 100 million
Reserves at the end of the previous FY (a) (market value basis)		2,876,142	125,173	38,804	3,040,119
Annual revenue	Total revenue	524,914	34,410	231,734	557,001
	Of which: Contribution revenue	417,264	13,989	・	431,253
	Of which: National and local government subsidies, etc.	101,302	19,685	・	120,987
	Of which: Basic Pension grants	1,746	711	・	①
	Of which: Revenue from contributions to the Basic Pension	・	・	231,600	②
Annual expenditure	Total expenditure	496,990	37,329	257,264	557,526
	Of which: Benefit expenditures	296,836	1,760	254,805	553,401
	Of which: Contributions to the Basic Pension	197,224	34,376	・	②
	Of which: Benefits equivalent to the Basic Pension (Basic Pension grants)	・	・	2,457	①
Annual balance excluding investment gains or losses (b)		27,925	–2,920	–25,531	–526
Investment gains or losses (c) (market value basis)		19,393	822	16	20,231
Others (d) (market value basis)		370	63	-	433
Reserves at the end of FY (a)+(b)+(c)+(d) (market value basis)		2,923,830	123,138	13,289	3,060,257
Change in reserves from the end of the previous fiscal year (market value basis)		47,688	–2,034	–25,515	20,138

Note 1: To present the fiscal revenue and expenditure position of EPI as a whole, exchanges between EPI implementing organizations are excluded from both revenues and expenditures. Similarly, to present the fiscal revenue and expenditure position of the public pension plans as a whole, internal transfers among the plans—Basic Pension grants (*1) and contributions to the Basic Pension (*2)—are excluded from both revenues and expenditures.
Note 2: Whole EPI and Public pension plans as a whole do not include the substitutional portion managed by EPFs.
Note 3: The amount recorded as “Others (d)” is “Transfer to reserves from the Business Account” in EPI Account and the National Pension Account of NP.

17. Analysis of factors behind changes in EPI contribution revenue

P137, 138 in the annual report

The increase in the number of insured persons contributed to the increase in contribution revenue.

The decrease in the number of insured persons contributed to the decrease in contribution revenue.

Trends in EPI contribution revenue

FY	EPI Account	NPO-MAAs	LPO-MAAs	PSTE-MAA	Whole EPI
	JPY 100 million	JPY 100 million	JPY 100 million	JPY 100 million	JPY 100 million
(2023)	351,702	12,947	34,174	5,334	404,157
(2024)	363,545	13,198	34,978	5,543	417,264
Change from the previous FY (%)					
(2024)	3.4	1.9	2.4	3.9	3.2

Note: EPI Account and Whole EPI do not include the substitutional portion managed by EPFs.

Classification		EPI Account	NPO-MAAs	LPO-MAAs	PSTE-MAA
		%	%	%	%
Change in contribution revenue from the previous FY		3.4	1.9	2.4	3.9
Contribution by factor	Number of insured persons	1.5	–0.2	0.4	1.4
	Standard remuneration per insured person	1.8	2.0	2.0	0.4
	Contribution rate	—	—	—	2.2
	Others	–0.0	0.2	0.0	–0.0

Note 1: The contributions of each factor are estimates, being expressed in terms of the rate against contribution revenue in the previous fiscal year.
Note 2: The fiscal year average is used for the number of insured persons.

The increase in standard remuneration per insured person contributed to the increase in contribution revenue.

The increase in the contribution rate contributed to the increase in contribution revenue.

Comparison of actual and projected fiscal revenues, expenditures, etc., and fiscal indices (Excerpt from Chapter 3, Sections 2 and 3)

18. Comparison of actual results with assumptions for the total fertility rate and average life expectancy at age 65
19. Comparison of actual results with assumptions for survival rates and net migration of foreign nationals
20. Comparison of actual results with assumptions for inflation and nominal wage growth rates
21. Comparison of actual results with assumptions for the real wage growth rate and effective rate of return on investment
22. Comparison of actual results with assumptions for labor force participation rates
23. Comparison of actual and projected numbers of insured persons and pension recipients
24. Comparison of actual and projected contribution revenue and benefit expenditures
25. Comparison of actual and projected contributions to the Basic Pension
26. Comparison of actual and projected reserves
27. Comparison of actual and projected fiscal indices

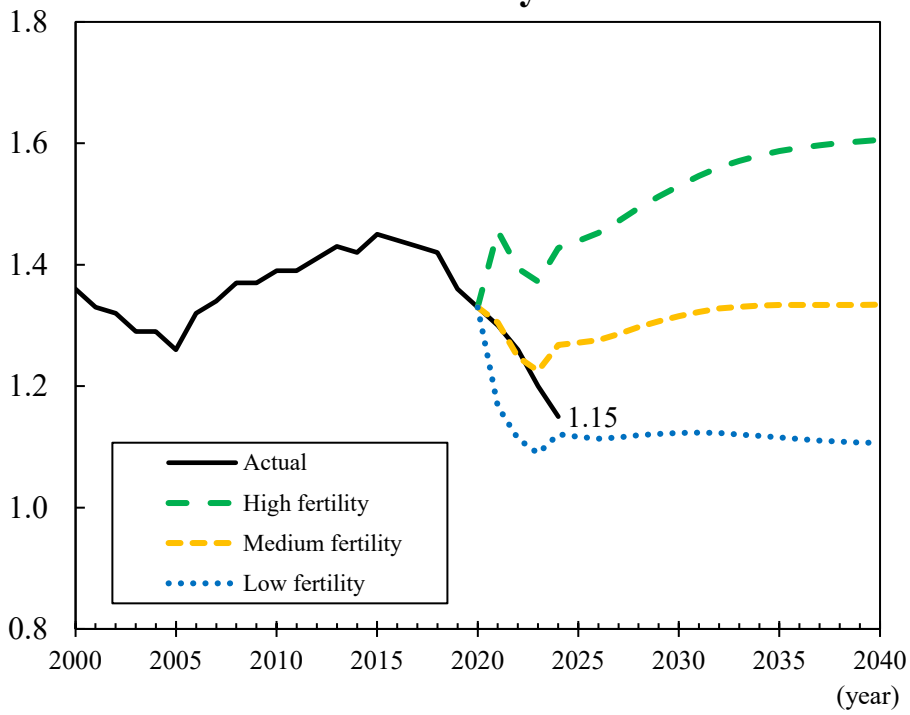
Note: The projections used for comparison with the actual results are based on trial calculations that reflect, in addition to the assumptions used in the 2024 actuarial valuation, some of the pension system reform measures included in the bill for the Act Partially Amending the National Pension Act for Strengthening the Functions of the Pension System Based on Socio-economic Changes (see p. 185 of the annual report for details).

18. Comparison of actual results with assumptions for the total fertility rate and average life expectancy at age 65

P187-188 in the annual report

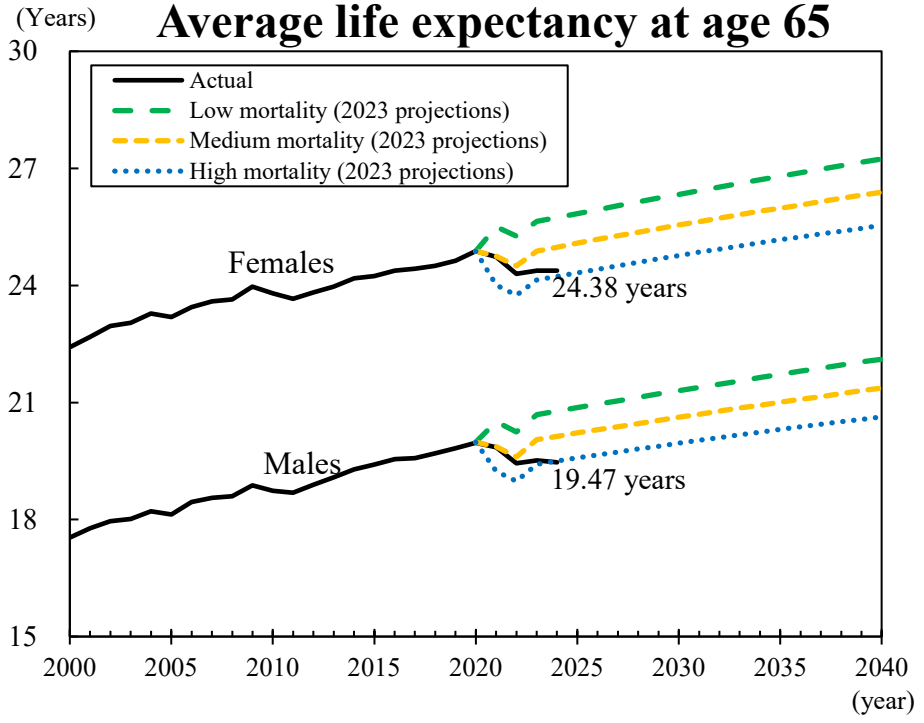
- The actual total fertility rate in 2024 was broadly in line with the low-fertility assumption in the 2023 population projections.
- In 2024, the actual average life expectancy at age 65 was broadly in line with the high-mortality assumption in the 2023 population projections for both males and females.

Total fertility rate



Note: Actual figures are based on Vital Statistics (final data).

Average life expectancy at age 65



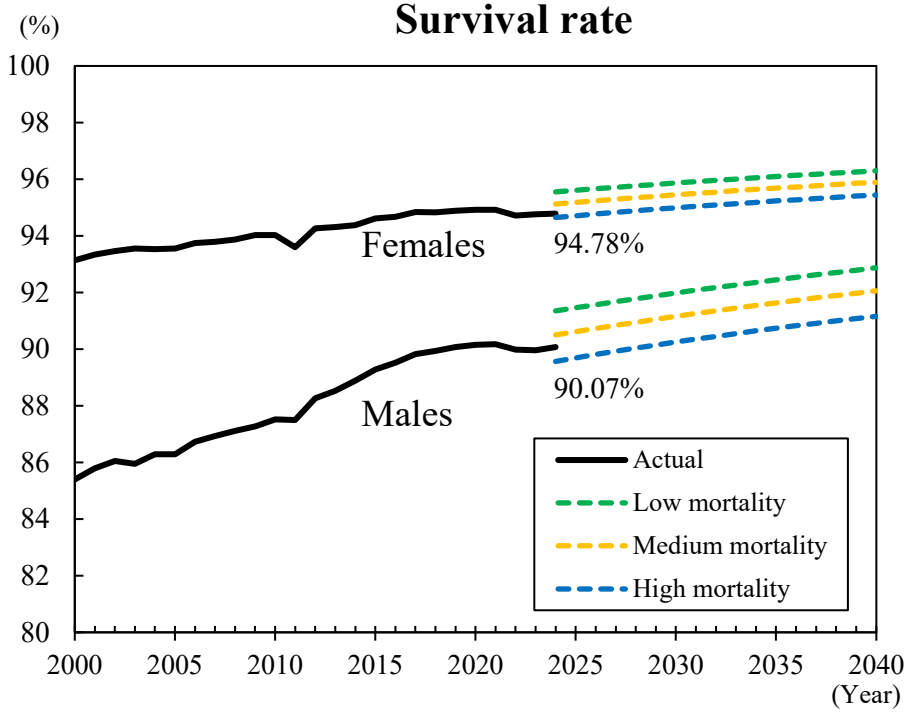
Note: Actual figures are based on the Abridged Life Tables or Complete Life Tables.

19. Comparison of actual results with assumptions for survival rates and net migration of foreign nationals

P189, 190 in the annual report

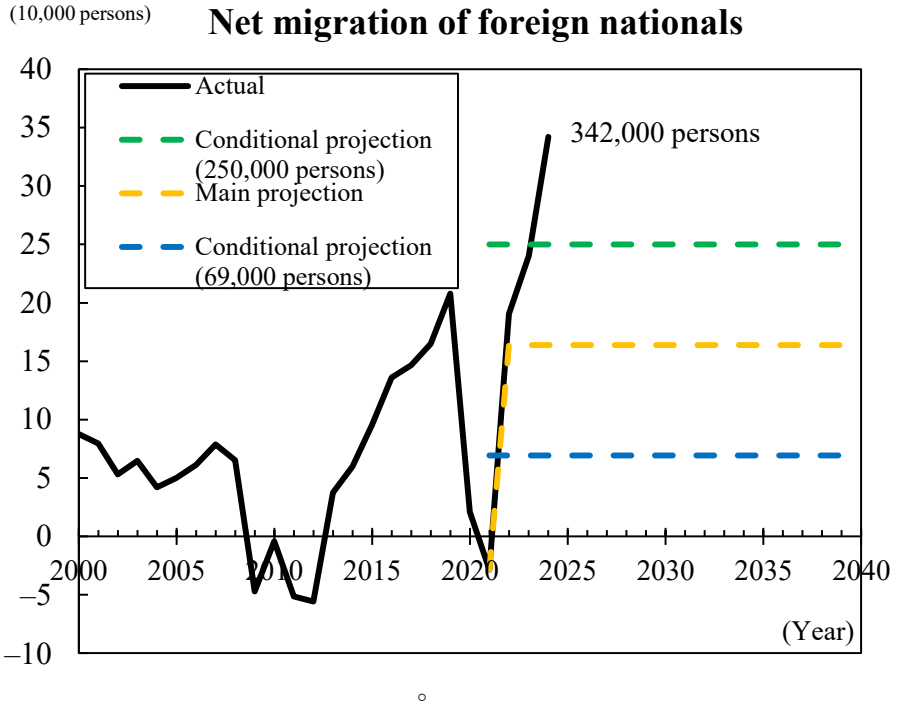
- The actual survival rate in 2024 (the probability of surviving from age 20 to age 65) was between the medium- and high-mortality assumptions for males and broadly in line with the high-mortality assumption for females in the 2023 population projections.
- The actual net migration of foreign nationals in 2024 exceeded the assumption of 250,000 under the conditional projection in the 2023 population projections.

Survival rate



Note: Actual figures are based on the Abridged Life Tables or Complete Life Tables.

Net migration of foreign nationals

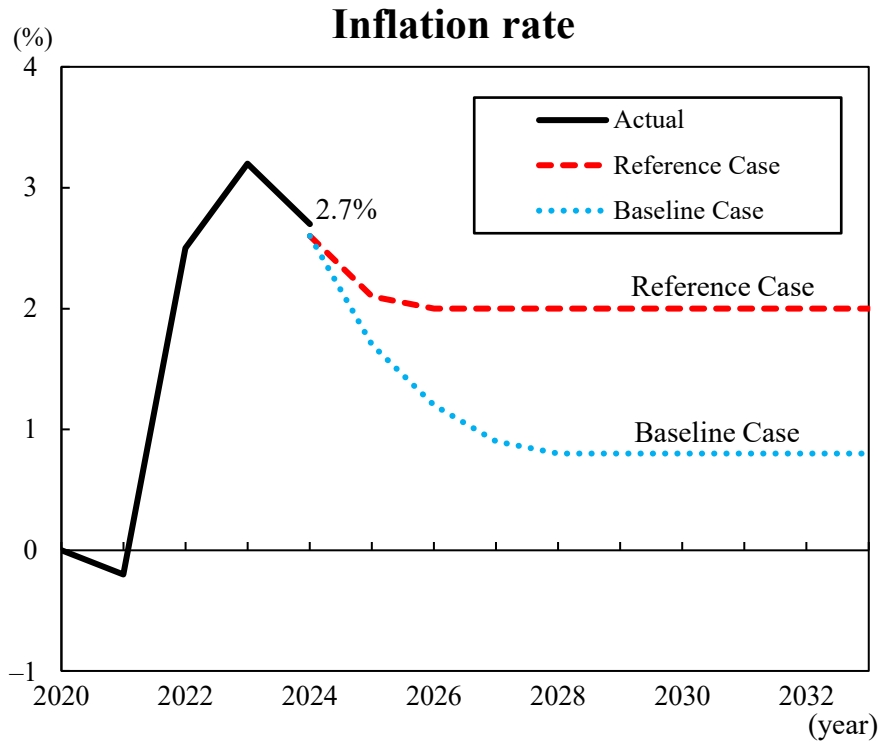


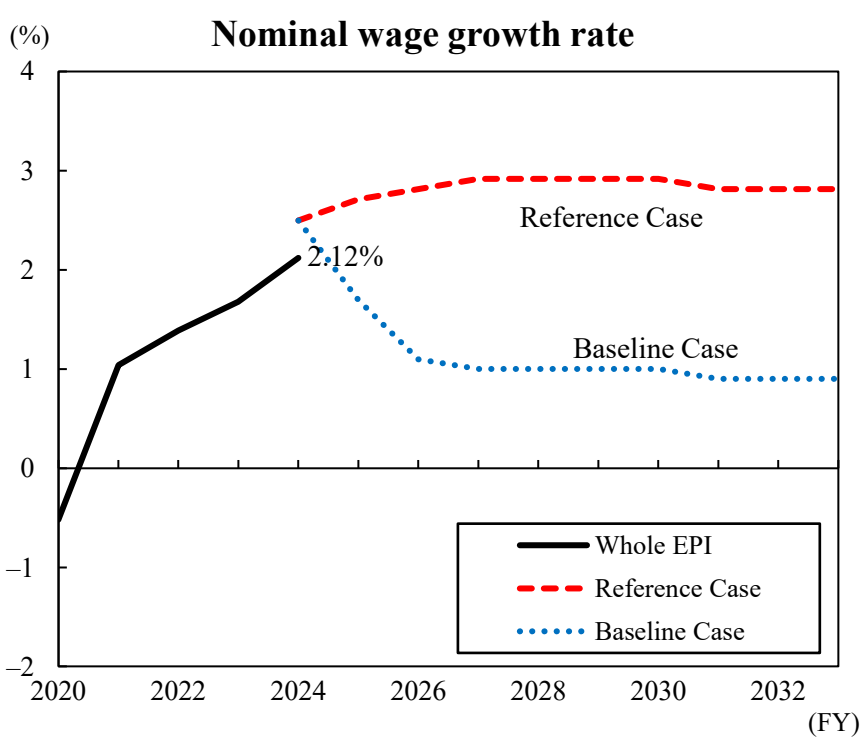
Note: Actual figures are based on the reference tables in Population Estimates (Ministry of Internal Affairs and Communications).

20. Comparison of actual results with assumptions for inflation and nominal wage growth rates

P191-193 in the annual report

- The actual inflation rate in 2024 was 2.7%, broadly in line with the assumptions under all cases.
- The actual nominal wage growth rate in FY2024 was below the assumptions under all cases.



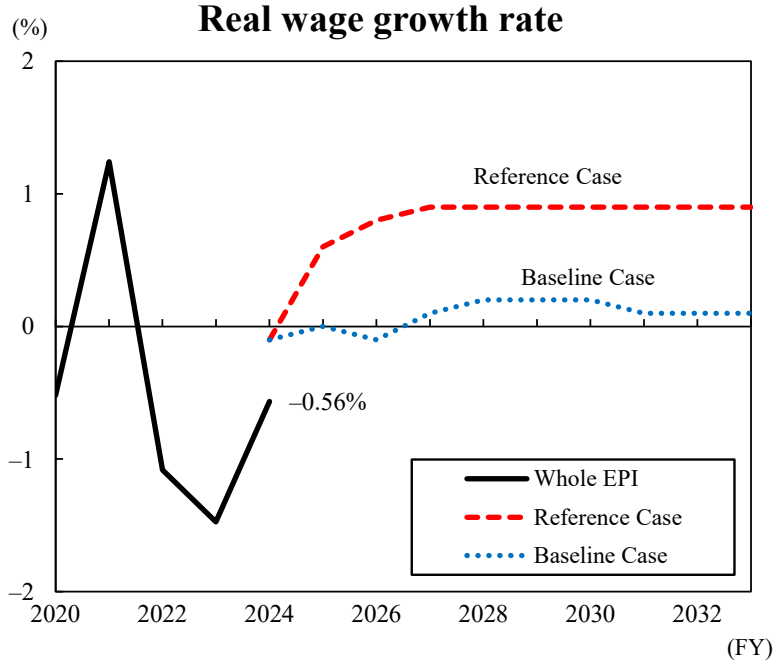


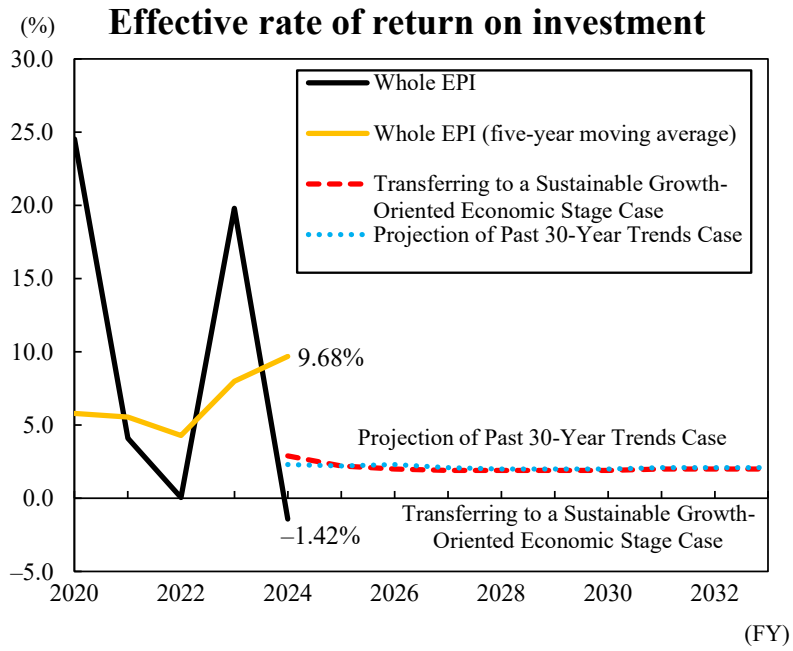
Note: The "Reference Case" is linked to the Transferring to a Sustainable Growth-Oriented Economic Stage Case in the actuarial valuation, while the "Baseline Case" is linked to the Projection of Past 30-Year Trends Case.

21. Comparison of actual results with assumptions for the real wage growth rate and effective rate of return on investment

P192-195 in the annual report

- For the whole EPI, the actual real wage growth rate in FY2024 (wage growth relative to inflation) was below the assumptions under all cases in the 2024 actuarial valuation.
- For the whole EPI, the actual effective rate of return on investment in FY2024 (investment return relative to nominal wage growth) was below the assumptions under all cases in the 2024 actuarial valuation.
- However, the average effective rate of return on investment over the five fiscal years from FY2020 to FY2024 exceeded the corresponding average calculated from the assumptions in the 2024 actuarial valuation.* * For FY2020 through FY2023, the assumptions from the 2019 actuarial valuation are used.





Note: The "Reference Case" is linked to the Transferring to a Sustainable Growth-Oriented Economic Stage Case in the actuarial valuation, while the "Baseline Case" is linked to the Projection of Past 30-Year Trends Case.

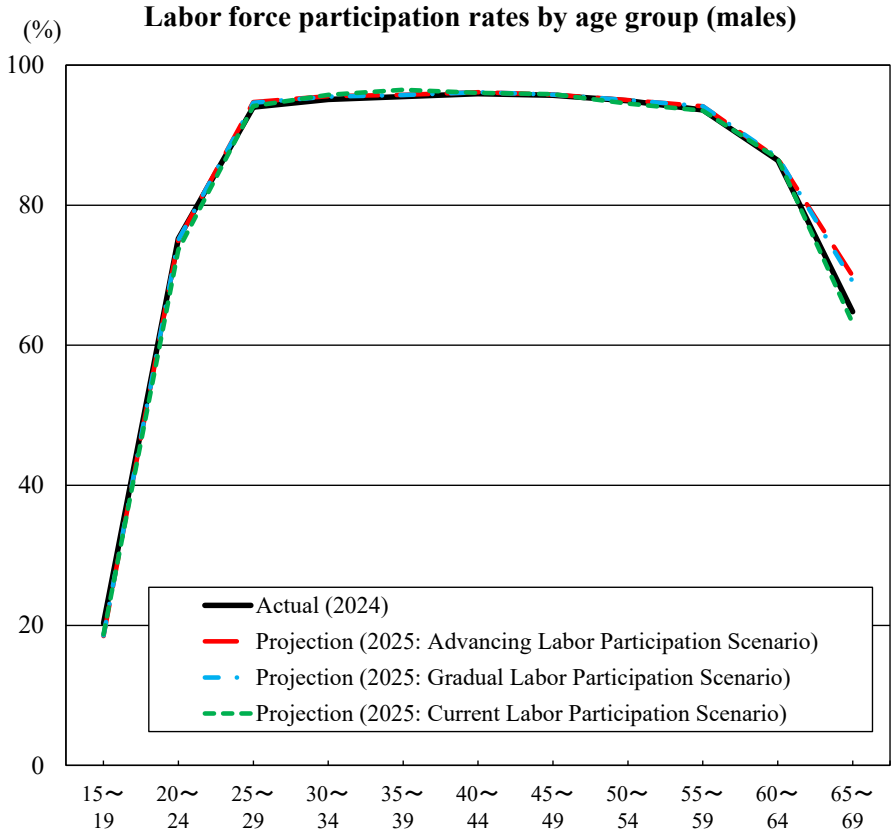
When comparing actual investment returns with the assumptions in the actuarial valuation, it is appropriate, from a long-term perspective, to use the **effective rate of return on investment**, because contributions and benefit expenditures for newly awarded pensions under public pension plans generally vary in line with nominal wage growth.

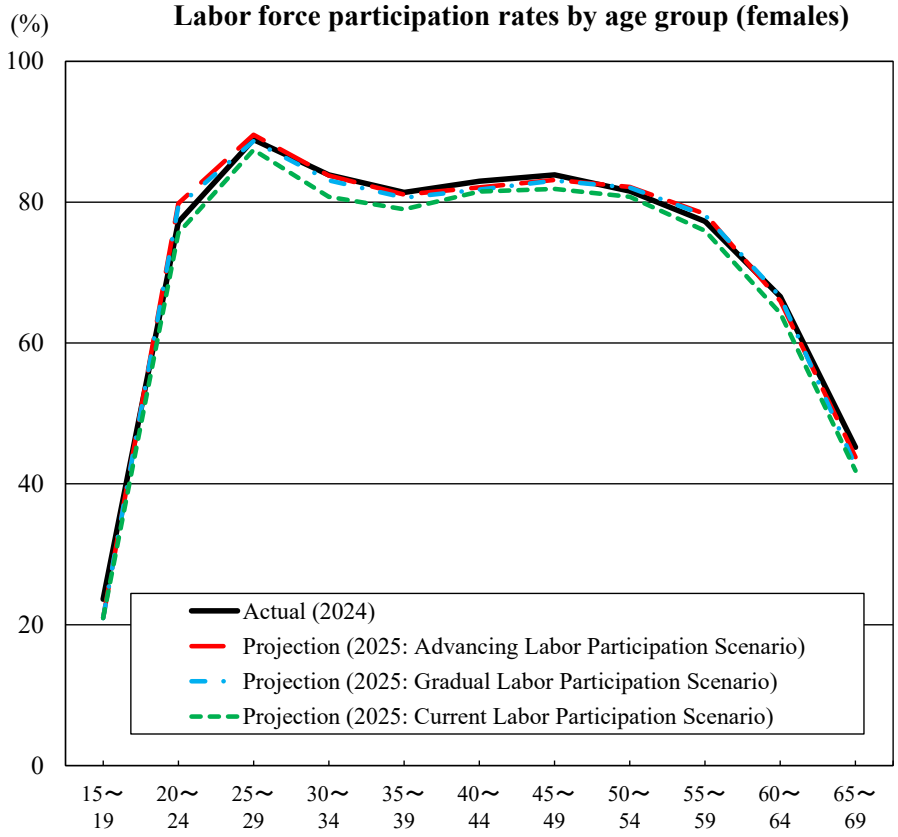
22. Comparison of actual results with assumptions for labor force participation rates

P196-198 in the annual report

Comparing the actual results for 2024 with the 2025 projections under the Advancing Labor Participation Scenario,* the actual rates were higher than projected for males aged 15–24 and females aged 15–19, 30–49, and 60 or older.

* Note that the projections used for comparison are for one year after the actual results.



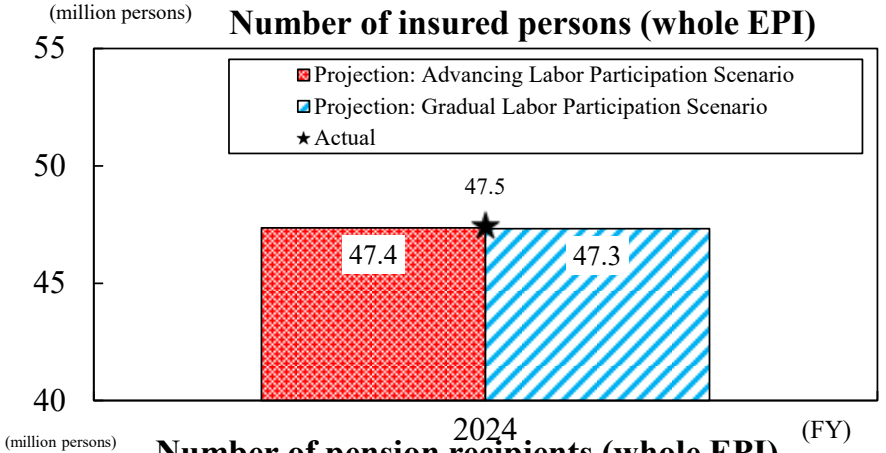


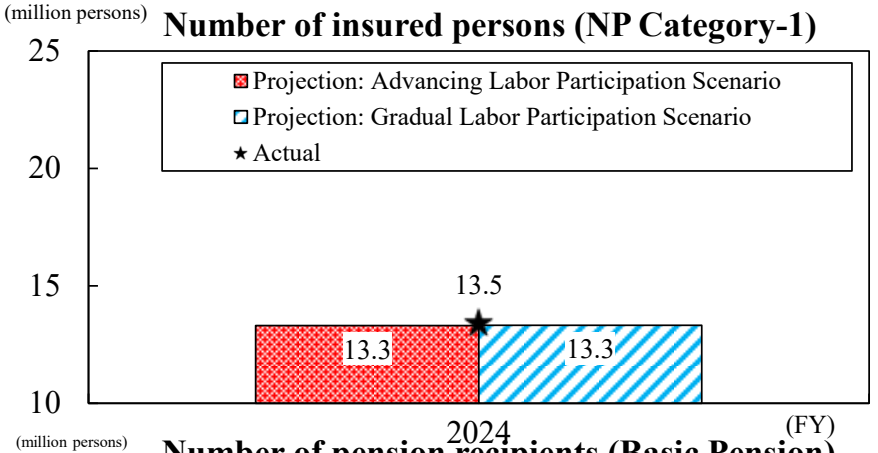
Note: In the actuarial valuation, the “Advancing Labor Participation Scenario” corresponds to the Higher Economic Growth Case and the Transferring to a Sustainable Growth-Oriented Economic Stage Case, the “Gradual Labor Participation Scenario” to the Projection of Past 30-Year Trends Case, and the “Current Labor Participation Scenario” to the Zero Per Capita Growth Case.

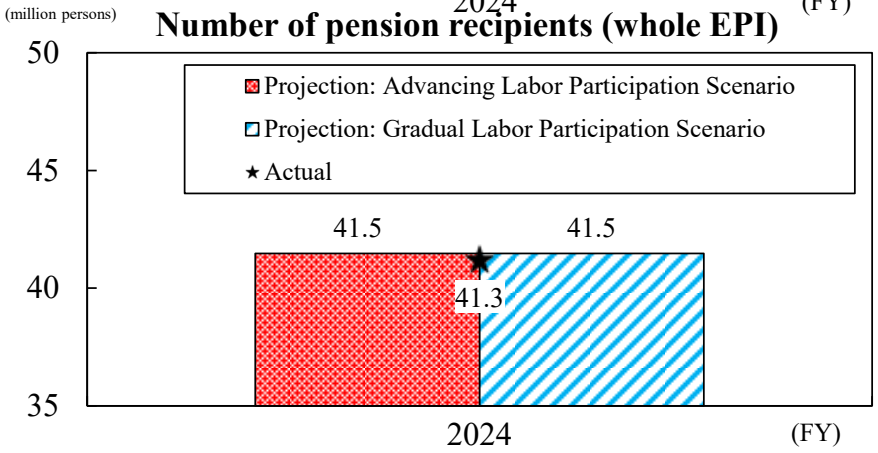
23. Comparison of actual and projected numbers of insured persons and pension recipients

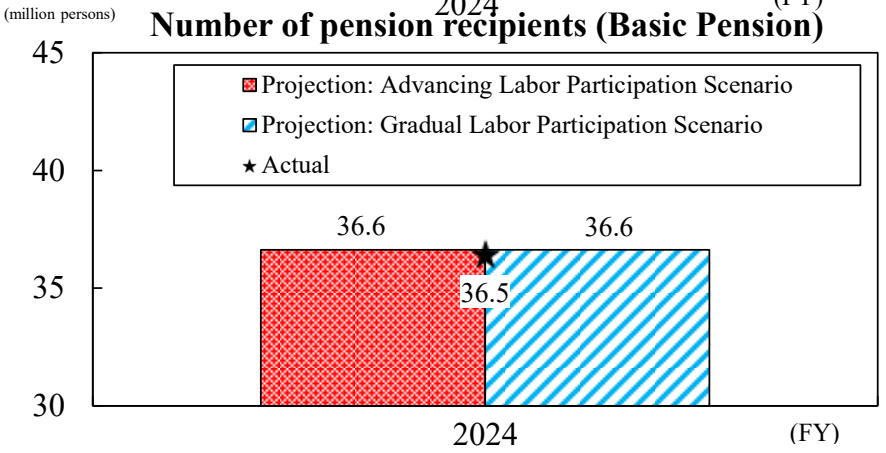
P201, 203, 204 in the annual report

- In FY2024, the actual numbers of insured persons (marked with stars in the figures below) exceeded the projections (shown as bar charts) for both the whole EPI and NP Category-1: by 0.3–0.4% for the whole EPI and by 1.1–1.2% for NP Category-1.
- In FY2024, the actual numbers of pension recipients (marked with stars in the figures below) were below the projections (shown as bar charts) for both the whole EPI and the Basic Pension: by 0.5% for the whole EPI and by 0.4% for the Basic Pension.









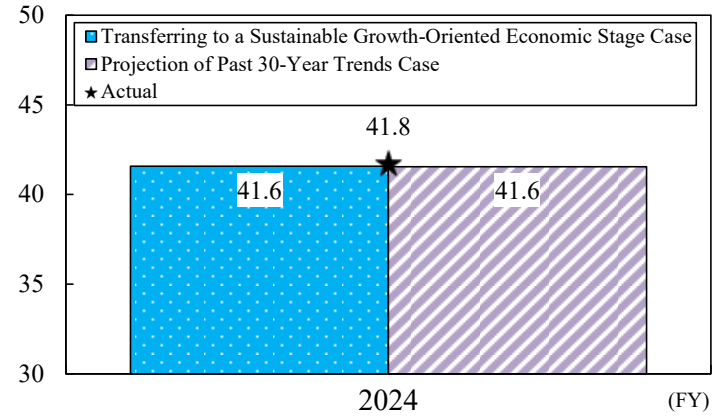
Note: In the actuarial valuation, the "Advancing Labor Participation Scenario" corresponds to the Transferring to a Sustainable Growth-Oriented Economic Stage Case, and the "Gradual Labor Participation Scenario" to the Projection of Past 30-Year Trends Case.

24. Comparison of actual and projected contribution revenue and benefit expenditures

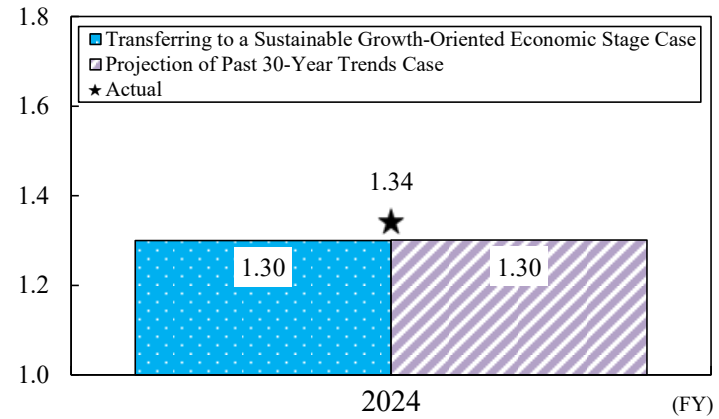
P205, 206, 208 in the annual report

- In FY2024, actual contribution revenue (marked with stars in the figures below) exceeded the projections (shown as bar charts) for both the whole EPI and the National Pension Account: by 0.5–0.6% for the whole EPI and by 3.3–3.4% for the National Pension Account.
- In FY2024, actual benefit expenditures (marked with stars in the figures below) were below the projections (shown as bar charts) for both the whole EPI and the National Pension Account: by 0.3% for the whole EPI and by 1.3% for the National Pension Account.

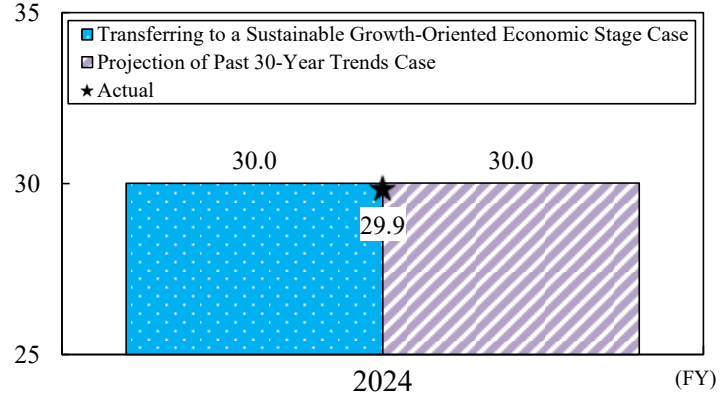
Contribution revenue (whole EPI)



Contribution revenue (National Pension Account)

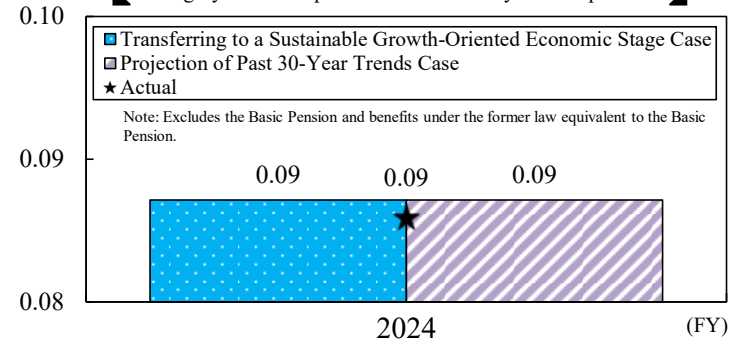


Benefit expenditures (whole EPI)



Benefit expenditures (National Pension Account)

【Benefits unique to NP, such as additional pensions for NP Category-1 insured persons and voluntarily insured persons】



25. Comparison of actual and projected contributions to the Basic Pension

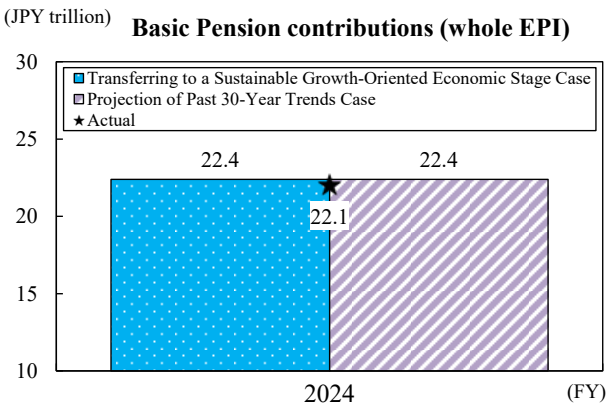
P209-211 in the annual report

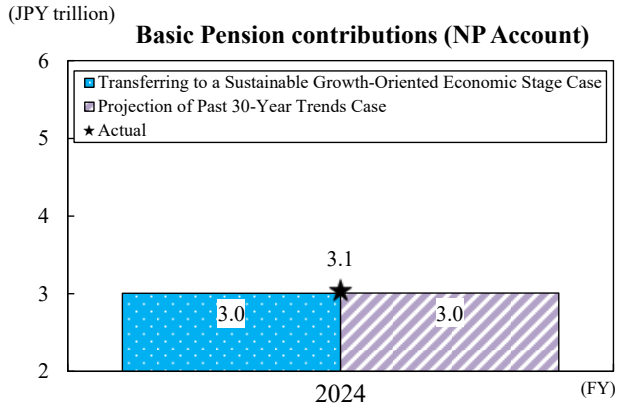
- In FY2024, actual expenditures for the Basic Pension and related benefits were below the projections, while the actual number of persons used to calculate Basic Pension contributions across all schemes was slightly above the projections.* As a result, the actual per-capita amount of Basic Pension contributions was 1.3% below the projections.

* This is thought to be attributable to a slight increase in the number of NP Category-1 insured persons included in the calculation, as the contribution payment rate for the National Pension exceeded the projections, and to the total population exceeding the projections because actual net migration of foreign nationals was higher than projected.

- In FY2024, the actual number of persons used to calculate Basic Pension contributions was broadly in line with the projections for the whole EPI, at 0.1% below the projections, and exceeded the projections by 2.9–3.0% for the National Pension Account.
- As a result, in FY2024, actual Basic Pension contributions (marked with stars in the figures below) were 1.4% below the projections (shown as bar charts) for the whole EPI and 1.6–1.7% above the projections for the National Pension Account.

Item	FY 2024						
	Actual ①	Projection ②		Difference ①－②		Percentage difference (①－②)/②	
		Transferring to a Sustainable Growth-Oriented Economic Stage Case	Projection of Past 30-Year Trends Case	Transferring to a Sustainable Growth-Oriented Economic Stage Case	Projection of Past 30-Year Trends Case	Transferring to a Sustainable Growth-Oriented Economic Stage Case	Projection of Past 30-Year Trends Case
	JPY	JPY	JPY	JPY	JPY	%	%
Per capita amount of Basic Pension contributions (before reduction)	38,778	39,277	39,280	–499	–502	–1.3	–1.3
Number of persons used to calculate Basic Pension contributions	million persons	million persons	million persons	million persons	million persons	%	%
Whole EPI	47.8	47.8	47.8	–0.1	–0.0	–0.1	–0.1
National Pension Account	6.6	6.4	6.4	0.2	0.2	3.0	2.9





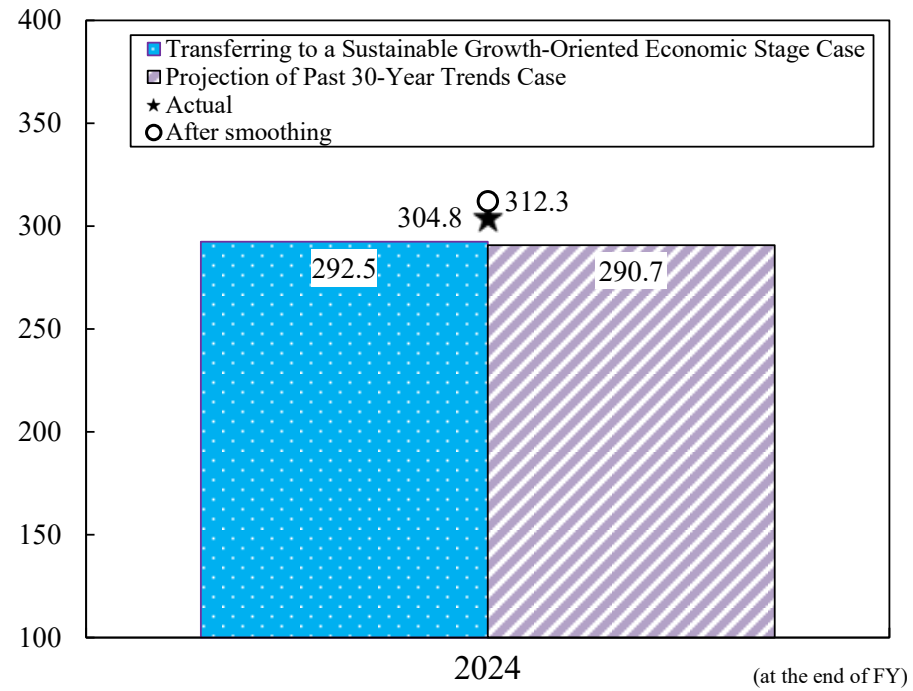
26. Comparison of actual and projected reserves

P213
in the annual
report

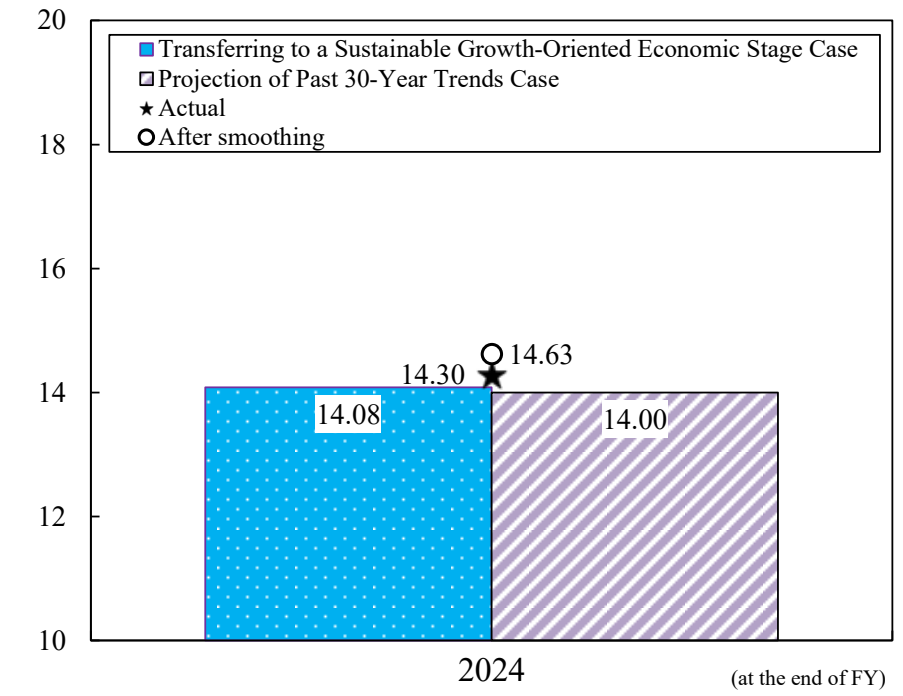
- At the end of FY2024, actual reserves (marked with stars in the figures below) exceeded the projections (shown as bar charts) for both the whole EPI and the National Pension Account: by 4.2–4.9% for the whole EPI and by 1.5–2.2% for the National Pension Account.
- At the end of FY2024, reserve amounts after smoothing short-term fluctuations resulting from market valuation* (marked with circles in the figures below) also exceeded the projections for both the whole EPI and the National Pension Account: by 6.8–7.4% for the whole EPI and by 3.8–4.5% for the National Pension Account.

* For the purposes of reserve evaluation, differences between investment returns on a market value basis and their historical averages are smoothed over five fiscal years.

Whole EPI



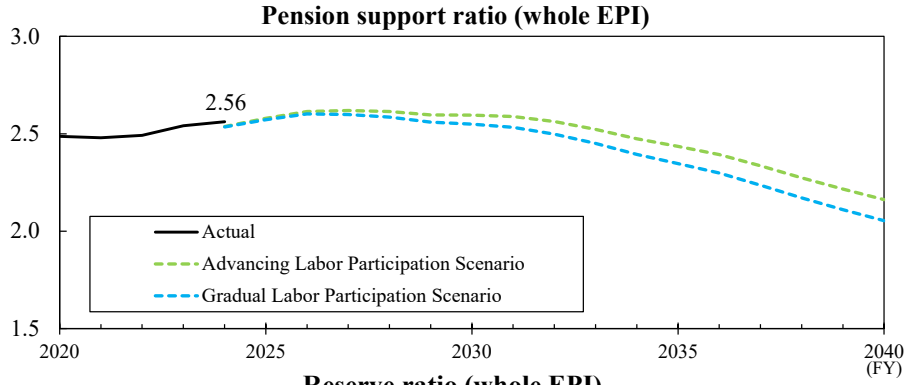
National Pension Account

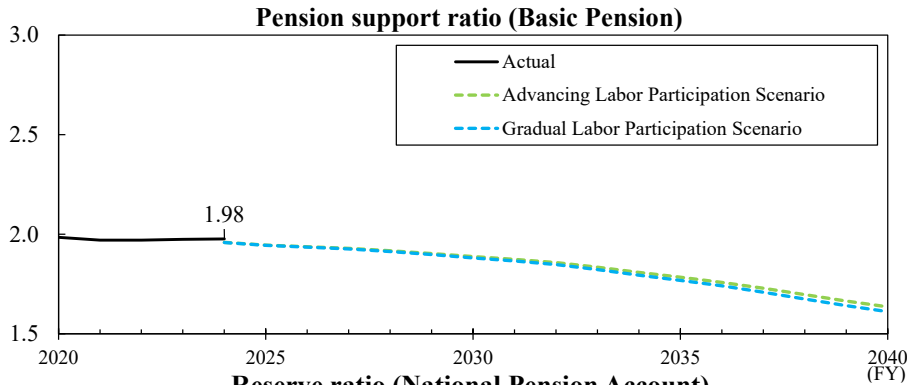


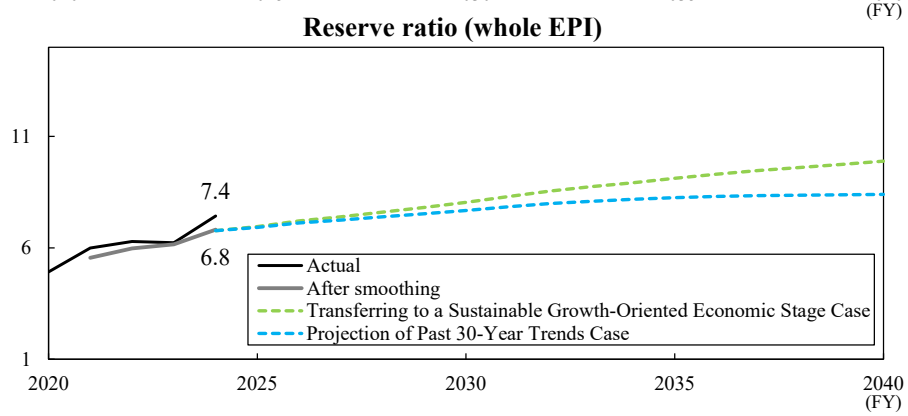
27. Comparison of actual and projected fiscal indices

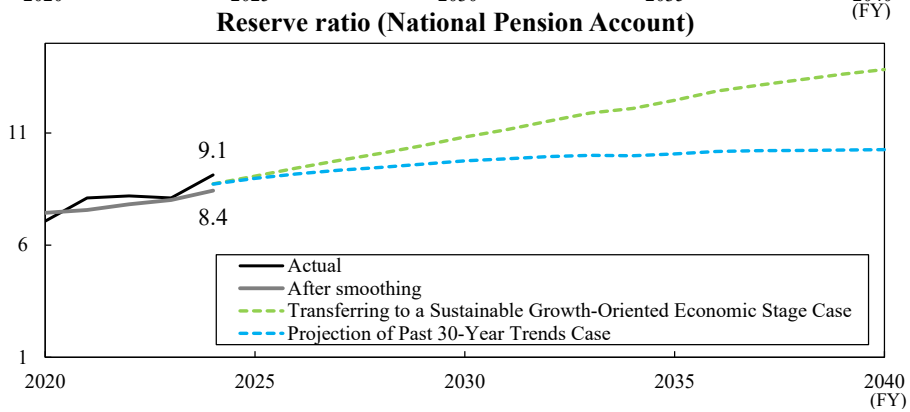
P214, 215, 219, 220 in the annual report

• In FY2024, the actual pension support ratio (the number of insured persons divided by the number of old-age pension beneficiaries for long-term contributors) exceeded the projections for both the whole EPI and the Basic Pension: by 1.0% for the whole EPI and by 0.9% for the Basic Pension.
• In FY2024, the actual reserve ratio (reserves at the end of the previous fiscal year divided by the comprehensive cost) exceeded the projections for both the whole EPI and the National Pension Account: by 9.5–9.6% for the whole EPI and by 4.6–4.7% for the National Pension Account.
On a smoothed basis, however, the actual reserve ratio was 0.5% above the projections for the whole EPI and 3.3–3.4% below the projections for the National Pension Account.









Analysis of deviations in reserves and evaluation of the actuarial status (Excerpt from Chapter 3, Sections 4, 5 and 6)

28. Flow of the analysis of deviations between actual and projected reserves

29. Deviations between actual and projected reserves by year of occurrence

30. Results of the analysis of deviations in reserves (deviations arising in FY2024)

31. Evaluation of the actuarial status of EPI (1)

32. Evaluation of the actuarial status of EPI (2)

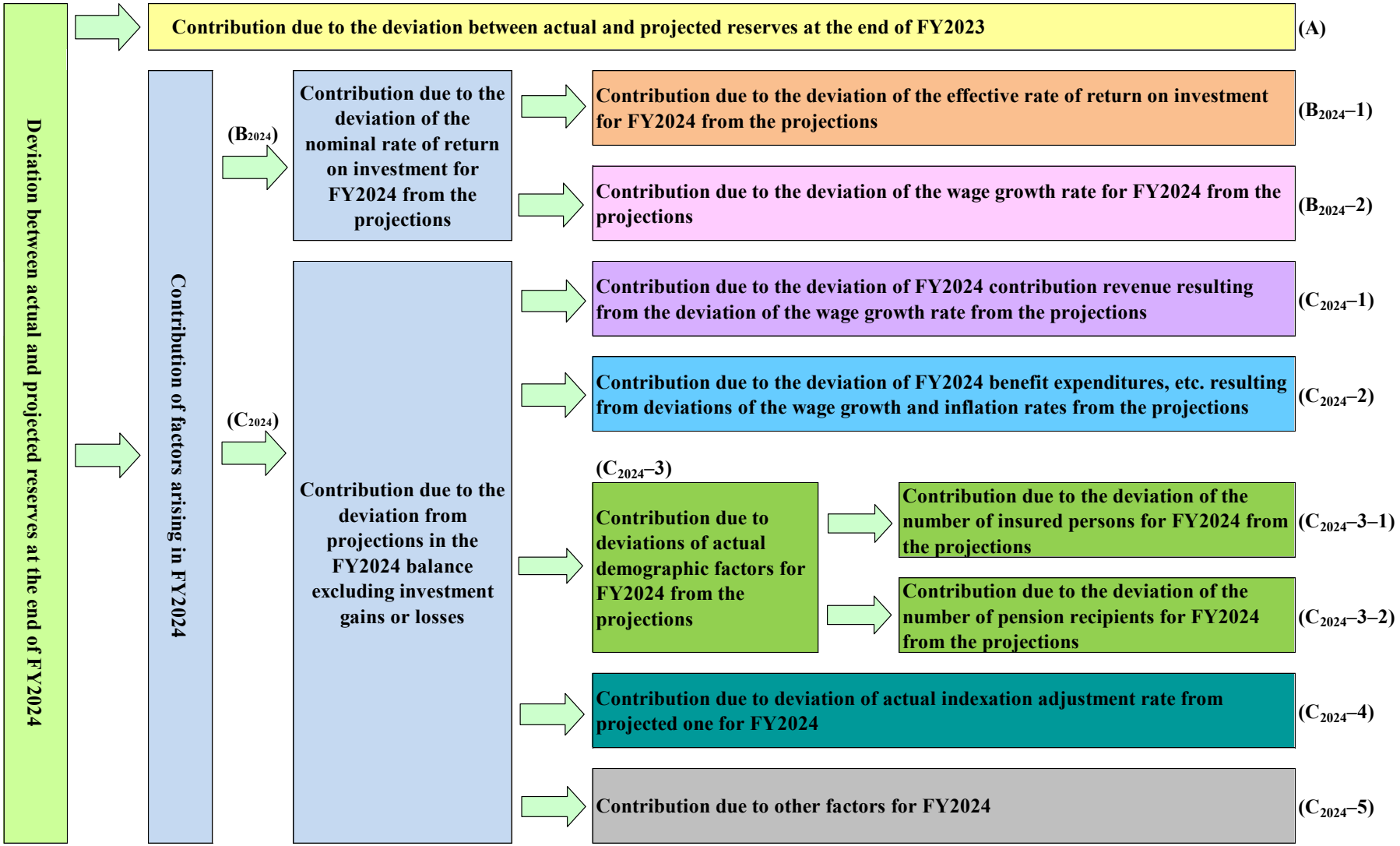
33. Evaluation of the actuarial status of the public pension plans (1)

34. Evaluation of the actuarial status of the public pension plans (2)

Note: The projections used for comparison with the actual results are based on trial calculations that reflect, in addition to the assumptions used in the 2024 actuarial valuation, some of the pension system reform measures included in the bill for the Act Partially Amending the National Pension Act for Strengthening the Functions of the Pension System Based on Socio-economic Changes (see p. 185 of the annual report for details).

28. Flow of the analysis of deviations between actual and projected reserves

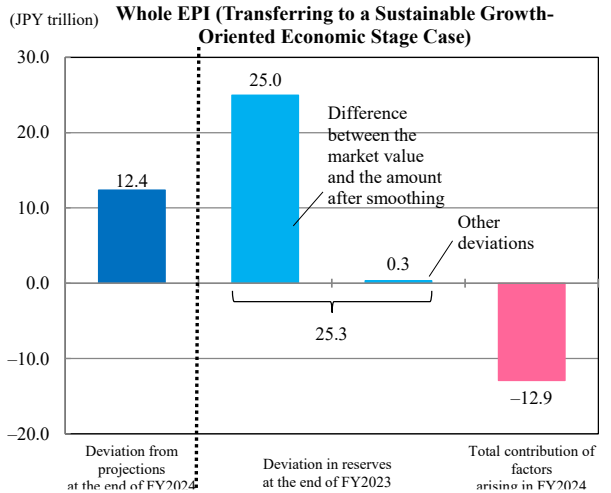
P221-223 in the annual report

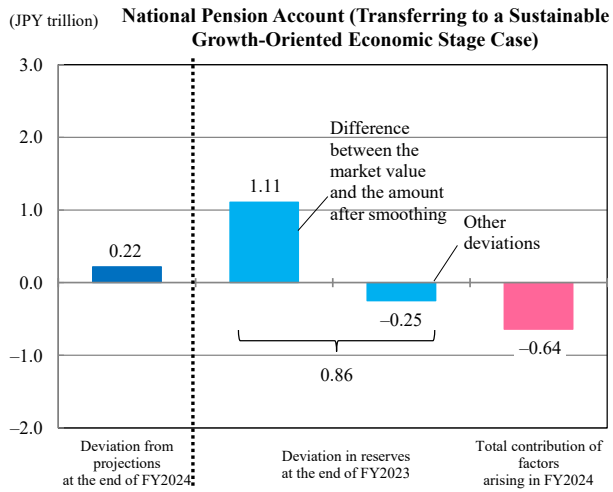


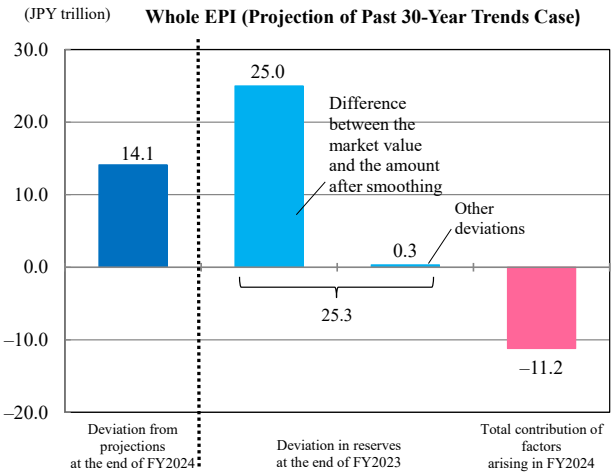
29. Deviations between actual and projected reserves by year of occurrence

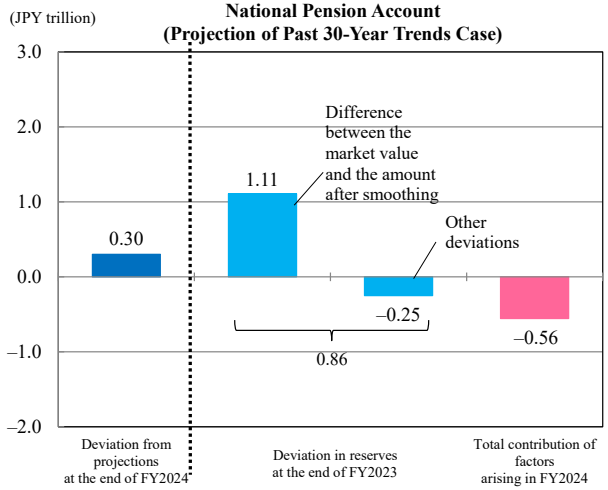
P224-228 in the annual report

• At the end of FY2024, actual reserves exceeded the projections for both the whole EPI and the National Pension Account: by JPY 12.4–14.1 trillion for the whole EPI and by JPY 0.22–0.30 trillion for the National Pension Account. This was because the positive deviation from the projected reserves at the end of FY2023 was greater than the combined negative effects of factors arising in FY2024. Most of the deviation between actual and projected reserves at the end of FY2023 resulted from the use of smoothed reserve amounts in the projections.





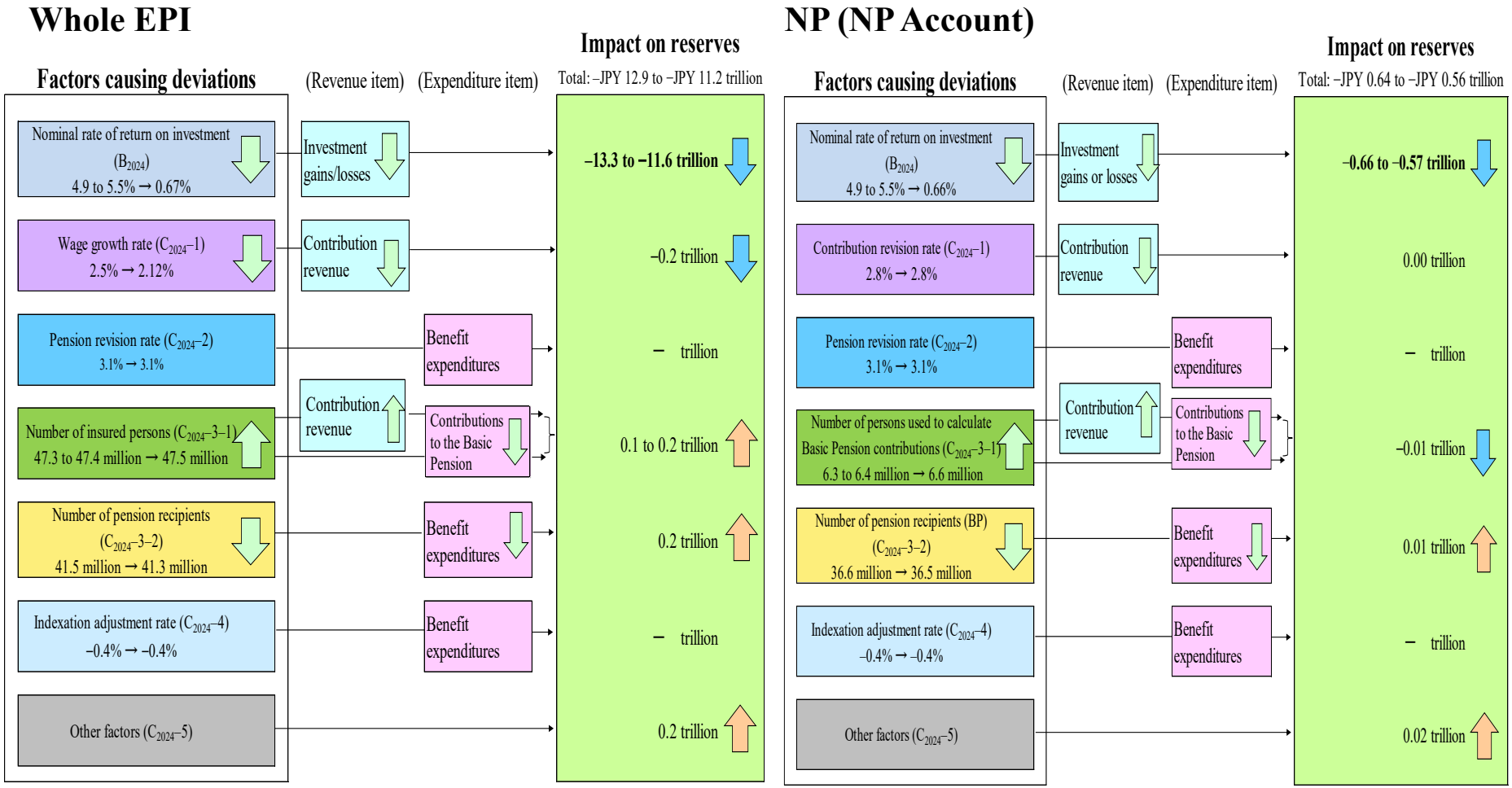




30. Results of the analysis of deviations in reserves (deviations arising in FY2024)

P225, 229 in the annual report

- The deviation in reserves arising in FY2024 was JPY –12.9 to –11.2 trillion for the whole EPI, largely attributable to the deviation in the nominal rate of return on investment, which contributed JPY –13.3 to –11.6 trillion. For the National Pension Account, the deviation in reserves was JPY –0.64 to –0.56 trillion, largely attributable to the deviation in the nominal rate of return on investment, which contributed JPY –0.66 to –0.57 trillion.



Note: Deviations in reserves are broken down and aggregated by factor, and the maximum and minimum values across the Transferring to a Sustainable Growth-Oriented Economic Stage Case and the Projection of Past 30-Year Trends Case are shown.

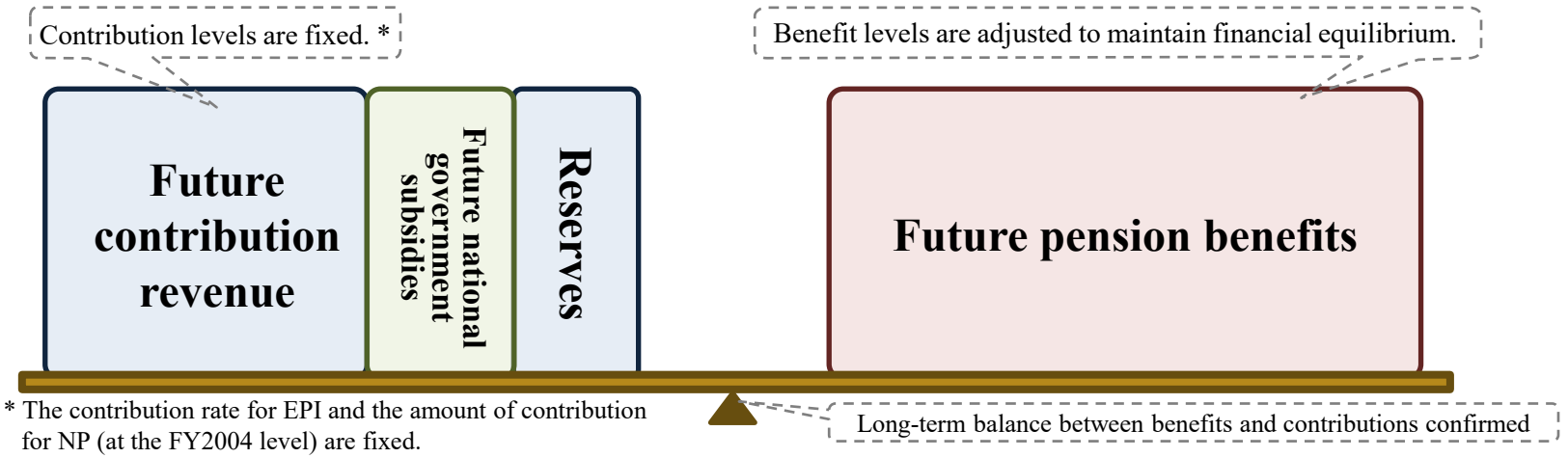
31. Evaluation of the actuarial status of EPI (1)

P230-236 in the annual report

- The actuarial status of EPI is evaluated by examining the difference between actual reserves and the "estimated benchmark reserve amount."
  The estimated benchmark reserve amount is the projected reserve amount adjusted to reflect the deviations of actual nominal wage growth and inflation through the end of FY2024 from the assumptions used in the actuarial valuation.* *See pp. 232 and 233 of the annual report.
- In assessing this difference, we take into account the following:
  - Public pension finances are designed to balance total financial resources—future contribution revenue, future national government funding, and current reserves—against total future pension benefits.
  - With contribution levels fixed, the system automatically adjusts benefit levels so that future benefit expenditures remain in balance with financial resources, including future contribution revenue and reserves.

  Accordingly, the actuarial status is evaluated by comparing the difference described above with financial resources comprising reserves and future contribution revenue.

Conceptual diagram of financial equilibrium in public pension plans



* The contribution rate for EPI and the amount of contribution for NP (at the FY2004 level) are fixed.

32. Evaluation of the actuarial status of EPI (2)

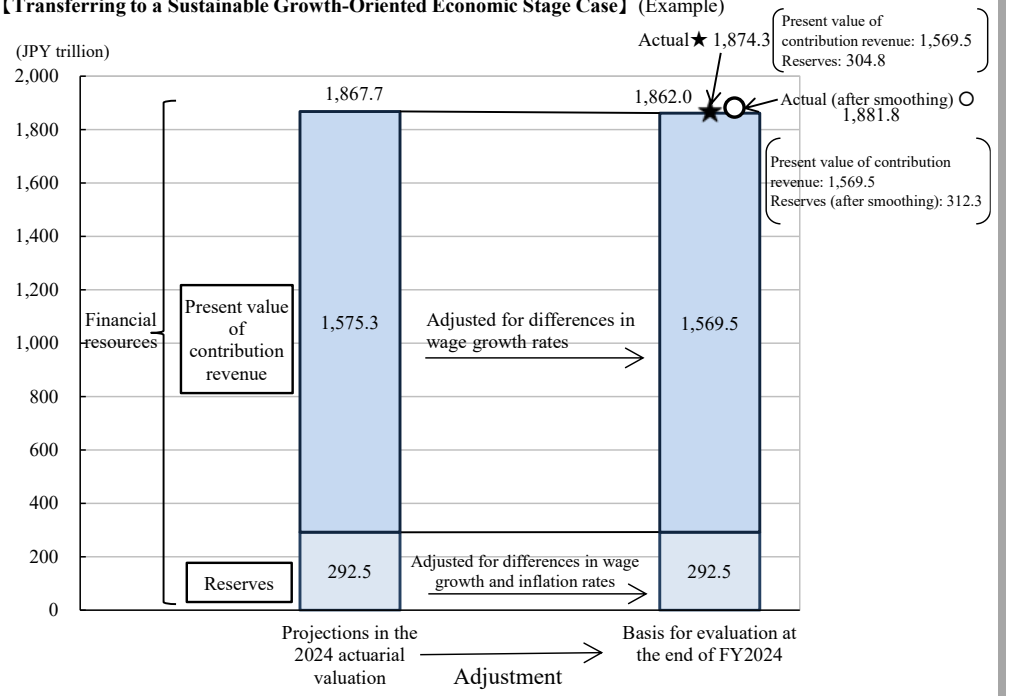
P230-236 in the annual report

Analysis of the actuarial status of EPI at the end of FY2024 under the Transferring to a Sustainable Growth-Oriented Economic Stage Case and the Projection of Past 30-Year Trends Case showed that actual reserves exceeded the estimated benchmark reserve amount by an amount equivalent to 0.7–0.8% of financial resources. When fluctuations resulting from market valuation were smoothed, the excess was equivalent to 1.1–1.2% of financial resources.

		Transferring to a Sustainable Growth-Oriented Economic Stage Case	Projection of Past 30-Year Trends Case
		JPY trillion	JPY trillion
Actual reserves	①	304.8 [312.3]	304.8 [312.3]
Estimated benchmark reserve amount	②	292.5	290.8
Difference between actual reserves and the estimated benchmark reserve amount	③=①−②	12.4 [19.8]	14.0 [21.5]
Financial resources (Reserves and future contribution revenue)	④	1,862.0	1,781.0
Ratio of the difference between actual reserves and the estimated benchmark reserve amount to financial resources (reserves and future contribution revenue)	③／④	% 0.7 [1.1]	% 0.8 [1.2]

Note: Figures in brackets are after smoothing fluctuations resulting from market valuation.

【Transferring to a Sustainable Growth-Oriented Economic Stage Case】(Example)



Note: The “estimated benchmark reserve amount” is the projected reserve amount adjusted for differences between the actual wage growth and inflation rates through the end of FY2024 and the assumptions used in the actuarial valuation.

33. Evaluation of the actuarial status of the public pension plans (1)

P237-238 in the annual report

- FY2024 is the first year covered by the projections in the 2024 actuarial valuation. This report identified the following developments in the actual results for FY2024:

(1) The actual numbers of both NP Category-1 insured persons and EPI insured persons were higher than projected. This may have been partly attributable to actual net migration of foreign nationals exceeding all the assumptions in the 2023 population projections.* In addition, actual life expectancy at age 65 was broadly in line with the high-mortality assumption in those projections. These developments had positive effects on public pension finances.

(2) Meanwhile, the total fertility rate has continued to decline since 2016, and its actual level in 2024 was broadly in line with the low-fertility assumption in the 2023 population projections. In addition, the actual real wage growth rate relative to inflation was below the assumptions for all cases in the 2024 actuarial valuation. These developments had negative effects on public pension finances.

(3) Actual reserves at the end of FY2023 had exceeded the projections and remained above the projections at the end of FY2024. Most of the excess at the end of FY2023 was attributable to the use of smoothed reserve amounts in the projections.

* Population Projections for Japan (2023 revision) by the National Institute of Population and Social Security Research

34. Evaluation of the actuarial status of the public pension plans (2)

P237-238 in the annual report

(4) In FY2024, benefit levels were adjusted under the modified indexation. However, wage growth lagged behind inflation, resulting in negative real wage growth. Consequently, unlike in FY2023, the adjustment did not have the effect of holding the growth of already awarded pensions below wage growth.

- If these deviations from the projections were to persist over the medium to long term rather than prove temporary, their impact on pension finances would be significant. In particular, the total fertility rate in 2024 was lower than in 2023 and broadly in line with the low-fertility assumption in the 2023 population projections. If this trend continues, it would have a significant impact on the future operation of the pension plan.

  The Pension Actuarial Subcommittee will continue to closely monitor the annual trends in the pension system administration from the said perspective as well.
- From the perspective of pension finances, demographic, economic, and other factors should not be viewed solely in terms of short-term movements. Trends in the actuarial status should instead be monitored from a long-term perspective.