# Outline of 2004 Pension Plan Revision

### Social and economic changes after 2000 Pension Plan Revision
- Revision of old-age pension for active employees
  - Revision of the application of the old-age pension scheme on active employees who are 60-64 (abolition of the measures to cut 20% of pensions across the board)
  - Benefit adjustment for EP of employees who are 70 and over (no contribution required)
  - Introduction of deferred payment of old-age EP for persons who are 65 and over
- Application of EP to temporary workers
  - In order to make EP as neutral as possible for choice of employment type, necessary measures will be taken based on the results of comprehensive examination done by 5 years after enforcement of 2004 Pension Plan Revision
- Support for the healthy development of the next generation
- Women and pension
  - System for division of pensions for Category III insured persons
    - Basic awareness that premiums borne by an insured person with the dependent spouse are jointly borne
    - In case where application of division is needed (e.g. divorce), a Category III insured person will be entitled to divide the half of EP corresponding to the insured period as Category III (after the enforcement)
  - Division of EP in case of divorce
    - With the spouse’s consent or a court decision, division of EP will be admitted in case of divorce (as regards the pensionable remuneration on which the computation of pension amount is based, the upper limit will be half of the total amount of remuneration of both parties)
  - Revision of the survivor’s pension
    - Provision of the full amount of old-age employees’ pension plus survivor’s pension as a difference of old-age employees’ pension and the current survivor’s pension
    - Limited term of provision for widows (younger than 30) without children
    - Additional benefits for middle-age and high-age widows will be a woman who is 40 on her husband’s death
- Improvement in disability pension
  - Concurrent provision of disability basic pension and old-age employees’ pension (a mechanism for reflecting the work done with disability on the pension plan)

### Establishment of Pension Plan to Meet Diversification of the individual’s lifestyle and working style
- Stabilization and improvement of corporate pensions (lifting of freeze on exempted contribution rates, special rules on dissolved funds, progress in portability, etc.)
- Revision of the system for management of pension funds (management with diversified investment, establishment of an independent administrative corporation for management of funds, etc.)

### Establishment of Sustainable and Balanced Plan / Securing Confidence in the Plan
- Reinforcement of measures for collection of national pension premiums (introduction of a system of cascade-type exemption based on income level, etc.)
- Framework for deepening understanding on pension systems (“Point System”)
- Measures to accept registration for unregistered Category III persons (relief of unregistered period)

### Social and economic changes after 2000 Pension Plan Revision
- Raising of the portion of the basic pension funded from tax revenues to half
- Lifting of the freeze on raising employee and national pension premiums
- Further need for flexibility to meet diversification of the individual’s lifestyle and working style

### Raising of the Portion of the Basic Pension Funded from Tax Revenues to half
- Initiating from FY 2004 and to be accomplished by FY 2009
  - FY2004: Increased tax revenues will be allocated from revision of pension taxation
  - FY2005~2006: The portion funded from tax revenues will be raised: to appropriate level on the basis of economic and social movement after taking necessary measures for taxation system

### Financial Inspection
- Inspection will be carried out at least every 5 years for the 100-year pension finance

### Fixed premiums and automatic adjustment of benefits based on macroeconomic indexation
- After fixing premium level, automatic adjustment system of benefits within the income will be introduced

### Adjustment of pension benefits reflecting the increased capability of the society as a whole to contribute (macroeconomic indexation) (however, the nominal amount will be maintained as the lower end of adjustment)

<table>
<thead>
<tr>
<th>Employees’ Pension &lt;EP&gt;</th>
<th>raised by 0.354% per annum from October 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18.30% as fixed rate from FY 2017 on</td>
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<tr>
<td>National Pension &lt;NP&gt;</td>
<td>raised by 280 yen (monthly amount) per annum from April 2005</td>
</tr>
<tr>
<td></td>
<td>16,900 as fixed amount from FY 2017 on</td>
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</tbody>
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