Outline of the Japanese Pension System
(tentative translation)

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THE OFFICE FOR PLANNING OF INTERNATIONAL PENSION AFFAIRS
GENERAL AFFAIRS DIVISION, PENSION BREAU
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Structure of the public pension system

The Japanese pension system was originally divided into several parts: Employees' Pension Insurance for employees working for private companies, Mutual Aid Pension for public service employees and a National Pension for self-employed individuals.

However, this type of arrangement is now considered to have an unstable financial base. It could not ensure long-term stability because of inability to cope with the changing in employment and industry structures. And, it is also pointed out there are inequalities in benefits and burden between the systems.

The basic pension, which was introduced at the pension system reform in 1985, was made available to every person in Japan and Japanese citizen abroad. The Employees' Pension system and the Mutual Aid Pension system were reorganized to provide remuneration-related pensions in addition to the basic pension benefits.

Other than public pension systems, there are corporate pension plans such as Employees' Pension Funds with the private pension characteristics of accumulation, which provide means to ensure better benefits for employees. There is also the National Pension Fund as means of providing benefits in addition to the basic pensions paid to self-employed workers and other individuals.

The history of the public pension system

We can start by looking back to the old pension plan (which paid benefits to public servants as a reward), while it started in 1942 with the adoption of the Laborers’ Pension Insurance Law (renamed the Employees' Pension Insurance Law in 1944) which acted as a general social insurance system.

Later, the nation successfully navigated the period of chaos after the war and the restructuring of the Employees' Pension System, then, universal pension coverage was achieved when the National Pension System was introduced in 1961.

During Japan's period of high economic growth, the pension system was advanced. Payments reached the same level as in foreign countries, assuring the plan's position as the pillar of people's old age living.

While the system has been reformed and revised several times to deal with the aging society, the aim is to provide a stable and reliable pension system in the future, which is an issue of major importance. In 2000, the public pension system as a whole was reviewed in order not to overburden the future working generations as well as in order to ensure the pension payment over a long term of period in the future.
Main Developments of the Public Pension Systems in Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1942</td>
<td>The Workers’ Pension Insurance Act was enacted (renamed in 1944 as the Employees’ Pension Insurance Act)</td>
</tr>
<tr>
<td>1954</td>
<td>The Employees’ Pension Insurance Act was entirely revised.</td>
</tr>
<tr>
<td>1961</td>
<td>The National Pension Act became effective (i.e. The universal pension system)</td>
</tr>
<tr>
<td>1965</td>
<td>10,000 yen pension benefit was achieved.</td>
</tr>
<tr>
<td>1969</td>
<td>20,000 yen pension benefit was achieved</td>
</tr>
<tr>
<td>1973</td>
<td>The introduction of the Price Indexation System, Reassessment of the Standard Remuneration, etc.</td>
</tr>
<tr>
<td>1985</td>
<td>The introduction of the Basic Pension, rationalization of the level of pension benefit, etc.</td>
</tr>
<tr>
<td>1989</td>
<td>Full Automatic Price Indexation System was introduced.</td>
</tr>
<tr>
<td>1990</td>
<td>Project to coordinate the difference in the cost bearing among the employees' pension schemes was started.</td>
</tr>
<tr>
<td>1994</td>
<td>Pensionable age of the Employees’ Pension Insurance was raised. Disposable Income Indexation was introduced.</td>
</tr>
<tr>
<td>1997</td>
<td>Three Mutual Aid Associations (Japan Railway, Japan Tobacco Cooperation, and Nippon Telegraph and Telephone) were integrated into the Employees' Pension Insurance.</td>
</tr>
<tr>
<td>2000</td>
<td>Adjustment to the growth of total benefits payment, etc.</td>
</tr>
<tr>
<td>2002</td>
<td>Agriculture, Forestry and Fisheries Federation Mutual Aid Pension Plans are incorporated into the Employees’ Pension Plan (the law enacted in June 2001)</td>
</tr>
</tbody>
</table>
Current Status of the pension system

Participants

All individuals aged 20 to 60 participate in the National Pension. There were 70.46 million participants as of the end of March 2003. Of this total, 36.85 million participants also participated in employee pension systems, including salaried workers contributing to the Employees’ Pension Insurance and public service workers and others contributing to the Mutual Aid Associations as of the end of March 2003.

Eligible

The number of persons eligible to receive Old-Age (retirement) Pension benefits as of the end of March 2003 was 22.12 million (including those who are eligible of pension system for employees of 65 years and over). Total number of persons eligible of pension systems for employees was 12.31 million. There are a total of 40.91 million persons eligible for benefits including those eligible for disability or Survivor’s pensions.

List of Public pension system

<table>
<thead>
<tr>
<th>Classification</th>
<th>Number of insured</th>
<th>Those eligible to receive Old-Age Basic Pension</th>
<th>Average monthly Old-Age Basic Pension</th>
<th>Premium (As of April 2004)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category-1 insured</td>
<td>22,370</td>
<td></td>
<td></td>
<td>¥ 13,300</td>
</tr>
<tr>
<td>Category-2 insured</td>
<td>36,850</td>
<td></td>
<td>22,120</td>
<td>¥ 59,000</td>
</tr>
<tr>
<td>Category-3 insured</td>
<td>11,240</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>70,460</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Classification</th>
<th>Number of insured</th>
<th>Those eligible to receive Old-Age Pension</th>
<th>Average monthly Old-Age Pension</th>
<th>Premium rates (As of April 2004)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Pension Insurance</td>
<td>32,140</td>
<td>10,150</td>
<td>¥ 174,000</td>
<td>13.58 %</td>
</tr>
<tr>
<td>National Public Service Mutual Aid Association</td>
<td>1,100</td>
<td>610</td>
<td>¥ 228,000</td>
<td>14.38 %</td>
</tr>
<tr>
<td>Local Public Service Mutual Aid Association</td>
<td>3,180</td>
<td>1,470</td>
<td>¥ 236,000</td>
<td>12.96 %</td>
</tr>
<tr>
<td>Private School Teachers and Employees Mutual Aid Association</td>
<td>430</td>
<td>80</td>
<td>¥ 220,000</td>
<td>10.46 %</td>
</tr>
<tr>
<td>Total</td>
<td>36,850</td>
<td>12,310</td>
<td>¥ 183,000</td>
<td></td>
</tr>
</tbody>
</table>

Number of insured and those eligible to receive Old-Age Basic Pension: in thousands of persons.
Outline of National Pension System

National Pension was established in November 1959, as the base of the public pension system which provides insurance benefits against old-age, disability, death for all of the Japanese, in order to prevent deterioration of the stability of the livelihood of the people through national solidarity and thus to secure and improve the decent standard of living of the people.

Management

National Pension is managed by the National Government. Also, social insurance offices and municipal governments provide face-to-face services to people living in Japan.

Insured persons

All persons living in Japan (including foreigners) shall be, in principle, covered by National Pension. As a result, National Pension is a universal system for all people and provides Basic Pension.

1. Category 1 insured persons

Persons living in Japan aged 20 and over but under 60, who are neither the persons covered by Employees’ Pension Insurance and Mutual Aid Pensions nor spouses of Category 2 insured persons, are categorized as Category 1 insured persons. (Note 1) (Note 2)

2. Category 2 insured persons

Persons covered by Employees’ Pension Insurance or Mutual Aid Pensions (hereinafter referred to as “Pension systems for employees”) are categorized as Category 2 insured persons.

3. Category 3 insured persons

Dependent spouses of Category 2 insured persons aged 20 and over but under 60 are categorized as Category 3 insured persons. (Note 3)

Note 1

Insured person on a voluntary basis:

1. A person aged under 60 and living in Japan, who is eligible to receive old-age pension benefits under Employees’ Pension Insurance and Mutual Aid Pensions. << Voluntary coverage of exempted persons >>
2. A person aged between 60 and 64 and living in Japan << Voluntary coverage of elderly persons >>
3. A person living outside Japan, but who has Japanese nationality aged 20 and over but under 65 << Voluntary coverage of persons living outside Japan >>
4. A person who was born before 1 April 1955 and meets the following conditions, except a person who is already eligible to receive old-age pension. << Voluntary coverage of persons aged between 65 and 69 >>
   (1) A person who has an address in Japan aged between 65 and 69
   (2) A person who has Japanese nationality and does not have an address in Japan aged between 65 and 69.
      When the person obtains the eligibility of old-age pension benefits, he/she loses qualification as an insured person.

Note 2
Uncovered persons aged 20 and over but under 60
1. Exemption from National Pension
   (1) A person who meets qualifying conditions of old-age pensions under the laws on pension systems for employees
   (2) A person who does not have an address in Japan
2. Withdrawal on a voluntary basis
   A person, who is once qualified halfway but later finds out that he/she can not meet conditions for the entitlement to receive old-age pension benefits in the future, can choose to be disqualified upon approval of the Commissioner of Social Insurance Agency.

Note 3
Dependent spouse: Dependent spouse is a spouse mainly supported by a Category 2 insured person, who corresponds to the dependent in terms of the Health Insurance.
Insured persons must pay contributions every month. Those months are recognized as insured periods.

1. Contribution of Category 1 insured persons

Obligation of payment of contributions:
Persons, who are obliged to pay contributions, are primarily insured persons themselves. Yet, National Pension covers the unemployed, students, family employees, housewives, etc. who do not often earn sufficient income or have sufficient capacity to pay contributions. In order to ensure the right for pension benefits for above-mentioned people in the future, householders and spouses of insured persons have the responsibility to pay contributions for the insured persons.

2. Amount of contribution

(1) The amount of contribution is fixed at 13,300 yen per month for the fiscal year 2001.
(2) National Pension is operated under the principle of "fixed contribution" and "fixed benefit". Yet, in order to ensure the financial balance in the future, contribution of National Pension is regularly revised at least once every five years with taking into account the amount of expenditure necessary for the provision of pension benefit, the expected income from investment of pension reserve fund, and the subsidy from the national revenue.

3. Method of contributions

Contributions must be paid through financial institutions, such as banks and post offices, with the payment bills sent by the municipalities. In some places, private regional organizations such as women’s society help collecting contributions. (After 1 April 2002, contributions are paid with the payment bills sent by the Commissioner of Social Insurance Agency.)

4. Contributions of Category 2 and Category 3 insured persons

For periods recorded as Category 2 insured persons and Category 3 insured persons, those persons need not pay contributions to National Pension individually. However, certain amount of the contributions from Category 2 insured persons to Employees’ Pension Insurance is transferred to the National Pension thus the contribution from Category 2 insured persons also finances part of the budget of National Pension. In addition to this, a Category 3 insured person is required to submit an application form in order to be exempted from payment of contributions since they are supported by the employees’ pension schemes.
Exemption of contributions

In order to secure income for people with low income, National Pension covers such people as Category 1 insured persons. If Category 1 insured persons cannot pay contributions under the certain conditions, they could be exempted from payment of contributions. However, when they claim for old-age pension benefits, the exempted periods will be evaluated as one-third of contribution-paid period.

Note
The exempted periods are evaluated as one-third of contribution-paid period only when the amount of pension benefit is calculated, and they are evaluated as the original length in the qualifying period (25 years).

1. Statutory exemption

Insured persons who meet one of the following conditions should be exempted from payment of contributions.

(1) Beneficiaries of the Disability Basic Pension and other disability pensions under the pension systems for employees.
(2) Persons who receive livelihood assistance under the Public Assistance Law or receive equivalent aids under the Law to Abolish Hansen's Disease Prevention Law.
(3) Persons admitted to the Hansen's disease sanatoria, the national spiral disorder sanatoria and other national sanatoria.

2. Exemption by application

Persons, who meet one of the following conditions, can submit applications to the Commissioner of Social Insurance Agency to be exempted from paying contributions from the month precedent to the month to which the day of application belongs to the month determined by the Commissioner of Social Insurance Agency upon approval of the Commissioner of Social Insurance Agency.

However, if the householder or the spouse who are jointly liable for paying contributions and capable of paying, the applying persons cannot be exempted. The approval of the Commissioner of Social Insurance Agency is based on "the Criteria for the exemption of contributions".

(1) The person applying for exemption does not have any income
(2) At least a member of household of the person applying for exemption receives livelihood assistance under the Public Assistance Law or receives equivalent aids under the Law to Abolish Hansen's Disease Prevention Law
(3) A person, who is regarded as physically disable, mentally retarded, wounded in the war, or widowed based on the criteria in the Local Tax Law, has annual income of less than 1,250,000 yen.
(4) Other than the above-mentioned conditions, a person for whom it is extremely difficult to pay contributions.

2. Half exemption

(1) Category 1 insured persons with low income of certain range can submit applications to be exempted from paying half of the contribution. However, this rule is not applied to students who can be applied to “Special provision of exemption for students”.

(2) When the Old-age Basic Pension is calculated, the half-exempted period will be evaluated as two-thirds of contribution-paid period.

Note
The half-exempted periods are evaluated as two-thirds of contribution-paid period only when the amount of pension benefit is calculated, and they are evaluated as the original length in the qualifying period (25 years).

4. Special provision of exemption for students

(1) Students, who are Category 1 insured persons and whose earnings are less than the certain amount, can be exempted from paying contributions based on the application from those students. Persons who are exempted to pay contributions from this provisions can choose to pay each exempted contribution within 10 years from the month of exemption.

(2) The exempted periods during student are not counted for their pension benefits to be received in the future, but this period is counted as the period for entitlement.

(3) If students become disabled during the exempted period, they may receive full amount of disability pension benefit depending on the level of their disability.

5. Retrospective payment of contribution

If a person, who was exempted from payment of contributions, becomes able to pay contributions, he/she is allowed to pay contributions retrospectively up to 120 months (10 years) so that he/she will be able to receive higher old-age pension benefits in the future.

If a person pays contributions for the contribution-exempted periods retrospectively, such periods shall be treated as contribution-paid periods.
Types of pension benefits and lump-sum benefits

1. The following pension benefits are common under the public pension schemes:
   (1) Old-age Basic Pension
   (2) Disability Basic Pension
   (3) Survivors' Basic Pension

2. The following pension benefits are provided to Category 1 insured persons:
   (1) Additional Pension to the Old-age Basic Pension
   (2) Widow's Pension
   (3) Lump-sum Death Benefit
   (4) Lump-sum Withdrawal Benefit
**Determination of pension benefit**

1. The Commissioner of the Social Insurance Agency determines the right of pension benefits based on the claim from insured persons.
2. Determination is an administrative action in order to make sure that the pension rights exist for persons who request the confirmation of their basic rights to receive pension benefits.
3. Entitlement to pension benefits shall be determined upon the request from insured persons.

**Note**
The Social Insurance Agency is an external organ of the Ministry of Health, Labour and Welfare which is in charge of administration of public health insurance systems and public pension systems.

**Period of payment and due date of pension benefits**

1. Pension payment shall start from the following month after the month when insured person obtained a pension right and shall stop being paid in the month the pension right is terminated.
2. If payment of pension benefits needs to be suspended for any reason, the payment shall be suspended from the following month after such reason occurs to the month in which reasons for suspension disappear.
3. Pension is paid every two months (February, April, June, August, October and December) and the amount corresponds to the benefit for the previous month and the month before the previous month.

**Price indexation of pension benefits**

The amount of benefits of National Pension is revised at the time of the financial recalculation, which is undertaken at least once every five years, to keep pace with improvement of standard of living. In addition, the amount is automatically indexed to the change in Consumer Price Index between the financial recalculation because the change in prices has direct influence on the real value of pension benefit.
Details of pension benefits

1. Old-age Basic Pension
2. Disability Basic Pension
3. Survivors' Basic Pension
4. Additional Pension to Old-age Basic Pension
5. Widow's Pension
6. Lump-sum Death Benefit
7. Lump-sum Withdrawal Benefit
1. Qualifying period

At least 25 years including contribution-paid period, contribution-exempted period and complementary period.

Note
Complementary period means the period which is considered as insured period but not reflected in the calculation of pension benefits.

2. Pensionable age

(1) 65 years of age

(2) Early payment (between age 60 and 64)

The Old-age Basic Pension may be claimed at the age between 60 and 64 instead of normal pensionable age of 65.
In such cases, the amount of pension benefits will be decreased in accordance with claimant’s age. (Following table shows the rates of discount)

<table>
<thead>
<tr>
<th>Age</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 64</td>
<td>6%</td>
</tr>
<tr>
<td>Age 63</td>
<td>12%</td>
</tr>
<tr>
<td>Age 62</td>
<td>18%</td>
</tr>
<tr>
<td>Age 61</td>
<td>24%</td>
</tr>
<tr>
<td>Age 60</td>
<td>30%</td>
</tr>
</tbody>
</table>

(3) Delayed payment (after age 66)

The Old-age Basic Pension may be claimed at the age after 66 instead of normal pensionable age of 65. In such cases, the amount of pension benefits will be increased in accordance with claimant's age. (Following table shows the rates of increase)

<table>
<thead>
<tr>
<th>Age</th>
<th>Increase Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 66</td>
<td>8.4%</td>
</tr>
<tr>
<td>Age 67</td>
<td>16.8%</td>
</tr>
<tr>
<td>Age 68</td>
<td>25.2%</td>
</tr>
<tr>
<td>Age 69</td>
<td>33.6%</td>
</tr>
<tr>
<td>Age 70</td>
<td>42.0%</td>
</tr>
</tbody>
</table>
3. Amount of pension benefit

The following mathematical formula is used for the calculation of the amount of pension benefits:

\[
\text{Amount of Old-age Basic Pension} = 797,000 \text{ yen} \times \left( \frac{A + B \times \frac{2}{3} + C \times \frac{1}{3}}{D \times 12} \right)
\]

A: contribution-paid periods (based on month)
B: contribution-half-exempted periods (based on month)
C: contribution-exempted periods (based on month)
D: insurable years

Note
The number of insurable years is in principle 40 years. With regard to persons who were 45 years of age or older on 1 April 1986 (born before 1 April 1941), the possible years of contributions are decreased from 25 to 39 years in accordance with their date of birth.

4. Disqualification

Death
Disability Basic Pension

1. Qualifying Conditions

(1) Persons must be insured persons of National Pension or be aged between 60 and 64 and residing in Japan at the time of the first medical consultation of that sickness or injury.

- The total period of contributions or contribution-exempted period of claimant must be at least two-thirds of the insured period until two months before the month containing the first day of medical consultation.
- The claimant must be assessed as class 1 or 2 of disability at the date of recognition of disability.

(2) Persons who suffer from permanent disability before reaching 20 years of age.

- The entitlement period is not considered
- A person must be disabled at the date of recognition of disability

Notes

1. Date of recognition of disability: “Date of recognition of disability” is a date when the degree of disability is determined. There are two possibilities of the date of recognition of disability. One is the date when 18 months has passed since the first day of medical consultation. Another is the date when the condition of the disability becomes stable.
   Date when the condition of the disability becomes stable: “The condition of the disability becomes stable” means that sickness or injury is recovered from medical point of view (e.g. the amputated section of the leg is cured) even if physical or mental defect, deformity, or aftereffect of sickness or injury remains.

2. Disability: Disability of the physical function or the sickness which necessitates rest for a long period of time at the level that they keep a person from living a daily life.
   - Class 1 Disability: Disability at the level that a person cannot live a daily life without help of other person
   - Class 2 Disability: Disability at the level of that it is extremely difficult for a person to live a daily life without help of other person but less severe than Class 1 Disability

2. Subsequent increase of disability

In the case that insured persons cannot meet qualifying conditions for both general requirements and those for disability before 20 years of age, the person still may claim for Disability Basic Pension if the level of disability increases and reaches class 1 or 2 of disability before 65 years of age.
3. Timing of entitlement

(1) General requirement
   Date of recognition of disability
(2) Disabled before 20 years of age
   If the date of recognition of disability is before 20 years of age, the date when the person reaches
   20 years of age. If the date of recognition of disability is after 20 years of age, date of recognition
   of disability
(3) Subsequent increase of disability
   The date when a person claims for the Disability Basic Pension

4. Suspension of payment of pension benefits

(1) Payment of pension benefits will be suspended for 6 years when the person receives disability
   compensation due to the same reason for the Disability Basic Pension under the provisions of
   Labor Standards Law.
(2) If the person recovers from the disability, payment of pension benefits will be suspended during the
   period that the person is not classified as a disabled person.
(3) Regarding disability before 20 years of age, there are some provisions for suspension of payment
   of pension benefits as follows:
   • If the person can receive other public pension benefits.
   • If annual income of the previous year of the person exceeds certain amount
   • If the person does not have an address in Japan

5. Amount of pension benefit

| Class 1: 996,300 yen (797,000 X 1.25) + additional amount for child |
| Class 2: 797,000 yen + additional amount for child |

(1) The amount of Disability Basic Pension is fixed.
(2) If a person has a child for whom the first 31 March after his/her 18th birthday has not yet passed
   (a child under 20 years of age if disabled), 229,300 yen is paid to the first and second child and
   76,400 yen for third and other child respectively as additional amount.

6. Disqualification

(1) Death of beneficiaries
(2) Turning 65 years old after the degree of disability is improved and does not meet conditions for
   Class 3 disabled under the Employees’ Pension Insurance. (When three years have passed since
   the degree of disability is improved and does not meet conditions for Class 3 disabled, if three
   years have not yet passed since the time of improvement at the age of 65.)
Survivors’ Basic Pension

1. Qualifying conditions

(1) When an insured person dies during his/her insured period or a person aged between 60 and 64 living in Japan dies after the withdrawal from the National Pension. If the person had been insured before the month, which is two months before the month of death, contribution-paid period and contribution-exempted period must be more than two-thirds of total insured period. If the person dies before 1 April 2006, there is a transitional rule that it is also a qualifying condition that 12 months prior to two month before his/her death are contribution-paid period and contribution-exempted period.

(2) When a beneficiary of Old-age Basic Pension dies

As person has already met qualifying conditions, any other conditions are not required.

2. Applicable survivors

The following persons whose livelihood was supported by the dead person.

(1) A wife who lives with her child for whom the first 31 March after his/her 18th birthday has not yet passed (20 if disabled).

(2) A child of the deceased for whom the first 31 March after his/her 18th birthday has not yet passed (20 if disabled).

3. Timing of entitlement

The date when the insured or those who had been insured dies.

4. Suspension of payment

(1) When the survivor receives the survivors’ compensation under the Labor Standards Law, payment shall be suspended for 6 years.

(2) Survivors’ Basic Pension to a child shall be suspended during the period when the wife receives such pension or if the child shares livelihood with their father or mother.
5. Amount of Pension Benefit

(1) When a wife receives:

797,000 yen + additional amount for child

(2) When a child receives:

(797,000 yen + additional amount) / number of children

Note
229,300 yen is paid for each first and second child and 76,400 yen for each third and other child
**Additional Pension to Old-age Basic Pension**

Category 1 insured persons may select to pay additional contributions apart from ordinary contributions.

1. **Amount of contribution for Additional Pension to Old-age Basic Pension**

   400 yen per month

2. **Qualifying conditions**

   There is no qualifying period for additional pension. When Old-age Basic Pension is paid, additional pension is paid to beneficiary in addition to Old-age Basic Pension.

3. **Amount of benefit per month**

   200 yen × period of contributions for Additional Pension

4. **Period of benefits**

   Same as Old-age Basic Pension

**Widow's Pension**

If a Category 1 insured person dies, the wife of that person receives Widow's Pension until she starts to receive her own Old-age Basic Pension.

1. **Qualifying conditions**

   If a person who has more than 25 years of contribution-paid period, including contribution-exempted period, as a Category 1 insured person dies, his wife who has been supported by her husband at the time of his death and has been married for ten years or more may receive Widow's Pension from 60 years old to 65.

2. **Amount of benefits**

   Three-fourths of Old-age Basic Pension of the Category 1 insured persons.
Lump-sum Death Benefit

1. Qualifying conditions

(1) If a Category 1 insured person, who has paid contributions for more than 36 months (Half of the period in which a person paid a half of the contribution is added to these month), dies and there is nobody who can receive Survivors' Basic Pension at the day of his/her death, Lump-sum Death Benefit is paid to persons who have been sharing the livelihood with the person.

(2) The applicable survivors and their order: Spouse, children, parents, grand children, grand parents, brothers and sisters.

2. Amount of benefits

The following table shows the amount of Lump-sum Death Benefit:

<table>
<thead>
<tr>
<th>Period of contributions</th>
<th>Amount of pension benefit (¥)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 36 and 179 months</td>
<td>120,000</td>
</tr>
<tr>
<td>Between 180 and 239 months</td>
<td>145,000</td>
</tr>
<tr>
<td>Between 240 and 299 months</td>
<td>170,000</td>
</tr>
<tr>
<td>Between 300 and 359 months</td>
<td>220,000</td>
</tr>
<tr>
<td>Between 360 and 419 months</td>
<td>270,000</td>
</tr>
<tr>
<td>Between 420 months and over</td>
<td>320,000</td>
</tr>
</tbody>
</table>

**Note**
If a person who has paid additional contribution for more than three years dies, 8,500 yen is added to the each amount in the above table.
Lump-sum Withdrawal Benefit

1. Qualifying conditions

A Category 1 insured person, who has contributed to National Pension for more than 6 months and does not have Japanese nationality, may request to receive Lump-sum Withdrawal Benefit. However, if the person meets the following conditions, he/she cannot receive Lump-sum benefit:

(1) When the person has an address in Japan
(2) When the person has received disability pension benefits
(3) Two years has passed since the person last disqualified as an insured person under National Pension

2. Amount of benefits

The following table shows the amount of Lump-sum Withdrawal Benefit:

<table>
<thead>
<tr>
<th>Period of contributions</th>
<th>Amount of pension benefit (¥)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 6 and 11 months</td>
<td>39,900</td>
</tr>
<tr>
<td>Between 12 and 17 months</td>
<td>79,800</td>
</tr>
<tr>
<td>Between 18 and 23 months</td>
<td>119,700</td>
</tr>
<tr>
<td>Between 24 and 29 months</td>
<td>159,600</td>
</tr>
<tr>
<td>Between 30 and 35 months</td>
<td>199,500</td>
</tr>
<tr>
<td>Between 36 months and over</td>
<td>239,400</td>
</tr>
</tbody>
</table>
Outline of Employees' Pension Insurance System

The Employees' Pension Insurance is a system aiming at providing insurance benefits for employees against insurance accidents such as old age, disability or death, and contributing to the stabilization of standard of living of the employees and the survivors, and the improvement of their welfare.

Management

The Government manages employees' Pension Insurance. (Social Insurance Offices provide ranges of services)

Note
Employees' Pension Fund - in addition to old-age pension benefits
Employees' Pension Fund may be established by employers, who employ at least 500 persons, upon agreement of their employees and labor unions as well as upon the approval of the Minister of Health, Labour and Welfare.

(1) All of the insured persons at workplaces where funds are established have to join the funds. Furthermore, the contribution rate for the public pension system shall be reduced in accordance with the benefits to be provided by those funds.

(2) The funds must pay benefits whose amount of benefits is at least more than the benefits under the public pension system on the basis of such reduced contribution and the contributions from the enterprises and participants.
Insured person

National Pension also covers an insured person under Employees’ Pension Insurance as a Category 2 insured person, that is to say, he/she is covered by two pension schemes.

1. Scope of insured person

(1) A person under age 70 shall be compulsorily an insured person if he/she is employed at compulsorily covered workplace (including a ship) or a voluntarily covered workplace.

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Covered Sectors</th>
<th>Uncovered Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(such as Service Sector)</td>
</tr>
<tr>
<td>5 persons or more</td>
<td>Run by a corporation</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td>Run by an individual</td>
<td>☐</td>
</tr>
<tr>
<td>Less than 5 persons</td>
<td>Run by a corporation</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td>Run by an individual</td>
<td>☐</td>
</tr>
</tbody>
</table>

☐ : Mandatory coverage  ☐ : Non-Mandatory coverage

Note
A voluntarily covered workplace is a workplace other than a compulsorily covered workplace, in which more than half of the employees agree to be covered and principal of the business gets the approval of the Commissioner of Social Insurance Agency

(2) In addition to (1), an employee aged under 70 at a workplace, which is not a covered one, can become an insured person upon the agreement of his/her employer and the approval of the Commissioner of Social Insurance Agency. [Voluntary and Individually Insured Person]

(3) A person aged 70 and over and employed at a covered workplace but not entitled to receive any old-age pension benefits under public pension schemes for employees may become an insured person upon submitting an application to the Commissioner of Social Insurance Agency. [Aged and Voluntary Insured Person]

2. Types of insured persons

Under Employees’ Pension Insurance, insured persons are classified into the following three categories.

(1) Category 1 insured persons: male insured persons other than miners and seamen
(2) Category 2 Insured persons: female insured persons
(3) Category 3 Insured persons: miners and seamen

Note
Persons participating in Employees’ Pension Funds are called Category 1, 2 and 3 exceptional insured persons.

3. Exemption from coverage

(1) Employees employed by the National Government, municipalities or corporations and covered by the following Mutual Aid Associations:

a. Mutual Aid Association for National Public Officials
b. Mutual Aid Association for Local Public Officials and Personnel of Similar Status
c. Mutual Aid Association for Private School Personnel

(2) Temporary employees falling under the following categories:

a. Daily workers who are not continuously employed for more than one month.
b. Employees who are employed for not more than two months, and is not continuously employed beyond prescribed periods.

(3) Employees at workplaces the addresses of which are not fixed.
(4) Seasonal employees (excluding seamen) who are not continuously employed for more than four months.
(5) Employees employed at temporary workplaces and are not employed continuously more than six months.

4. Qualifications and Disqualification

(1) A person becomes an insured person of Employees’ Pension Insurance from the day when the person starts to be employed at a covered workplace or the day when the person ceases to be exempted for any reasons indicated in 3.
(2) An insured person is disqualified on the following day after his/her date of death, discharge by a covered workplace or falling under any of the exemptions indicated in 3.
(3) An insured person is disqualified on the day when he/she reaches age 70

Notes
Aged and voluntary insured persons shall be disqualified upon death or falling under one of the following cases:
1. When entitled to receive old-age pension benefits, etc. under any of employees’ pension schemes.
2. When discharged by a covered workplace.
3. Upon receipt of application for disqualification as an insured person.
1. Scope of remuneration under Employees' Pension Insurance Act

Remuneration includes all types of compensation for labor, such as cash or in-kind. However, payment for every period exceeding 3 months, provisional gift of money, or lump-sum payment upon retirement is excluded from the range of remuneration.

2. Grades of standard remuneration

There are 30 grades of Standard Remuneration ranging from ¥98,000 to ¥620,000, which are used for calculating the amount of contributions and benefits.

3. Calculation of monthly remuneration, determination of standard remuneration, etc.

(1) Regular Determination
The Commissioner of Social Insurance Agency determines Monthly Standard Remuneration of insured persons based on their monthly remuneration between April and June, every year.

(2) Occasional Revision
The Commissioner of Social Insurance Agency can revise the Standard Remuneration of insured persons, if the gap between average monthly amount of their remuneration for consecutive three months and his/her current Monthly Standard Remuneration becomes two grades higher or lower.
Contribution

1. Amount of Contribution

The amount of contribution, which can be calculated by Monthly Standard Remuneration for each month multiplying contribution rate, shall be equally shared between employees and employers. Concerning Aged and Voluntary Insured Persons (if employers do not agree to pay their contributions) they have to pay entire contribution by themselves. Employers are obliged to pay the contribution by the end of the following month in which contribution is calculated. Moreover, contribution is calculated for bonuses when they are paid, and the maximum amount of each bonus which is subject to contribution is ¥1,500,000.

Contribution rate from 1 April 2003

<table>
<thead>
<tr>
<th>Category</th>
<th>Contribution Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1 and 2 insured persons</td>
<td>13.58%</td>
</tr>
<tr>
<td>Category 3 insured persons</td>
<td>14.96%</td>
</tr>
</tbody>
</table>

Note

Members of Employees' Pension Fund

In case the Funds partially pay benefits on behalf of Employees' Pension Insurance, the cost of operation for payment, which is financed by contributions from members, shall be exempted from paying to the government.

2. Exemption from contribution during Child-Nursing Leave

During the period of leave for nursing a child aged under one year old, the parent and his/her employer shall be exempted from paying contribution to Employees' Pension Insurance.
Types of benefits

1. Old-age Employees' Pension and Specially Paid Old-age Employees' Pension for persons aged between 60 and 64.

2. Disability Employees' Pension and Disability Allowance

3. Survivors' Employees' Pension

4. Lump-sum Withdrawal Benefit

Benefits

Since insured persons of Employees' Pension Insurance are automatically covered by National Pension, when insurance accident occurs, they can also receive Old-age, Disability or Survivors Basic Pension. In principle, pension benefit of Employees' Pension Insurance shall be, therefore, paid in addition to respective basic pension. Yet, there is an independent payment by Employees Pension Insurance when National Pension pays no pension benefit.
Old-age Employees’ Pension

1. Applicable persons

Persons born on or after 2 April 1926, excluding those who were entitled to receive old-age pension provided by previous Employees Pension Insurance Act etc. prior to 1 April 1986.

2. Qualifying conditions

Persons who are insured persons of Employees’ Pension Insurance and have total insurance periods (contribution-paid period, contribution-exempted period, plus complementary period) of at least 25 years shall receive pension benefits from Employees’ Pension Insurance when they become 65 years old. The length of qualifying periods and the transitional measures for shortening the periods are the same as of Old-age Basic Pension.

Note
For miners and seamen, insured period obtained before 1 April 1986 shall be multiplied by 4/3 when amount of pension benefits is calculated. Also, insured period obtained between 1 April 1986 and 1 April 1991 shall be multiplied by 6/5 as well.

3. Amount of pension benefit

Amount of pension benefit will be the sum of remuneration-related pension benefit, transitionally added amount and additional amount.

(1) Amount of remuneration-related pension benefit

a. Amount corresponding to the insured period before March 2003

Average Monthly Standard Remuneration $\times$ 7.125/1000 $\times$ Number of insured months $\times$ Indexation rate

Note
With reference to the rate 7.125/1000, the rate is raised gradually to 9.5/1000 for those who were aged 40 and more on 1 April 1986 (born after 1 April 1946), depending on their date of birth.

b. Amount corresponding to the insured period after April 2003

Average Standard Remuneration $\times$ 5.481/1000 $\times$ Number of insured months $\times$ Indexation rate
Note
With reference to the rate 5.481/1000, the rate is raised gradually to 7.308/1000 for those who were aged 40 and more on 1 April 1986 (born after 1 April 1946), depending on their date of birth.

Note
“Average Monthly Standard Remuneration” in b is the amount derived from dividing total amount of Monthly Standard Remunerations and Standard Bonuses for the insured period, which is the basis for calculating pension benefits after April 2003, by the number of insured months.

(2) Transitionally added amount
If there is balance after calculation by subtracting (b) from (a) indicated below, that amount shall be paid as transitionally added amount.

a. \[ ¥1,676 \times \]
   \[ \text{Rate determined depending on the date of birth fixed by an ordinance} \times \text{Number of insured months (444 at maximum)} \times \text{indexation rate} \]

b. \[ ¥797,000 \times \]
   \[ \text{Number of insured months under EPI} \div \text{Number of months in which an insured can be covered by the National Pension} \]

Note
The number of insured months under Employees’ Pension Insurance is the period after 1 April 1961, that is the actual period during which the person aged 20 and over but under 60 is insured.

(3) Additional Amount
If a person has at least 20 years of insured period (if the transitional measures for middle aged or aged person to shorten the qualifying period is applicable to that person, 20 years shall be that shortened period.) under Employees’ Pension Insurance, the additional amount is payable when he/she has a spouse under 65 or a child before the first 31 March after the child become 18 (in the case of Disability Class 1 or 2, under 20) whose livelihood is supported by the person at the time when he/she has become entitled to receive Employees’ pension benefits.

- Spouse ¥ 229,300
- First and second child ¥ 229,300 each
- Other child ¥ 76,400 each

Notes
1. Payment of any additional amount for spouses shall be suspended, if the spouses are entitled to receive Old-age Employees’ Pension [only when the insured period under Employees’ Pension Insurance is 20 years (if
the transitional measures for middle aged or aged person to shorten the qualifying period is applicable to that person, 20 years shall be that shortened period.) or more), Disability Employees' Pension or Disability Basic Pension, etc.

2. The additional amount to Old-age Employees' Pension for spouse born on or after 2 April 1934 shall be as follows:

\[
¥ 229,300 \ + \ \text{Specially paid additional amount to additional amount}
\]

**Specially paid additional amount**

<table>
<thead>
<tr>
<th>Date of birth of a person entitled to receive Old-Age Employees' Pension</th>
<th>Amount (¥)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person who was born between 2 April 1934 and 1 April 1940</td>
<td>33,800</td>
</tr>
<tr>
<td>Person who was born between 2 April 1940 and 1 April 1941</td>
<td>67,700</td>
</tr>
<tr>
<td>Person who was born between 2 April 1941 and 1 April 1942</td>
<td>101,600</td>
</tr>
<tr>
<td>Person who was born between 2 April 1942 and 1 April 1943</td>
<td>135,400</td>
</tr>
<tr>
<td>Person who was born after 2 April 1943</td>
<td>169,200</td>
</tr>
</tbody>
</table>

(4) Suspension of payment of benefit during employment

The Remuneration-related portion of the Old-age Employees' Pension for people aged between 65 and 69 who are insured by the Employees' Pension Insurance is paid after the suspension based on the following rule, which corresponds to the amount of Monthly Standard Remuneration.

a. Unless the sum of current Monthly Standard Remuneration and Old-age Employees' Pension (Remuneration-related Portion) benefit exceeds ¥370,000, the beneficiary can receive full amount of pension benefits. Yet, if he/she earns more than the amount above, the exceeding amount of Old-age Employees' Pension (Remuneration-related portion) will be reduced by half of extra Standard Remuneration.

b. The person can, in any cases, receive full amount of Old-age Basic Pension.
Old-age Employees’ Pension in the first half of 60s

1. Applicable persons

The same as Old-age Employees’ Pension

2. Qualifying conditions

Old-age pension benefit is paid to those who aged between 60 and 64, provided that they meet the qualifying conditions of Old-age Basic Pension and have at least one year of insured period under the Employees’ Pension Insurance.

Special rule
With regards to Category 3 insured persons (miners and seamen), pensionable age is currently fixed at age 55 if insured persons have 15 year of insured period or more. This pensionable age for Category 3 insured persons will be raised gradually to 60 from 2001.

<table>
<thead>
<tr>
<th>Date of Birth</th>
<th>Pensionable age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person who was born before 1 April 1946</td>
<td>55</td>
</tr>
<tr>
<td>Person who was born between 2 April 1946 and 1 April 1948</td>
<td>56</td>
</tr>
<tr>
<td>Person who was born between 2 April 1948 and 1 April 1950</td>
<td>57</td>
</tr>
<tr>
<td>Person who was born between 2 April 1950 and 1 April 1952</td>
<td>58</td>
</tr>
<tr>
<td>Person who was born between 2 April 1952 and 1 April 1954</td>
<td>59</td>
</tr>
<tr>
<td>Person who was born after 2 April 1954</td>
<td>60</td>
</tr>
</tbody>
</table>

3. Amount of pension

Total amount of (1) Flat rate portion (calculated under the formula indicated in 3 (2) a of Old-age Employees’ Pension), (2) Remuneration-related portion, and (3) Additional Amount

Note
As a result of the pension reform of 1994, the remuneration-related portion only will gradually become the whole amount of pension, starting from 2001. However, even if the pension is composed of the remuneration-related portion only in normal case, there are some exceptional cases, such as a person falling under the disability classes 1 through 3, a person credited 44 years or more insured period under Employees’ Pension Insurance, or a person credited 15 years or more actual participation period as miner or seamen, in which the above-mentioned total amount is paid. Also, as a result of the reform in 2000, the pensionable age of remuneration-related portion will gradually be raised to 65, starting from 2017. (In response to this change, early retirement pension of remuneration-related portion for aged between 60 and 64 will be introduced.)
4. Suspension of Payment

(1) Suspension during Employment

Old-age Employees’ Pension for people aged between 60 and 64 is paid after the following suspension if an insured person is covered by the Employees’ Pension Insurance.

a. While a person is employed, 20 percent the pension benefits shall be suspended. However, the sum of earnings and 80% of pension benefit shall be paid up to ¥220,000.
b. If the earnings exceed the above-mentioned limit, pension benefits shall be suspended by half the amount of the increase in earnings.
c. If the earnings exceed ¥370,000, pension benefits shall be suspended by the amount of the increase in earnings.
d. If additional amount is paid, items from (a) to (c) above shall be applied to the portion other than the additional amount and, if payment of such portion is fully suspended, payment of additional amount shall be suspended as well.

(2) Relationship with early payment

Benefits of Old-age Employees’ Pension provided to persons aged between 60 and 64 shall be suspended while the entitled person is receiving early payment of Old-age Basic Pension.

Note
If the Old-age Employees’ Pension is changed to include only the remuneration-related portion, the Old-age Employees’ Pension and early payment of Old-age Basic pension may be received at the same time. (After completing the raise of pensionable age of remuneration-related portion, the person will be able to receive early payment of Old-age Employees’ Pension and Old-age Basic Pension at the same time.)

(3) Relationship with the Employment Insurance

a. Adjustment due to Unemployment Benefits (basic allowance)
After April 1998, Specially paid Old-age Employees’ Pension shall be suspended from the month following the month when a person submits a job application to Public Employment Security Office through the month when the period (or prescribed number of days) of payment of basic allowance of unemployment benefits pertaining to the application expires.

b. Adjustment due to Benefits for Continuous Employment of Old Persons
With regard to an insured person under Employees’ Pension Insurance after April 1998 and receiving Benefit for Continuous Employment of Old Persons under Employment Insurance, benefit amounting equal to 10% of Monthly Standard Remuneration shall be suspended, in principle, in addition to the suspension of payment of benefits under the scheme of Old-age Pension during Employment.
Disability Employees' Pension

1. Qualifying conditions

(1) If the disability due to an injury or disease, which was first diagnosed during the insured period under Employees' Pension Insurance, is classified as Disability Class 1 or 2, Disability Employees' Pension shall be paid in addition to Disability Basic Pension.

(2) If the disability is classified as Disability Class 3, only Disability Employees' Pension shall be paid.

Note
Disability Employees' Pension shall be paid if requirements of contributions under Disability Basic Pension are met.

2. Amount of Pension

<table>
<thead>
<tr>
<th>Disability Class</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1</td>
<td>((A \times \frac{7.125}{1000} \times B) \times 1.25 \times C + D)</td>
</tr>
<tr>
<td>Class 2</td>
<td>((A \times \frac{7.125}{1000} \times B) \times C + D)</td>
</tr>
<tr>
<td>Class 3</td>
<td>((A \times \frac{7.125}{1000} \times B) \times C)</td>
</tr>
</tbody>
</table>

A: Average Monthly Standard Remuneration
B: Number of insured months
C: Indexation Rate
D: Additional Amount

If the amount of disability pension benefit for a person with Disability Class 3 is less than ¥597,800, ¥597,800 shall be guaranteed as minimum disability benefit.

Notes
1. If the number of insured months is less than 300 (25 years), the number of insured months shall be deemed as 300 in any case.
2. The additional amount is paid to only spouses.
3. When the amount is calculated for the insured period after April 2003, formula in 3 (1) of Old-age Employees' Pension applies. (Same for the other benefits in case of calculating the remuneration-related portion.)
3. Disability Allowance

(1) Qualifying conditions

In order to receive Disability Allowance, a person must meet all conditions indicated below:

a. An injury or disease first diagnosed during the insured period is cured within 5 years from the first date of medical consultation and the person has certain level of disability on that date of recovery.

b. The person meets the requirements of contributions under Disability Basic Pension.

(2) Amount of Benefit

The following mathematical formula will be applied when amount of pension benefit is calculated.

\[(\text{Average Monthly Standard Remuneration} \times 7.125/1000 \times \text{Number of months insured}) \times 2\]

However, if the amount of benefit figured out by the above mentioned mathematical formula is less than ¥1,206,400, ¥1,206,400 shall be guaranteed as minimum Disability Allowance.

Note
If the number of insured months is less than 300 (25 years), the number of insured months shall be deemed 300 in any case.

(3) Disability Allowance shall not be paid to any of the following persons.

a. A person entitled to receive Old-age Employees', Disability or Survivor's Pension.

b. A person entitled to receive pension benefits from National Pension or Mutual Aid Associations.

c. A person who can receive disability compensation, etc. under Labor Standard Law or Labor Accident Compensation Insurance Law, etc.
Survivors' Employees' Pension

1. Qualifying conditions

Survivors' Employees' Pension is payable to a person who meets any of the following conditions:

(1) When an insured person dies
(2) When a person dies due to injury or disease first diagnosed during insured period within 5 years from the date of diagnosis, after disqualified as an insured person.
(3) When a person entitled to receive Disability Employees' Pension as Disability Class 1 or Class 2 dies
(4) When a person entitled to receive Old-age Employees' Pension or who meets period of its entitlement dies

Note
In the case that a person corresponds to (1) or (2) mentioned above, he/she must meet requirement of contribution of Survivor's Basic Pension.

2. Applicable survivors

The following persons whose livelihood was supported by the insured person at the time of his/her death.

(1) Wife
(2) Unmarried child or grandchild until the end of the fiscal year when the child becomes 18 or, in the case of having Disability Class 1 or 2, under age 20.
(3) A husband, parents or grandparents of aged 55 or over (Benefits to be paid from age 60)
(4) A husband, parents or grandparents, in case of having Disability Class 1 or Class 2 (only in the case the insured died on or before 1 April 1996)

Note
As a transitional rule, Survivor's Employees' Pension shall be paid also when a person entitled to receive Disability Pension (Disability Class 1 or 2) under the former Employees' Pension Insurance Law, or a person who meets periods of entitlement of Old-Age Pension under the former Employees' Pension Insurance Law, etc. dies.
3. Amount of benefit

(1) Amount of benefit shall be calculated by the following mathematical formula:

\[
A \times \frac{7.125}{1000} \times B^{\frac{3}{4}} \times C + D
\]

A: Average Monthly Standard Remuneration
B: Number of insured months
C: Indexation Rate
D: Additional Amount

Notes
1. In the case of 1 (1) through (3) mentioned above, the number of insured months shall be 300 if the number of insured months is less than 300 in any case.
2. In the case of 1 (4) mentioned above, the rate 7.125/1000 will be raised corresponding to the date of birth of the deceased to 9.5/1000 at the maximum.
3. If both 1 (1) through (3) and 1 (4) mentioned above are applicable to a person, only one of (1) through (3) is applied, and (4) is not applicable, except for the case he/she claims as otherwise.

(2) Additional amount

Payable to childless wife aged 35 or over at the time of her husband’s death
a. Aged between 40 and 64: ¥597,800 (additional amount for middle aged or aged widows)
b. Aged 65 or over: ¥597,800 - (¥797,000 × Rate corresponding to the date of birth) (transitional additional amount for widows)
Patterns of Survivor's Employees' Pension

A. When a wife who has children receives:

- Survivor's Employees' Pension
- Survivor's Basic Pension

B. When a wife aged 65 or over receives:

- Old-age Employees' Pension
- Old-age Basic Pension
- Survivor's Employees' Pension
- Old-age Basic Pension

- Old age Employees' Pension 1/2
- Survivor's Employees' Pension 2/3
**Lump-sum Withdrawal Benefit**

1. Qualifying conditions

   Lump-sum Withdrawal Benefit is payable to a foreigner who has more than 6 months of insured periods under Employees' Pension Insurance and who cannot receive pension, if the person claims for the benefit within two years after his/her leave from Japan.

2. Amount of benefit

   The amount of Lump-sum Withdrawal Benefit shall be calculated by multiplying the Average Standard Remuneration during the insured period under Employees' Pension Insurance by the rates specified in the following table.

<table>
<thead>
<tr>
<th>Insured period under Employees' Pension Insurance</th>
<th>Amount of benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 6 and 11 months</td>
<td>Average Standard Remuneration × 0.4</td>
</tr>
<tr>
<td>Between 12 and 17 months</td>
<td>Average Standard Remuneration × 0.8</td>
</tr>
<tr>
<td>Between 18 and 23 months</td>
<td>Average Standard Remuneration × 1.2</td>
</tr>
<tr>
<td>Between 24 and 29 months</td>
<td>Average Standard Remuneration × 1.6</td>
</tr>
<tr>
<td>Between 30 and 35 months</td>
<td>Average Standard Remuneration × 2.0</td>
</tr>
<tr>
<td>36 months and more</td>
<td>Average Standard Remuneration × 2.4</td>
</tr>
</tbody>
</table>

   **Note**

   Average monthly Standard Remuneration will not be reevaluated.

   This payment is not paid to the person who has been entitled to Disability Employees' Pension, Disability Allowance, Special Old-age Pension, Disability Pension under old Acts, or Disability Allowance under old Acts.

   **Note**

   If an insured person has insured period before April 2003 (Before the introduction of whole salary system), Average Standard Remuneration is calculated by the following formula:

   \[
   \text{Average Standard Remuneration} = \frac{A \times 1.3 + B + C}{\text{Number of insured months (before and after April 2003)}}
   \]

   A: Sum of Monthly Standard Remunerations before March 2003
   B: Sum of Monthly Standard Remunerations after April 2003
   C: Sum of Standard Bonuses after April 2003
Indexation

If the National Consumer Price Index on annual average basis changes, the amount of pension shall be revised from the following April based on the rate of such change. (An automatic indexation has been implemented since April 1990)

Reevaluation of Wage

1. When the amount of pension benefit is determined, Average Monthly Standard Remuneration is revaluated and raised using a prescribed multiplier to take account of increases in earnings levels during the period concerned.

2. The rate of reevaluation is revised once in every five years at the time of financial recalculation.

Period of payment and due months

1. Pension benefits shall be paid from the month following the month of entitlement through the month of disentitlement

2. Pension benefits shall be paid six times a year (February, April, June, August, October and December)

Others

1. If a person, who is entitled to receive insurance benefits, dies and there are unpaid benefits to that person, applicable survivors may request to receive such unpaid benefit.

2. If a person is entitled to receive more than two pension benefits such as old-age benefit and disability benefit originated from different conditions, this person must choose one of the benefits.

3. If a person is entitled to receive benefits under Labor Standards Law due to injury, disease or death caused by occupational accident, payment of Disability Employees’ Pension and Survivor’s Employees' Pension shall be suspended for six years.