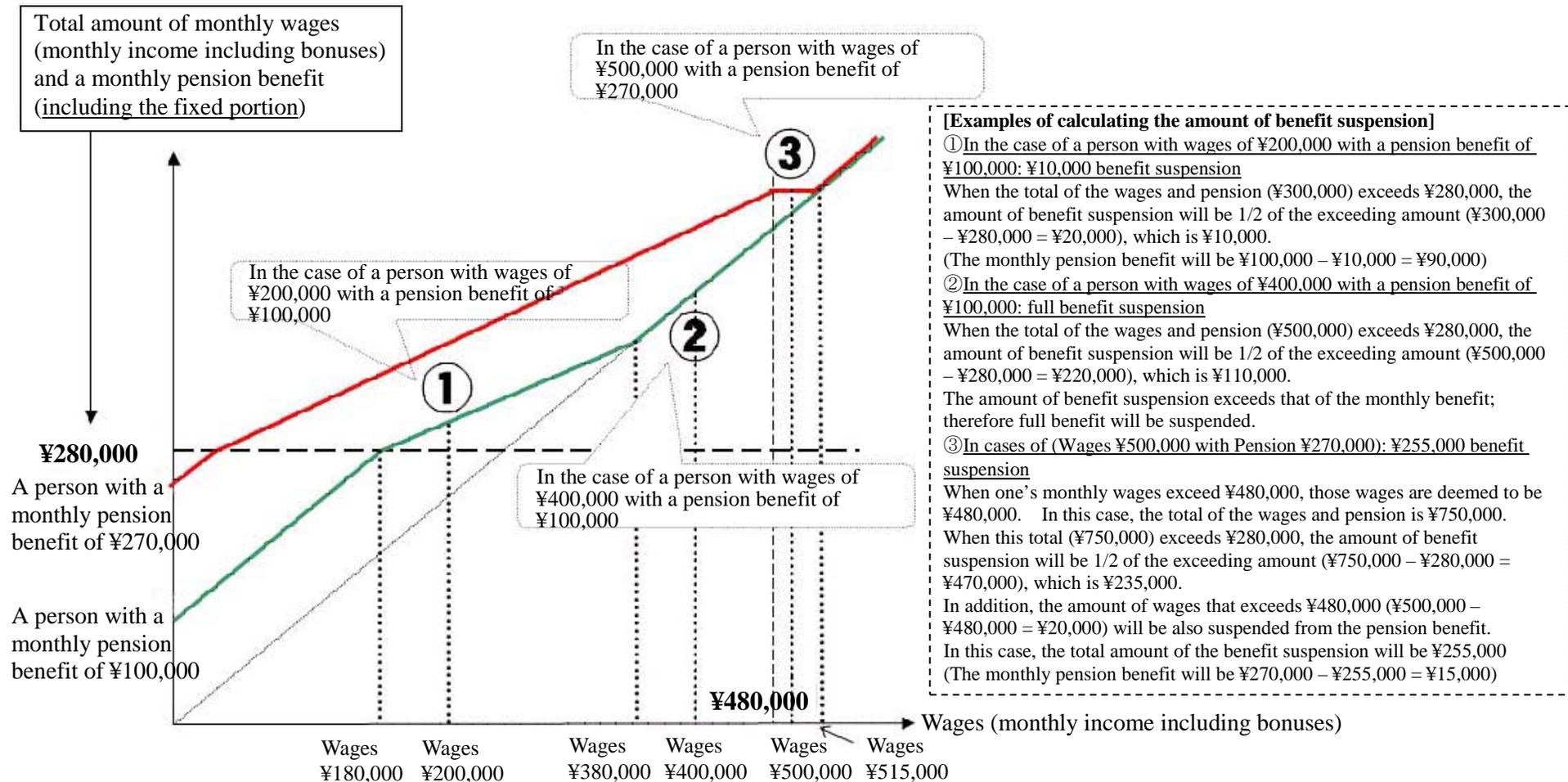


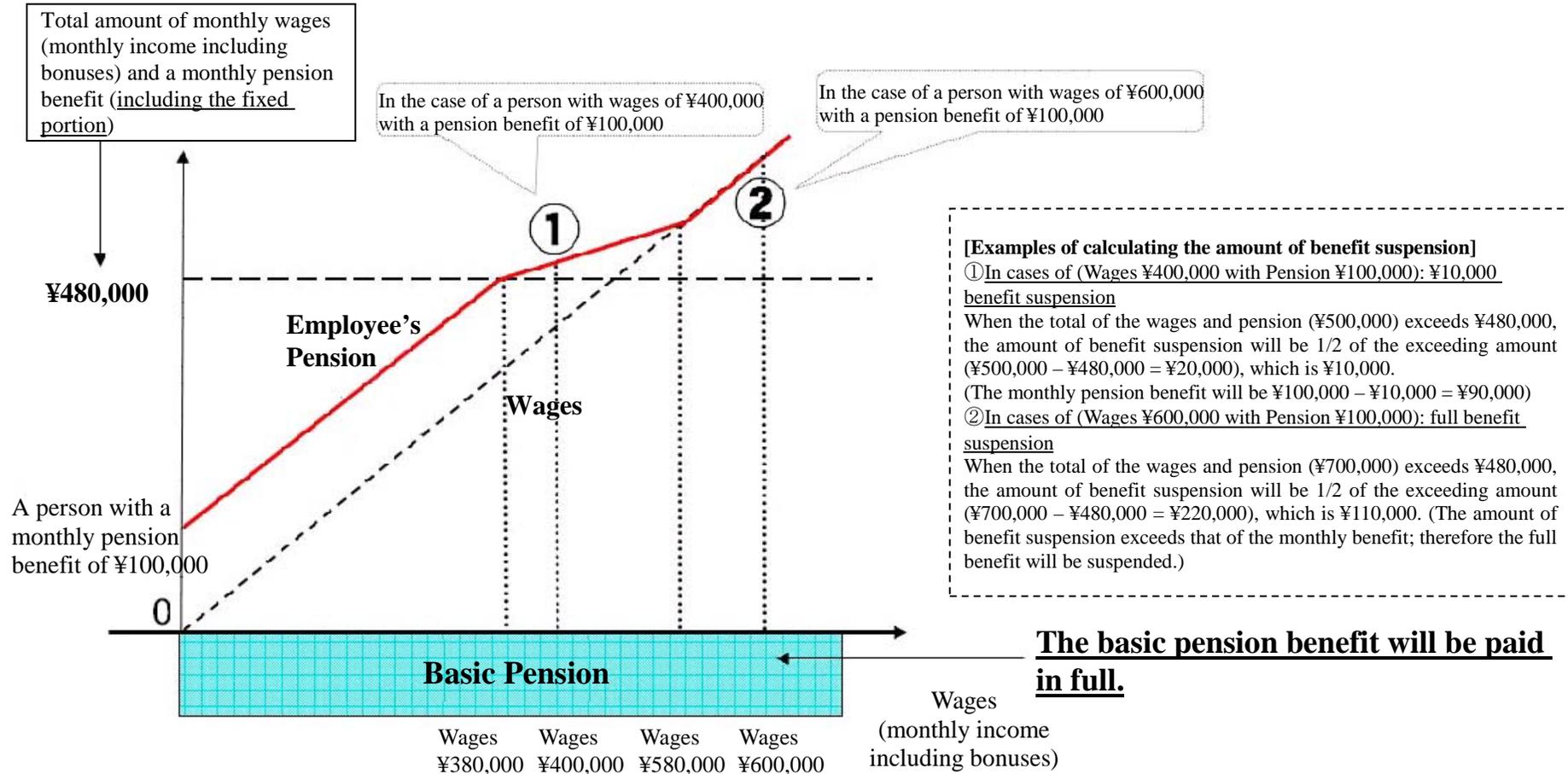
## The Old-Age Pension System for Active Workers Aged 60 – 64

- In cases when the total amount of monthly wages (monthly income including bonuses) and a pension benefit, including the fixed portion (equivalent to the basic pension benefit of a person aged 65 or older), exceeds ¥280,000, a certain amount of pension benefit is suspended by the proportion of 1 in the pension benefit against 2 in wage increase.
  - In cases when the monthly wages (monthly income including bonuses) exceeds ¥480,000, the amount of the pension benefit is suspended by the same amount of the wage increase.
- \* According to the 2004 revision of the system, the scheme of 20% pension benefit suspension during the working period was abolished.



## The Old-Age Pension System for Active Workers Aged 65 and over

- The full amount of the basic pension benefit will be paid.
- In cases when the total amount of monthly wages (monthly income including bonuses) and the benefit from the Employee's Pension (the remuneration-based portion) exceeds ¥480,000, a certain amount of pension benefit (the remuneration-based portion) is suspended by the proportion of 1 in the pension benefit against 2 in wage increase.



# Division of Employees' Pension upon Divorce

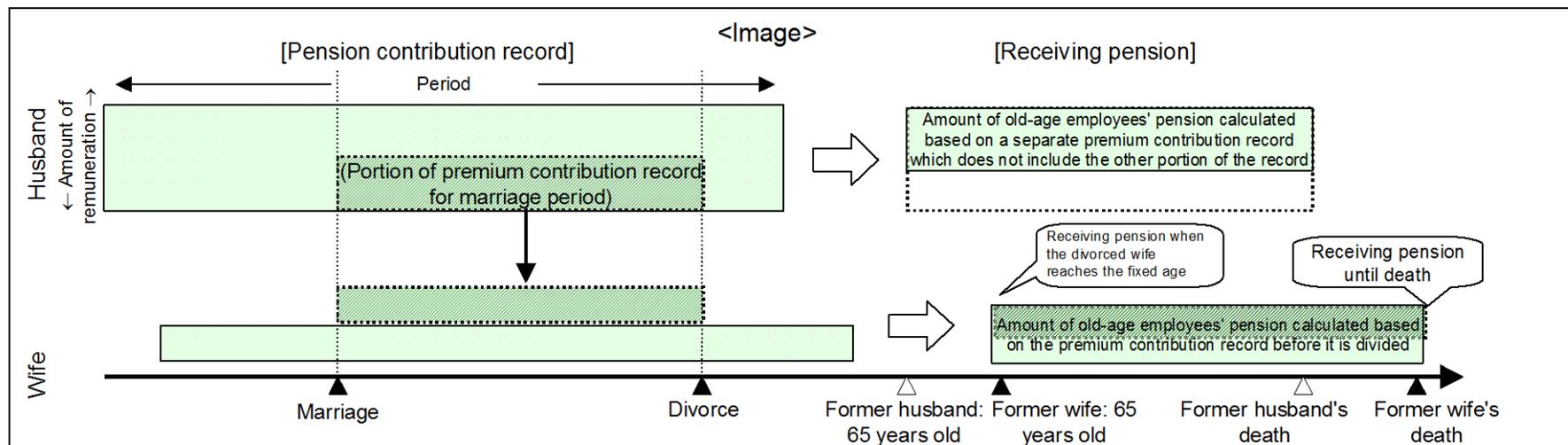
[From April 2007]

## Mechanism of dividing employees' pension upon divorce

- The premium contribution record of the employees' pension of a husband and wife for the marriage period may be separated between them upon their divorce.
- This rule may be applied to divorces on and after the enforcement. However, the premium contribution records before the enforcement of this rule are also subject to separation.
- The division ratio (the spouse's equity of the premium contribution record) shall be up to 50%.
- After a divorced husband and wife agree to a division ratio, a spouse shall apply for the separation of the premium contribution record to a social insurance office.
- If a divorced husband and wife do not reach an agreement on a division ratio, a spouse may request the court to decide a division ratio.

## Effects of separation of the premium contribution record

- A person who obtained a separation of the premium contribution record may receive a pension according to his or her qualification for employee pension (such as old-age pension and disability pension).
  - No old-age employees' pension is provided until the insured person reaches a fixed elderly age.
  - Even when the divorced spouse who obtained a separate premium contribution record dies, the pension benefit of the other spouse is not affected.
- Division involves only the amount of the employees' pension (portion proportional to remuneration) and does not affect the basic pension.
- In principle, the separate premium contribution record is used as the basis to calculate the amount of employees' pension, but is not used for calculating the pensionable period, etc.



## Division of Employees' Pension for the Period of Category-3 Insured Person

[From April 2006]

- A husband and wife couple is basically regarded that they jointly bore the premiums that Category-2 insured person who has the dependent spouse (Category-3 insured person) bore (which is stipulated in the Act).
- Concerning the period of Category-3 insured person (period since the time when it was enforced), the employees' pension of Category-2 insured person (premium contribution record) may be divided in half for the following cases:
  - ① When a husband and wife couple divorce
  - ② When an applicant for a separation falls into a case prescribed in an ordinance of the Ministry of Health, Labour and Welfare (such as the case where the whereabouts of a spouse is unknown for a long time)

\* When a divorced husband and wife couple agreed to do so or when the court has decided to do so, the couple may apply for a separation of their employees' pension for a period not subject to separation (such as a co-working period).

[Image of division of employees' pension when husband and wife divorced]

