

Financial Projection of Pension

Overview

Financial Projection of Employees' Pension - FY 2009 Financial Verification -

FY	Premium rate (to total remuneration)	Total revenue				Total expenditure		Balance	Reserve at the year end	Reserve at the year end (FY2009 value)	Degree of funding
		Premium	Investment	State subsidy	Basic pension contribution						
	%	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	
2009	15.704	34.9	23.8	2.1	7.2	35.8	13.1	-0.9	144.4	144.4	4.1
2010	16.058	35.0	24.7	2.5	7.4	36.7	13.5	-1.7	142.6	141.1	3.9
2011	16.412	36.7	26.2	2.7	7.5	37.8	13.9	-1.1	141.6	141.7	3.8
2012	16.766	38.5	27.6	2.8	7.8	39.2	14.4	-0.7	140.9	141.3	3.6
2013	17.120	40.4	28.9	3.1	8.1	40.4	15.0	-0.1	140.8	138.3	3.5
2014	17.474	42.5	30.3	3.6	8.4	41.3	15.7	1.2	142.0	135.4	3.4
2015	17.828	44.8	31.7	4.1	8.7	42.6	16.3	2.1	144.2	132.5	3.3
2020	18.30	53.3	36.9	6.8	9.4	45.7	18.1	7.6	172.5	140.6	3.6
2025	18.30	59.5	40.8	8.6	9.9	48.6	19.2	10.9	219.9	158.5	4.3
2030	18.30	66.1	44.5	11.1	10.4	52.3	20.5	13.8	284.2	181.0	5.2
2040	18.30	78.5	49.1	16.5	12.8	67.3	25.5	11.2	417.1	207.5	6.0
2050	18.30	90.4	54.1	20.2	16.0	82.9	31.9	7.5	507.7	197.3	6.0
2060	18.30	101.2	59.8	22.5	18.8	97.6	37.6	3.6	562.5	170.8	5.7
2070	18.30	109.6	65.2	22.6	21.7	112.8	43.4	-3.3	561.3	133.1	5.0
2080	18.30	116.7	72.4	20.3	23.9	124.2	47.8	-7.5	502.5	93.1	4.1
2090	18.30	123.9	81.2	16.6	26.1	135.6	52.3	-11.7	406.4	58.8	3.1
2100	18.30	129.9	90.7	10.3	28.9	149.8	57.8	-19.9	247.2	28.0	1.8
2105	18.30	132.4	96.2	5.8	30.4	157.5	60.8	-25.1	132.4	13.2	1.0

(Note) 1. The "degree of funding" is the percentage of the total expenditure for the current FY to the reserve fund at the end of previous FY.

2. "FY2009 value" is the converted figure at FY2009 value calculated using the wage increase rate.

3. The projection represents the future projection of pension finance for the entire Employees' Pension scheme, including the portion paid by the Employees' Pension Fund.

4. In "birth rate: medium case", total fertility rate is set as 1.26 in FY2055.

5. In "mortality rate: medium case", average life expectancy is set as 83.67 years for male, 90.34 years for female in FY2055.

(Remarks)

Assumption: Basic case	
Birth rate:	Medium case
Mortality rate:	Medium case
Economy:	Medium case
Long-term economic assumptions	
Price increase rate	1.0%
Wage increase rate	2.5%
Investment yield	4.1%
Macro-economic slide formula	
Fiscal year of starting adjustment	FY2012
Fiscal year of ending adjustment	FY2038
Eventual replacement ratios of income	
	50.1%
(From FY2038 onward)	

Financial Projection of National Pension - FY 2009 Financial Verification -

FY	Monthly premium (Note 1)	Total revenue				Total expenditure		Balance	Reserve at the year end	Reserve at the year end (FY2009 value)	Degree of funding
		Premium	Investment	State subsidy	Basic pension contribution						
	¥	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	¥trillion	
2009	14,700	4.8	2.2	0.1	2.4	4.7	4.5	0.1	10.0	10.0	2.1
2010	14,980	4.9	2.2	0.2	2.5	4.7	4.5	0.2	10.2	10.1	2.1
2011	15,260	4.9	2.2	0.2	2.5	4.7	4.5	0.1	10.3	10.3	2.2
2012	15,540	4.9	2.2	0.2	2.5	4.8	4.6	0.1	10.4	10.5	2.1
2013	15,820	5.1	2.3	0.2	2.6	5.0	4.8	0.1	10.5	10.3	2.1
2014	16,100	5.4	2.4	0.3	2.7	5.2	5.0	0.1	10.7	10.2	2.0
2015	16,380	5.7	2.5	0.3	2.8	5.4	5.2	0.2	10.9	10.0	2.0
2020	16,900	6.6	2.9	0.5	3.2	6.1	5.9	0.5	13.0	10.6	2.0
2025	16,900	7.3	3.2	0.6	3.5	6.6	6.4	0.7	16.3	11.7	2.4
2030	16,900	8.0	3.4	0.8	3.8	7.1	6.9	0.9	20.6	13.1	2.8
2040	16,900	9.5	3.6	1.2	4.7	8.7	8.5	0.8	29.9	14.9	3.4
2050	16,900	11.5	4.0	1.5	6.0	10.9	10.8	0.5	36.6	14.2	3.3
2060	16,900	13.3	4.4	1.6	7.2	13.0	12.9	0.3	40.6	12.3	3.1
2070	16,900	14.7	4.8	1.6	8.2	14.8	14.7	-0.2	40.8	9.7	2.8
2080	16,900	16.0	5.4	1.5	9.1	16.4	16.2	-0.4	37.8	7.0	2.3
2090	16,900	17.3	6.1	1.3	9.9	17.9	17.8	-0.6	33.0	4.8	1.9
2100	16,900	18.7	6.7	1.0	10.9	19.7	19.6	-1.0	25.1	2.8	1.3
2105	16,900	19.5	7.2	0.8	11.5	20.7	20.6	-1.2	19.5	1.9	1.0

Notes: 1. Monthly premium represents the amount of premium (at FY2004 value) set forth in Article 87-3 of the National Pension Act. Actual amount of premium shall be revised based on prices after the 2004 revision and wage growth; the amount of premium in FY2009 shows ¥14,660/month.

2. The "degree of funding" is the ratio of the total expenditure for the current FY to the reserve fund at the end of previous FY.

3. "FY2009 value" is the converted figure at FY2009 value calculated using the wage increase rate.

4. In "birth rate: medium case", total fertility rate is set as 1.26 in FY 2055.

(Remarks)

Assumption: Basic case	
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