

# Structural Reform of the former Social Insurance Agency

## Overview

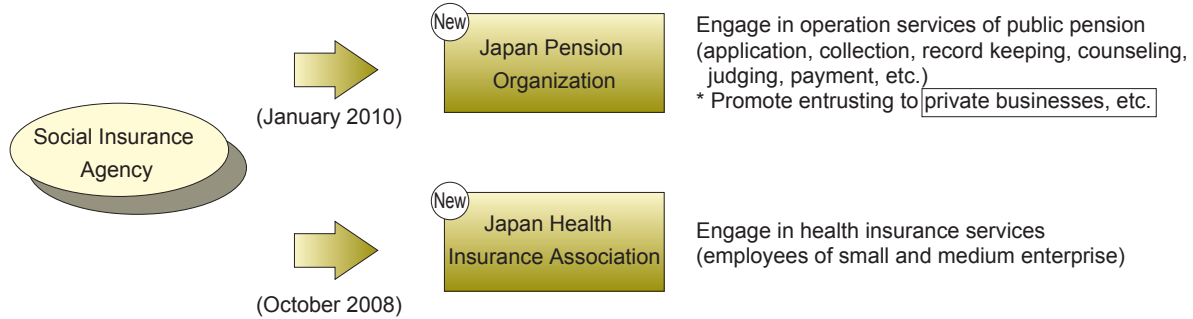
### Abolition of the former Social Insurance Agency and Establishment of Two New Corporations of Non-Government Employee Type

#### [Services of the Nation]

- \* Financial and management responsibilities of public pension belong to the head office of the Ministry of Health, Labour and Welfare
- \* Supervision of medical facilities that provide insured services belongs to Regional Bureaus of Health and Welfare
- \* Compulsory collection from heinous delinquents can be delegated to the National Tax agency

#### [Present]

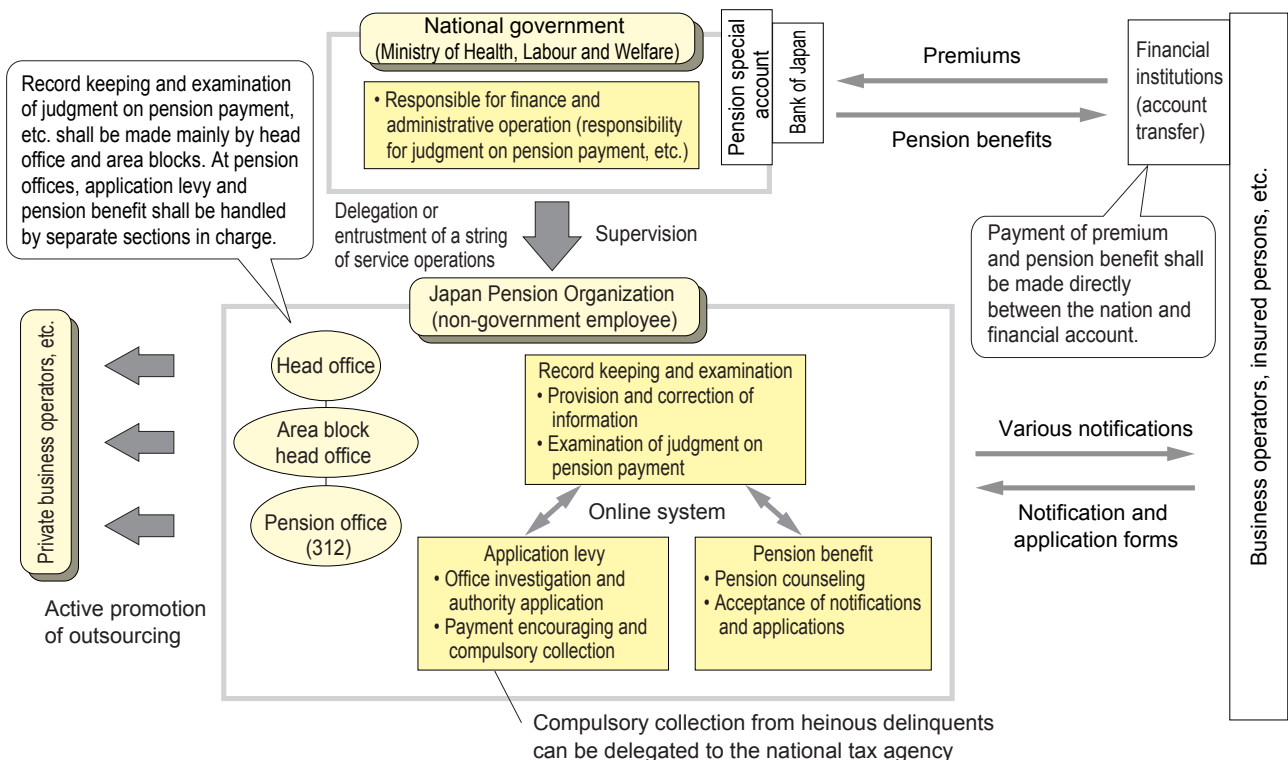
#### [New organization]



Hereafter ...

<p><b>1. "Officials" will change</b></p> <p>Officials of the two new corporations are not government but private employees.</p> <p>Carry out through changes in the consciousness of staff by human resources management based on ability and achievement.</p>	<p><b>2. "Services" will change</b></p> <p>Enhance service improvement by providing simple and user-friendly notice, telephone counseling, internet information service and others.</p>	<p><b>3. "Way of work" will change</b></p> <p>Enhance appropriate and effective operation of business such as renewal of outdated computer system, various checking structures, clerical process intensification, outsourcing and others.</p>
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### Japan Pension Organization



# Points of Basic Plan for Immediate Service Operation of Japan Pension Organization

- Abolish Social Insurance Agency and newly establish Japan Pension Organization
- Determine a basic plan regarding immediate service operation of Japan pension organization, in accordance with the provisions of Article 3 of the Supplementary Provisions of the Japan Pension Organization Act, on the basis of final organizing by the public pension service and organizational renewal council, which is established in the cabinet secretariat.

## 1. Structure of the organization

- Force through a reform that sweep problems related to organizational structure and constitution by establishing department and the like that will handle internal control, internal audit and legal compliance.
- Establishing IT system is one of the high-priority issues. Authority, responsibility and human resources for clerical work regarding system development, administration and operation shall be centralized to Japan pension organization. The nation will make necessity minimum engagement.
- Formulating a rule for leader development by collective recruitment at head quarter and nation-wide transfer, to sweep an issue of three-layer recruitment structure. Chief of pension offices shall be selected from competent young and middle career staff, being regarded as a post to be early experienced by future officer candidates. Recruitment of external personnel shall be actively carried out.
- In the case that a person from the Health, Labour and Welfare Ministry is appointed to officer or senior executive of the Japan Pension Organization, basically no-return-rule shall be applied.

## 2. Basic idea of outsourcing promotion of business

- In addition to current services, outsourcing shall be newly made on these; primary screening of notification, etc., telephone inquiry about employees' pension and health insurance, encouraging exemption for national pension, encouraging payment of employees' pension, operation of pension counseling centers, back-office operation.
- Regarding public biddings and contracts, precise preliminary review and strict examination by inspector and accounting auditor shall be made.
- To construct an outsourcing management system, establish a section in charge of outsourcing and carry out monitoring, etc.
- Perform adequate information keeping regarding outsourcing. With regard to information of the outsourcing place concerning entrusted works, strive to fulfill disclosure of official information that follows an object of The Access to Government Information Act.
- Make positive use of comprehensive outsourcing, multi-year contract and others so that operations become easier to be entrusted by vendors.

## 3. Basic idea of staff adoption

- Members, etc. of a council for recruitment of official are all personnel from private sector. At screening, interview shall be required as far as it is necessary.
- For a recovery of trust in public pension service, a reprimanded person cannot be hired as neither full-time employee nor fix-time employee.
- In determination of adoption judgment of the Social Insurance Agency Staff, the council for recruitment of official shall examine results of personnel evaluation. Eventually the judging shall be made by the council itself.
- Among services assumed by permanent staff of Social Insurance Agency, personnel equivalent to the amount of works supposed to be reduced after establishment of the Japan Pension Organization, shall be hired as fixed-term employee.
- Shifting fixed-term employee to full time employee is possible, even in this case, recruitment examination shall be carried out fairly and strictly by the Japan Pension Organization.

## 4. Number of Necessary Staff of the Japan Pension Organization

	Full time employee	Fixed-term employee	Total
As of the foundation (January 2010)	Approx. 10,880 (approx. 1,000 are recruitment from the outside)	Approx. 6,950 (approx. 1,400 are fixed-term employees shifted from scheduled number of reduction)	Approx. 17,830
As of the time the reform is accomplished (2 years after the achievement of system renovation)	Approx. 10,770	Approx. 3,700	Approx. 14,470

- Regarding the response to the pension record problems, assigned staff shall basically cope with it. Even in case there is a difficulty, it shall be handled by utilizing outsourcing, fixed-term employee and others as much as possible.