Japan Pension Service and its Operation
1. About Japan Pension Service

- **Name**: Japan Pension Service (Nippon Nenkin Kiko)
- **HQ address**: 3-5-24, Takaido-nishi, Suginami-Ku, Tokyo
- **Organization**: Special public corporation with non-government employees
  National HQ and 312 Branch Offices
- **Foundation**: January 1, 2010
  (Replacing the Social Insurance Agency which was abolished)
- **President**: Toichiro MIZUSHIMA
- **Staff**: About 22,000 regular workers and fixed term workers  
  (as of April 1, 2017)
  10,880 regular workers, 400 associate workers, 10,000 special task contract workers and  
  400 contract assistant workers
- **Operations**: The Japan Pension Service (JPS) is responsible for public pension systems operations (coverage, contribution collection, record management, pension consultation, entitlement and payment of benefits) which are delegated and entrusted by the Minister of Health, Labour and Welfare.
2. Responsibilities of JPS and the Ministry

- The Ministry of Health, Labour and Welfare (MHLW) is responsible for pension finance and administration, while the operations/services are delegated or entrusted to the JPS.
- The JPS operates:
  - Authoritative businesses delegated by the Minister of HLW, including the enrollment/withdrawal, receiving applications and reports under the name of the JPS
  - Entrusted businesses by the Minister of HLW, including entitlement and payment of benefits under the name of the Minister of HLW.

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**Japan Pension Service**

- Responsible for pension operations

- Delegation of authority
- Entrusting services

**MHLW**

- Financial and administrative responsibility

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**Insured persons, beneficiaries and employers**

- Confirmation of coverage (enrollment and withdrawal)
- Collection of delinquent contributions
- Receiving reports/applications
- Determination of standard remunerations for Employees’ Pension Insurance purpose
- Issuance of Pension Handbooks

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- JPS operation under the name of JPS
- JPS operation under the name of Minister of HLW

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Note:
The pension contribution is collected by the JPS as the state revenue collector.

- Entitlement / award of benefits
- Benefit payments
- Record keeping
- Individual statement: “Nenkin Teiki Bin”
- Contribution invoice and reminder
3. Principles

◆ JPS’s Principles (Article 2 of the Japan Pension Service Act)

The government-managed pension system shall be operated stably and sustainably, based on public trust with principle of solidarity. The Japan Pension Service, therefore, shall strive for higher service quality reflecting people’s needs and opinions on government-managed pension systems, and assure effective operation and fairness and transparency in operation.

◆ Five essential points

1. Public trust
2. Reflection of public opinions
3. Higher service quality
4. Effective operation
5. Fairness and transparency

Fundamental subjects in:
- Business operation
- Corporate management
4. Organization structure

The Branch Offices provide local front-line customer service including workplaces inspection, enforcement of contribution collection and pension consultation.

The Processing Centers and the Pension Centers concentrate on data processing business; not involved with face-to-face customer service.

The Call Centers’ service is outsourced to private companies.

Consultation service is entrusted to the Japan Federation of Labor and Social Security Attorney’s Associations.

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5. Headquarters organization

- President
  - Executive Vice President
  - Executive Director, Special Tasks
  - Executive Director, Human Resources and Accounts
  - Executive Director, Operation Planning
  - Executive Director, Operation Management
  - Executive Director, Pension Benefits
  - Executive Director, Regional Operation
  - CIO/Executive Director, Information Technology

- Administration Management Planning Dept. / Financing Dept. / Compliance Dept. / Risk Management Dept. / Quality Management Dept.
- Human Resources Dept. / Human Resources Development Dept. / Labor Management Dept. / Accounts and Property Management Dept. / Procurement Dept.
- Operation Planning Dept. / Pension Records Planning Dept. / National Pension Dept. / Employees' Pension Insurance Dept. / Innovation Project Office
- Operation Management Dept. / Processing Center Management Dept. / Consultation and Service Promotion Dept.
  * 29 Processing Centers
  * 3 Call Centers
- Pension Benefits Dept. / Central Pension Center / Disability Pension Center
- Hokkaido Regional Dept. / Tohoku Regional Dept. / Kitakanto-Shinetsu Regional Dept. / Minamikanto Regional Dept. / Chubu Regional Dept. / Kinki Regional Dept. / Chugoku Regional Dept. / Shikoku Regional Dept. / Kyushu Regional Dept.
- Information Systems Planning Dept. / Existing Core Systems Development Dept. / Information Systems Operation Dept.
- Office of Information Security / Revitalization Project Office
- Internal Audit Dept.
- Office of Auditor
6. Flow of Public Pension Operations

The JPS Headquarters, Branch Offices and Processing Centers are connected via an on-line system. Each office plays its operational role including processing at front-line, intensive processing, and integrated mass processing.

1.97 mil. covered workplaces as of the end of Mar. 2016

67.10 mil. Insured persons
Covered by the Employees’ Pension Insurance system and the National Pension system
(As of the end of Mar. 2016)

40.25 mil. Pension beneficiaries
Number of persons receiving benefits
(As of the end of Mar. 2016)

312 Branch Offices

«Front-line»
- Receiving reports
- Pension consultation
- Coverage, contribution collection and inspection

29 Processing Centers

«Intensive processing»
Applications/reports examination and data input
- Coverage registration
- Mailing contribution invoices
- Pension entitlement (excluding Employees’ Disability Pension)

JPS Headquarters

Record Management / Basic Pension Number Management System
- Contribution calculation
- Management of workplaces /employees records
- Management of Basic Pension Numbers

Benefit Payments System
- Pension entitlement
- Pension benefits payments
- Management of beneficiaries records

Centralized processing
- Mailing individual statement “Nenkin Teiki Bin”
- Pension payment related business
- Employees’ Disability Pension eligibility examination and entitlement
- Recovery of overpayments
(1) Coverage and Contribution Collection
(Employees’ Pension Insurance and Employees’ Health Insurance systems)

Employers (Workplaces)

Salaried workers
To be covered by
- Employees’ Health Insurance
- Employees’ Pension Insurance

Employment

Employers (Workplaces)

Contribution payments
(deducted from salary)

[Coverage applications]
- for workplaces
- for employees

[Coverage Handbooks]

Contribution payments

[Contribution invoices]

[Confirmation notices]
- [Pension Handbooks]

JPS Headquarters

Computer
Reference/updates

Workplaces files

Insured Persons files

Name Index files

Basic Pension Number files

JPS Branch Offices

Reports
Consultation

Processing Centers

Reports
Examination
Data input

Coverage registration

Workplaces inspection

Contribution collection

On-line
(2) Coverage and Contribution Collection  (National Pension system)

Self-employed persons etc.
To be covered by National Pension

Municipal offices
Application for enrollment

[Coverage applications]

JPS Branch Offices
Reports
Consultation

Processing Centers
Reports
Examination
Data input
Coverage registration

Contribution collection

JPS Headquarters
On-line

Computer Reference/updates
Insured Persons files
Name Index files
Basic Pension Numbers files

Processing Centers

Reports

Examination

Data input

Coverage registration

Contribution collection

Report

Consultation
(3) Entitlement / Awarding and Payment of Pension Benefits

Advance mailing of application forms to the near-pensionable-age (“TURNAROUND” forms)

Applicants/Beneficiaries

Filing pension applications

[Pension Certificates]

Note:

JPS receives Mutual Aid Pension applications and entitles Basic Pension benefits components of Mutual Aid pension.

JPS Branch Offices

Consultation

Pension applications

1. Application check
2. Eligibility check

Processing Centers

1. Eligibility examination / pension entitlement
2. Data input

Pension Certificates

JPS Headquarters

On-line

Forwarding entitlement data

Bank of Japan

On-line

Transmission of Pension Certificates information

Banks / Japan Post Bank

[Direct deposit of Benefits] (to banks)

Benefit payments direction (to post offices)

(4) Special Deduction from Pension Benefits

- Collection of contributions for the Long-term Care Insurance, the Health Insurance for older persons age +75, the National Health Insurance (NHI tax) and local residential tax


Transfer of collected/deducted contributions

Pension beneficiaries

Pension benefits

Pension benefits payment

JPS Headquarters

Transfer of collected/deducted contributions

Municipal offices (wide area association)

All-Japan Federation of National Health Insurance Organizations

[ Contributions ]

Prefectural Association

Local residential tax

Council for E-local tax

Pension benefits

Pension beneficiaries

Pension benefits payment

Mutual aid associations*

Request for deduction

Insured persons' data

* Excluding the Association for Local Government Officials which has other identical collection scheme

Transfer of collected/deducted contributions

Request for deduction

Municipal offices (wide area association)

All-Japan Federation of National Health Insurance Organizations

[ nation-wide ]

[ each prefecture ]

[ each municipality ]

Request for deduction

Insured persons' data

[ nationwide ]

[ each municipality ]

Request for deduction

Insured persons' data

[ nationwide ]

[ each municipality ]

Request for deduction

Insured persons' data

[ nation-wide ]

[ each municipality ]

Request for deduction

Insured persons' data

[ nation-wide ]

[ each municipality ]

Request for deduction

Insured persons' data
(5) Pension Consultation Services

Japan Pension Service

JPS Website

“NENKIN NET” (Pension Net)

Request for benefits amount estimate

Information on pension systems and various forms

Social Insurance On-line system

Record Management Database

Benefit Payments Database

Consultation Services Department

First Call Center (OMORI)
Second Call Center (FUKUOKA)
Third Call Center (SENDAI)

Telephone service for individual statement “NENKIN TEIKI BIN” and “NENKIN NET”

Beneficiaries and insured persons

312 Branch Offices

78 Pension Consultation Centers

Internet access

Visits

Telephone
(6) Structure of Social Insurance On-line System

To refer/update data (reference for consultation service purpose or reported data input) in the Insured Persons Files, and to instantly transmit processed results.

To send data on forms and telegraphs which are prepared by JPS Headquarters to the data processing equipment in the Branch Offices via communication line.

Collective processing conducted at periodical intervals, including database searching and statistical processing of each file.