Japan Pension Service and its Operation

December 2019
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 11,000 regular workers and associate workers (as of April 1, 2019)
   In addition the JPS has special task contract workers and assistant contract 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.
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.

Japan Pension Service

Responsible for pension operations

MHLW

Financial and administrative responsibility

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

- Headquarters
  - Central Pension Center
  - Disability Pension Center
  - 15 Processing Centers

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

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

- 3 Call Centers
  The Call Centers’ service is outsourced to private companies.
5. Headquarters organization

- President
  - Executive Vice President
    - Executive Director, Special Tasks
    - Executive Director, Human Resources and Accounts
      - Human Resources Dept. / Human Resources Development Dept. / Labor Management Dept. / Accounts and Property Management Dept. / Procurement Management Dept.
    - Executive Director, Operation Management
      - Operation Planning Dept. / Procurement Planning Dept. / Pension Records Planning Dept. / Innovation Project Office
    - Executive Director, National Pension and Employees' Pension Insurance Operation Management
      - National Pension Dept. / Employees' Pension Insurance Dept.
    - Executive Director, Operation Planning
      - Operation Management Dept. / Contribution Collection Special Enforcement Dpt. / Processing Center Management Dept. / Consultation and Service Promotion Dept. / 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.
    - Executive Director, Pension Benefits
      - Pension Benefits Dept. / Central Pension Center / Disability Pension Center
    - CIO/Executive Director, Information Technology
      - Information Systems Planning Dept. / Existing Core Systems Development Dept. / Information Systems Operation Dept.
  - Auditor
    - Office of Information Security
    - Office of Strategic Planning for Future
    - 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.

67.33 mil. Insured persons
Covered by the Employees’ Pension Insurance (EPI) system and the National Pension (NP) system
(As of the end of Mar. 2018)

40.77 mil. Pension beneficiaries
Number of persons entitled to benefits
(As of the end of Mar. 2018)

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

15 Processing Centers
- «Intensive processing»
  ▶ Coverage of EPI and NP: examination and data input of reports and applications
    - Coverage registration
    - Mailing contribution invoices
  ▶ Pension benefits: data input of reports and applications (excluding disability pension)

2.22 mil. covered workplaces as of the end of Mar. 2018

1,741 municipalities as of Mar. 14, 2019

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

Municipalities
Front line of various coverage procedures for National Pension

Workplaces
Primarily responsible for Employees’ Health / Pension Insurance procedures for the employees
(1) Coverage and Contribution Collection

(Employees’ Pension Insurance and Employees’ Health Insurance systems)

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

Employers (Workplaces)

[Coverage applications]
- for workplaces
  - for employees

[Coverage Handbooks]
[Contribution invoices]

Contribution payments (deducted from salary)

Employment

On-line
JPS Headquarters

Computer
Reference/updates

Workplaces files
Insured Persons files
Name Index files
Basic Pension Numbers files

JPS Branch Offices

Reports
Consultation

Processing Centers

Reports
Examination
Data input

Coverage registration

Workplaces inspection
Contribution collection

Reports Consultation

Employers (Workplaces)

Employment

Contribution payments

Employment

Contribution payments

[Confirmation notices]

Employers (Workplaces)

Employment

Contribution payments
(2) Coverage and Contribution Collection  (National Pension system)

Municipal offices

Application for enrollment

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

Pension Handbooks

Coverage applications

Processing Centers

Reports
Examination
Data input
Coverage registration

JPS Branch Offices

Consultation

Contribution collection

JPS Headquarters

On-line

Computer Reference/updates

Insured Persons files
Name Index files
Basic Pension Numbers files
(3) Entitlement / Awarding and Payment of Pension Benefits

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
  - 3. Eligibility examination

Processing Centers

- Data input
- Pension Certificates

On-line

Forwarding data for entitlement

JPS Headquarters

On-line

Transmission of Pension Certificates information

Bank of Japan

Banks / Japan Post Bank

[Direct deposit of Benefits] (to banks)


Benefit payments direction (to post offices)
(4) 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

Internet access

Visits

312 Branch Offices

80 Pension Consultation Centers
(5) Structure of Social Insurance On-line System

- **312 Branch Offices, 15 Processing Centers**
- **80 Pension Consultation Centers**
- **3 Call Centers**

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

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

**Record Management System**
- Computer for on-line processing
- Computer for batch processing

**Benefit Payments System**
- Computer for on-line processing
- Computer for batch processing

**Basic Pension Number Management System**
- Computer for on-line processing
- Computer for batch processing
- Computer for on-line processing/file management