

# Japan Pension Service and our Performance



April 2025

# Contents

## Our Operation (FY2025)

1. About Japan Pension Service.....	1
2. Responsibilities of JPS and the Ministry.....	2
3. Principles.....	3
4. Organization structure.....	4
5. Headquarters organization.....	5
6. Flow of Public Pension Operations.....	6

## Our Performance (FY2023)

7. FY 2023 Performance.....	12
8. FY 2023 Primary Performance Indicators and Evaluations.....	18
9. Public Pension by the Numbers.....	19

- REFERENCE - Japanese Public Pension System.....	21
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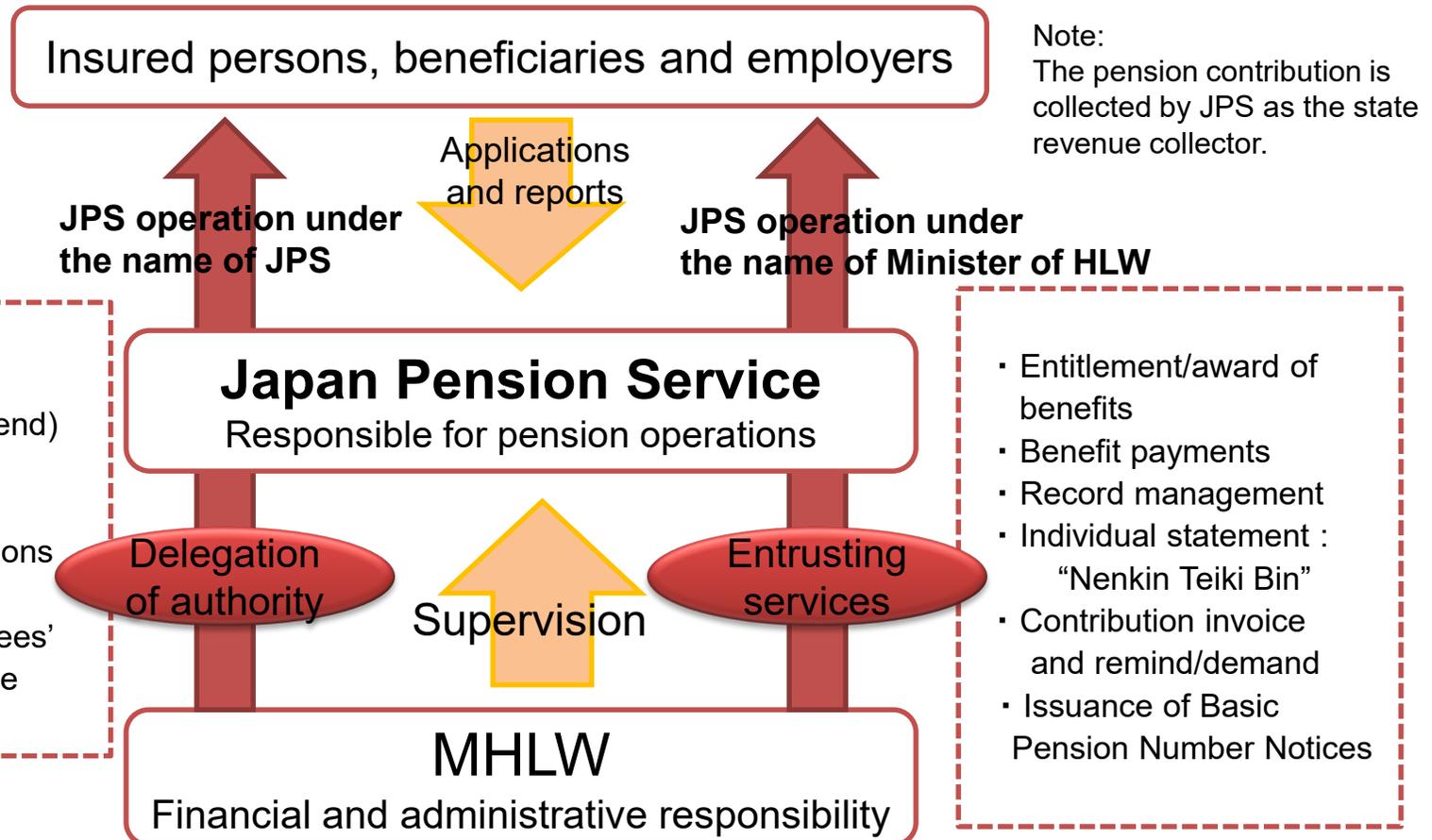
# 1. About Japan Pension Service



- ◆ 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 Kazuhiko OTAKE
- ◆ Staff About 11,000 regular workers and associate workers (as of April 1, 2025)  
In addition, JPS has special task contract workers and assistant contract workers.
- ◆ Operations 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

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



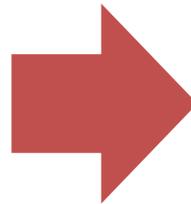
## 3. Principles

### ◆ 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

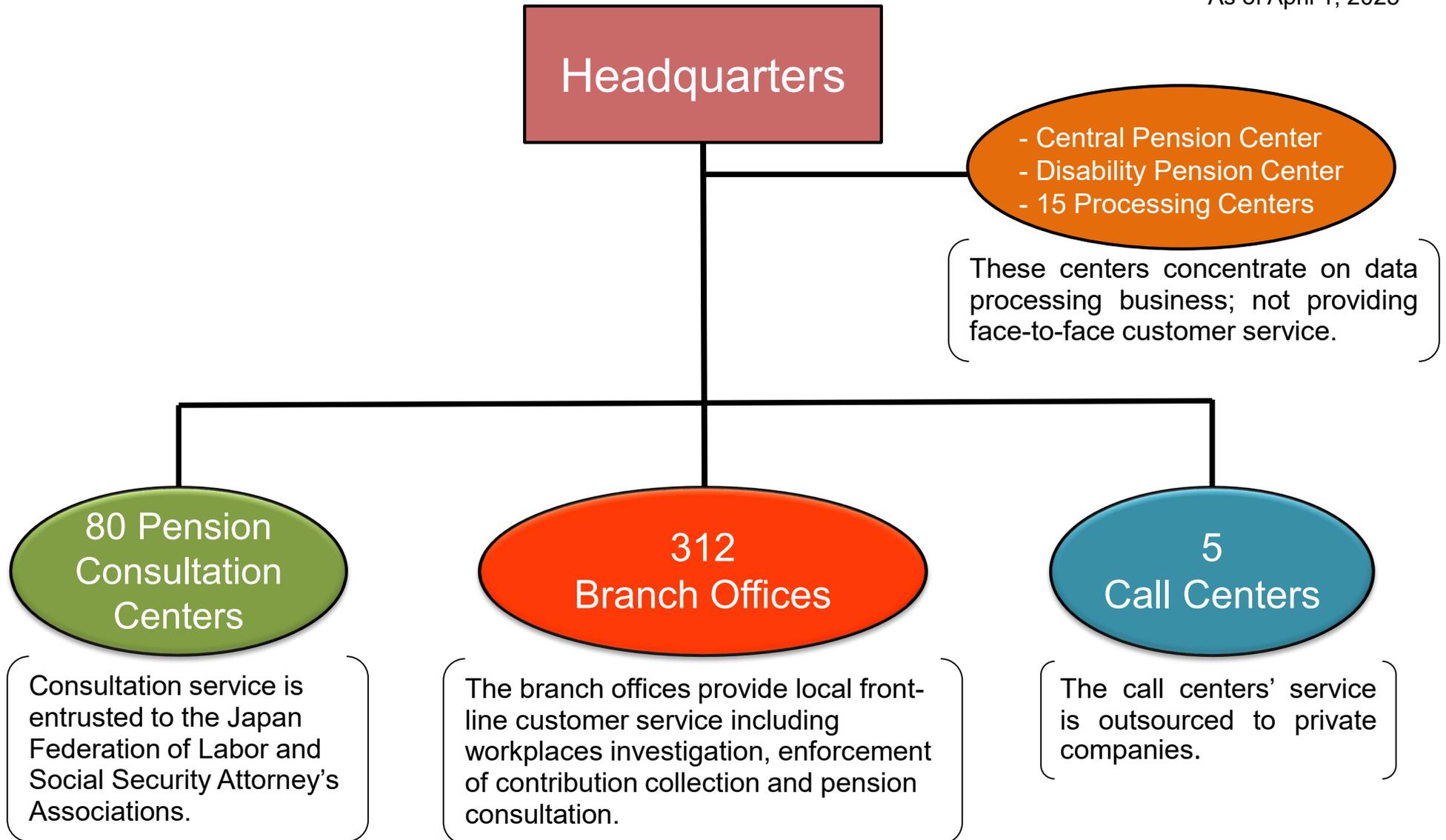


Fundamental subjects in:

- Business operation
- Corporate management

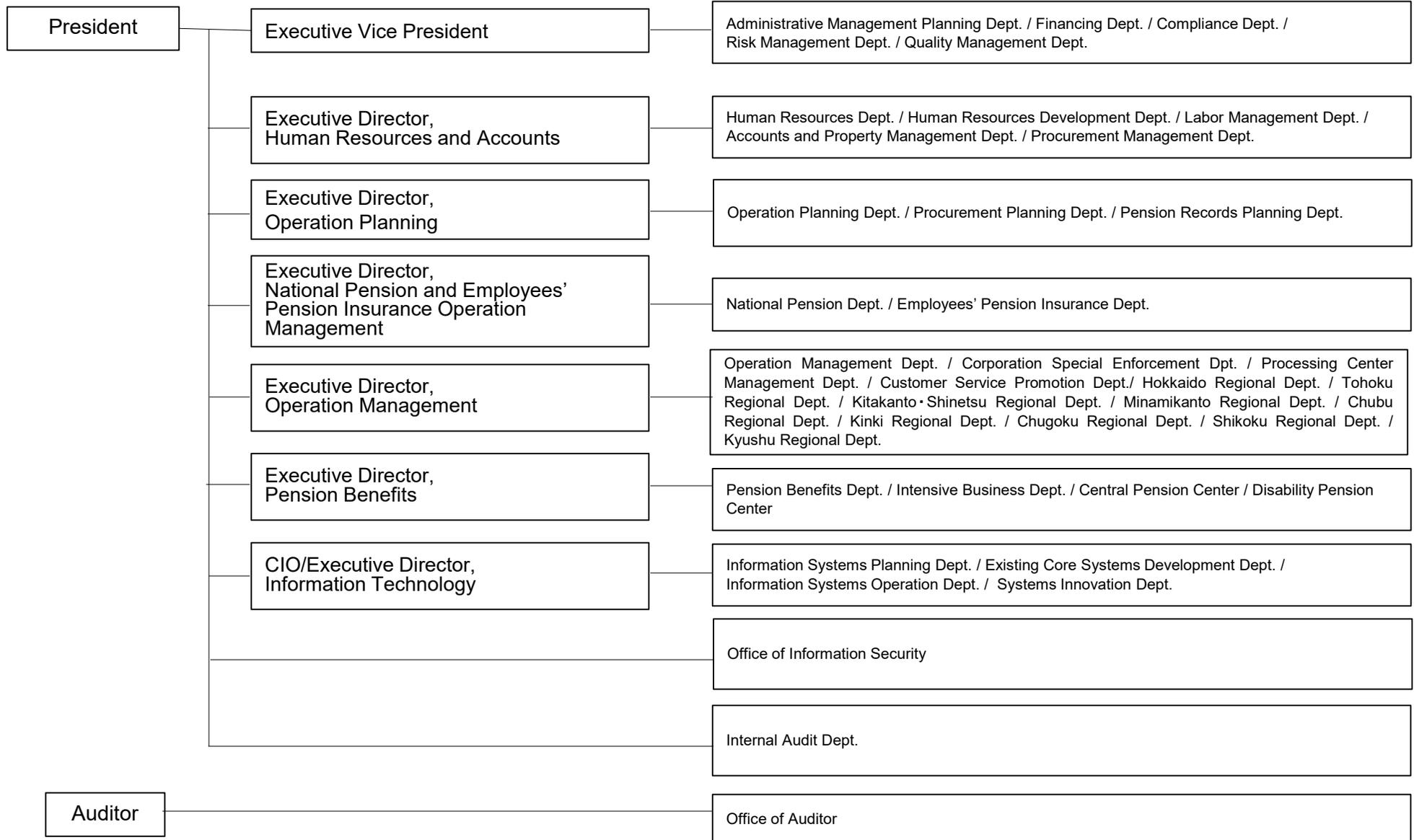
## 4. Organization structure

As of April 1, 2025



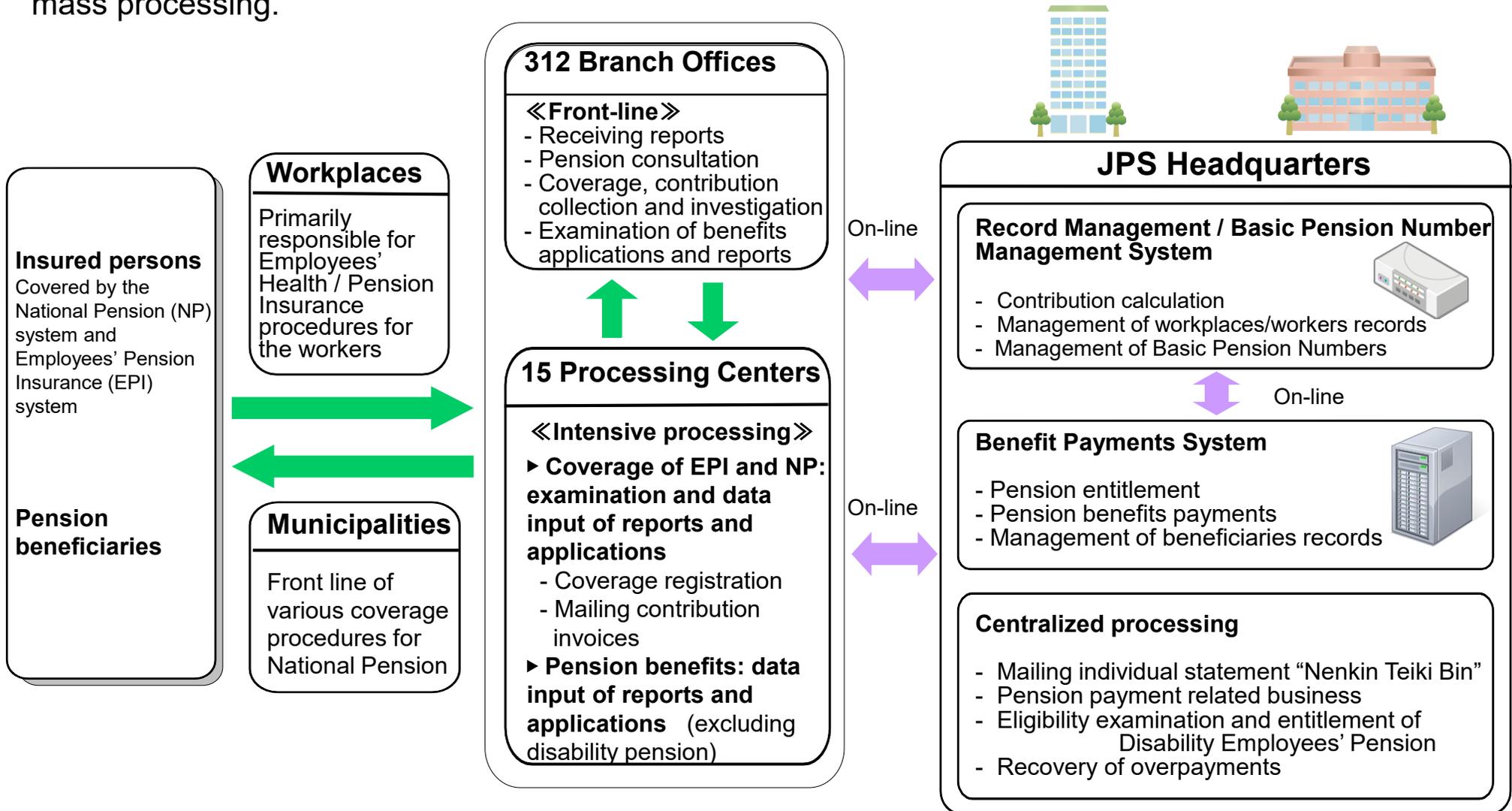
# 5. Headquarters organization

As of April 1, 2025



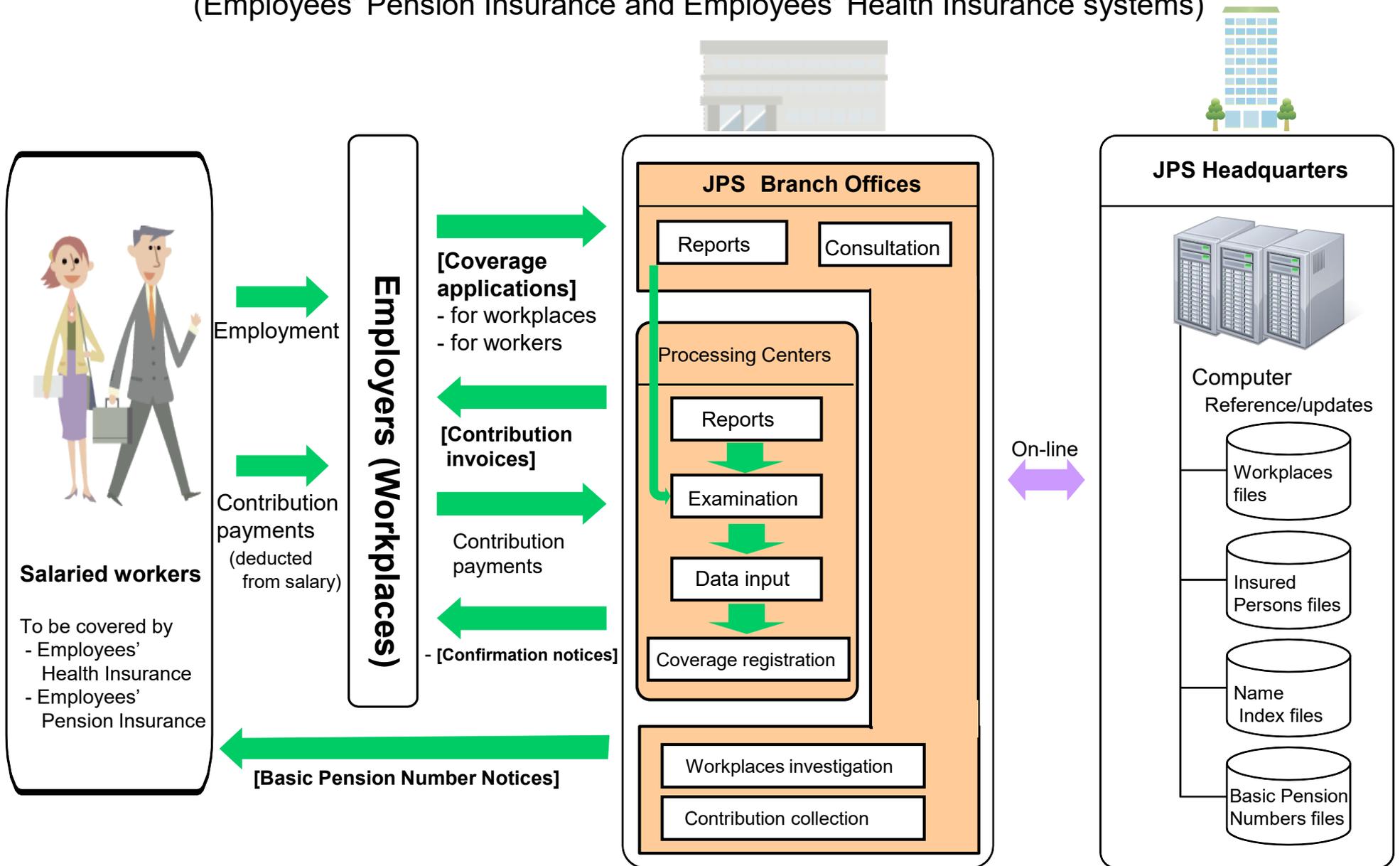
# 6. Flow of Public Pension Operations

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.

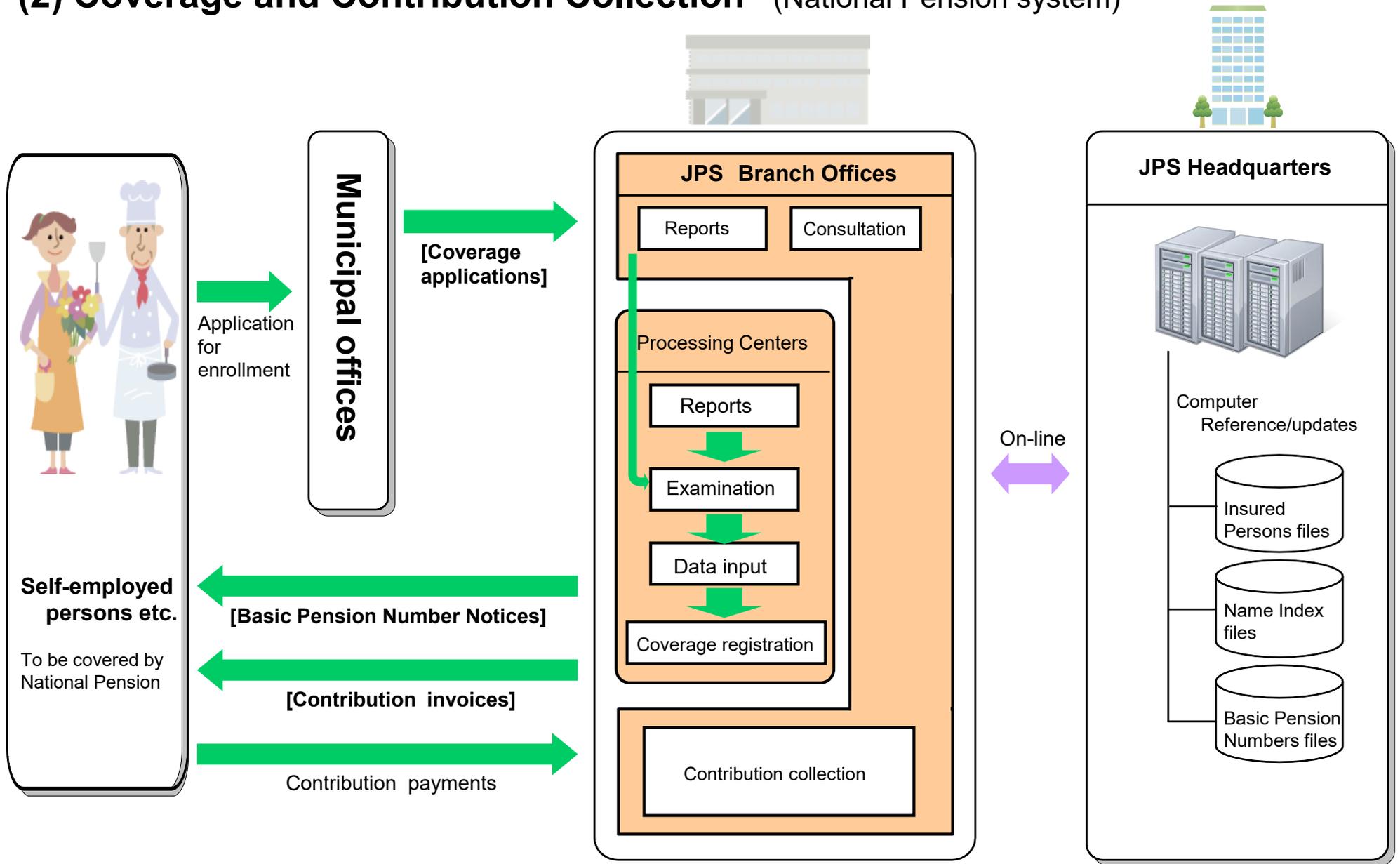


# (1) Coverage and Contribution Collection

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

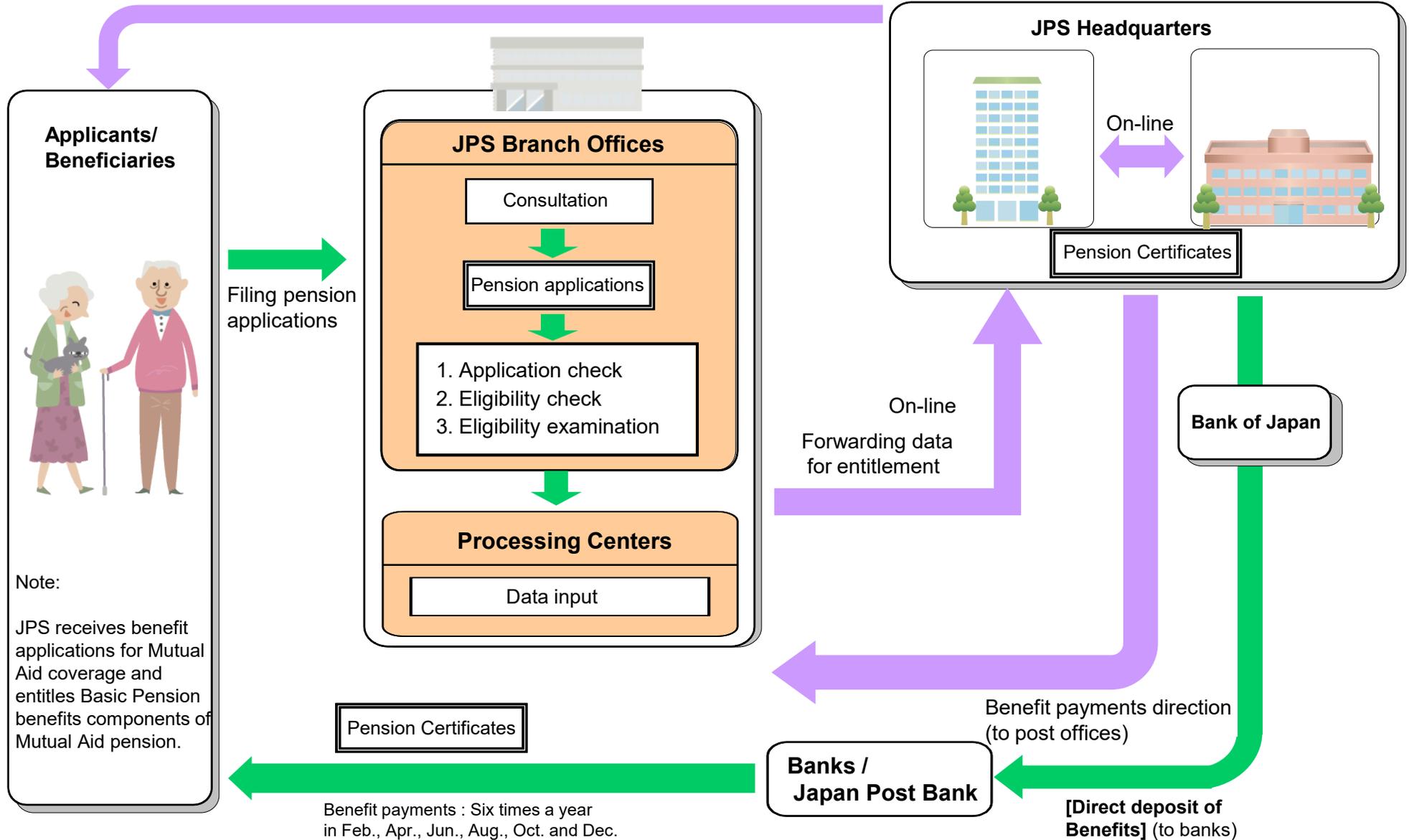


## (2) Coverage and Contribution Collection (National Pension system)

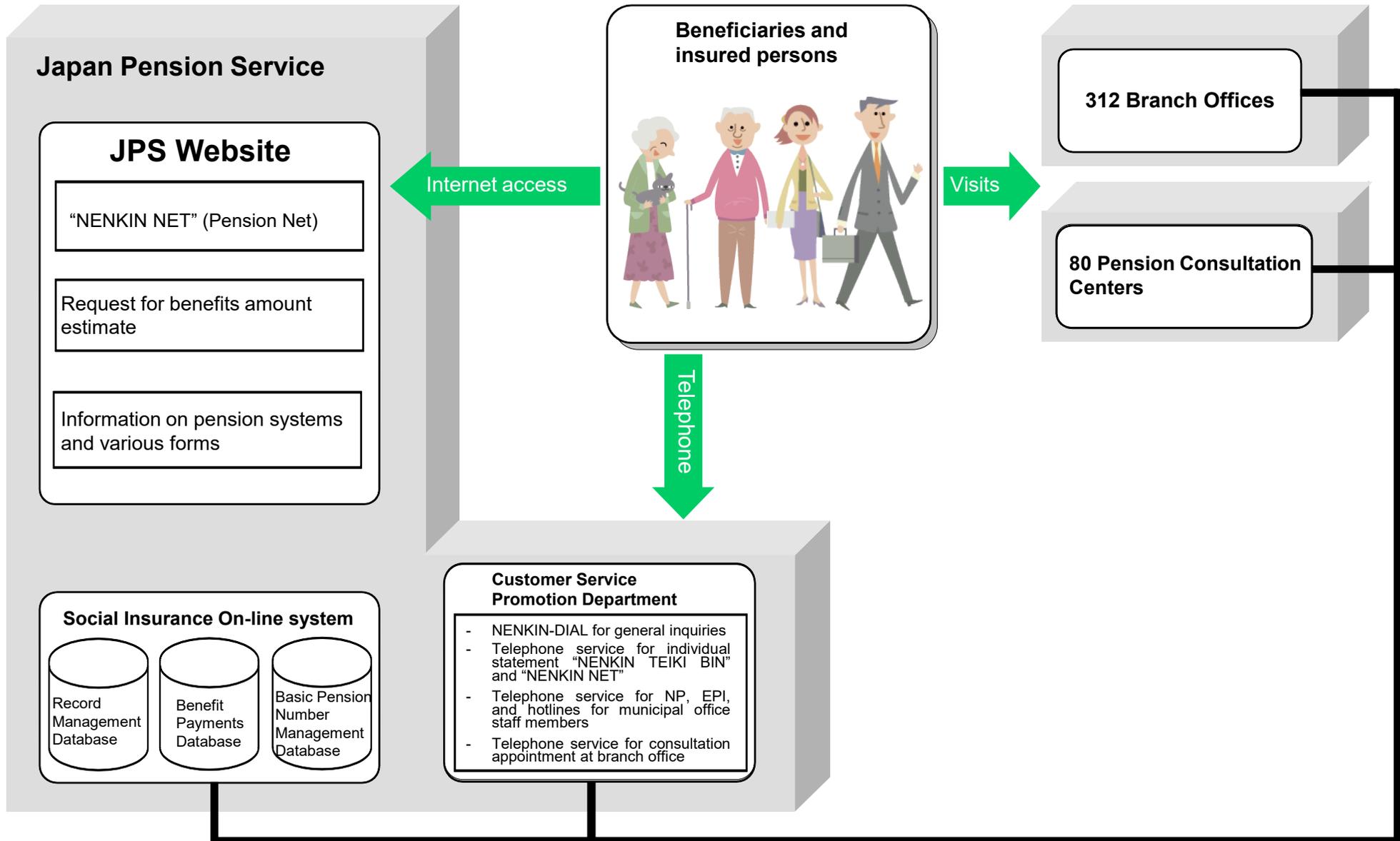


### (3) Entitlement / Awarding and Payment of Pension Benefits

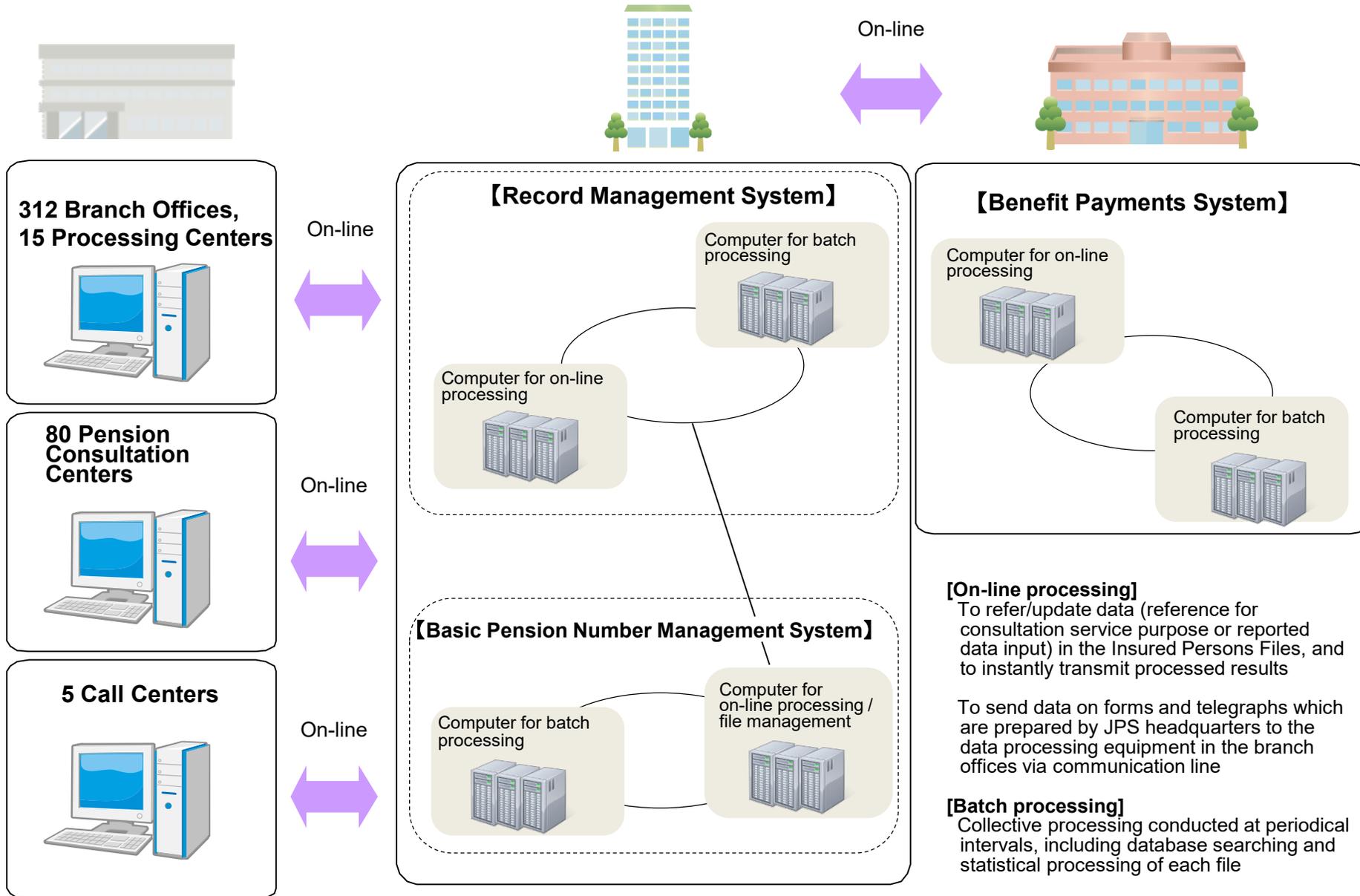
Advance mailing of application forms to the near-pensionable-age ("TURNAROUND" forms)



## (4) Pension Consultation Services



# (5) Structure of Social Insurance On-line System



**[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

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

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

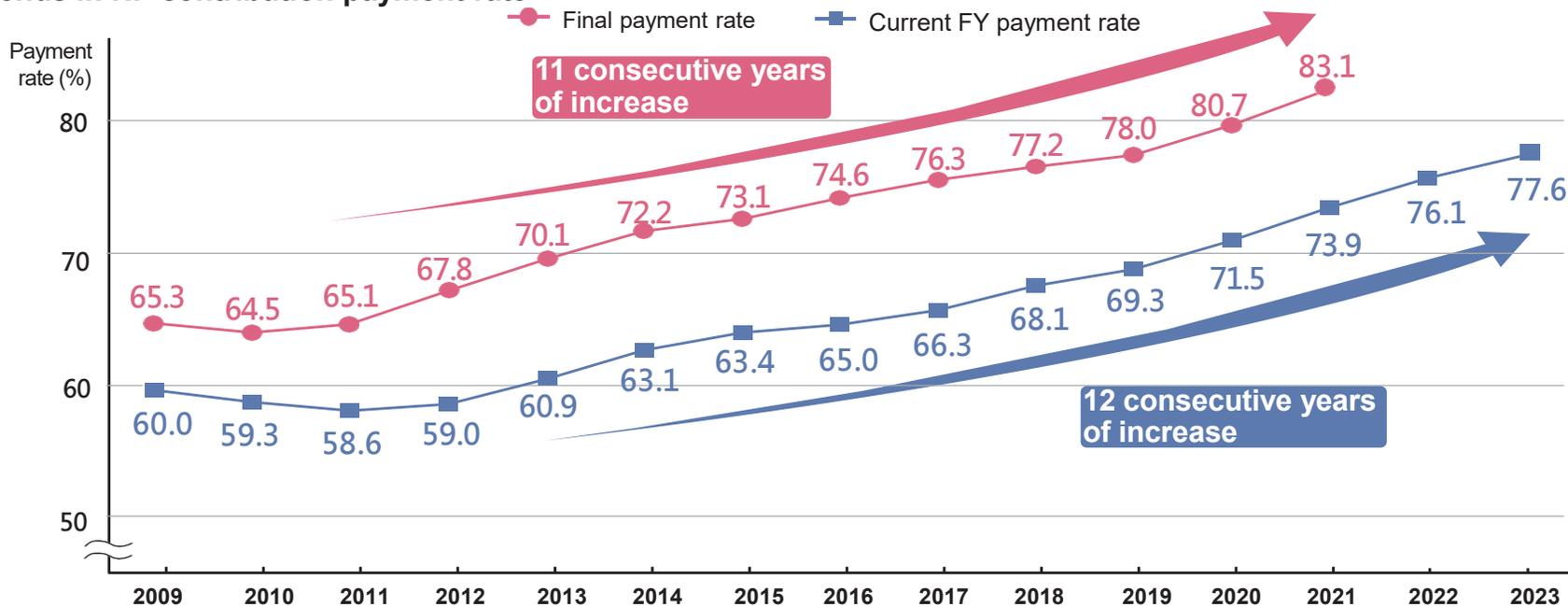
# 7. FY 2023 Performance

## (1) Improvement of National Pension Contributions Payment Rate

Underlying the public pension system is an intergenerational support system (pay-as-you-go system) in which current pension beneficiaries receive benefits funded by revenue of contributions paid by the current working-age population. Thus, to ensure this support system works correctly, improving contribution payment rate for National Pension is important. As for the contributions of FY 2023, the current-year payment rate reached 77.6% marking the 12 consecutive year of increase and the final payment rate reached 83.1%, marking the 11 consecutive year of increase.

- Note:
- NP contribution payment rate is calculated over three years: “current FY payment rate (paid in that year),” “payment rate as at one year later” and “final payment rate (as at 2 years later).”
  - NP contribution can be paid retroactively for up to 2 years, therefore the final payment rate for each FY can only be determined based on the “final payment rate” as at 2 years later.

Trends in NP contribution payment rate

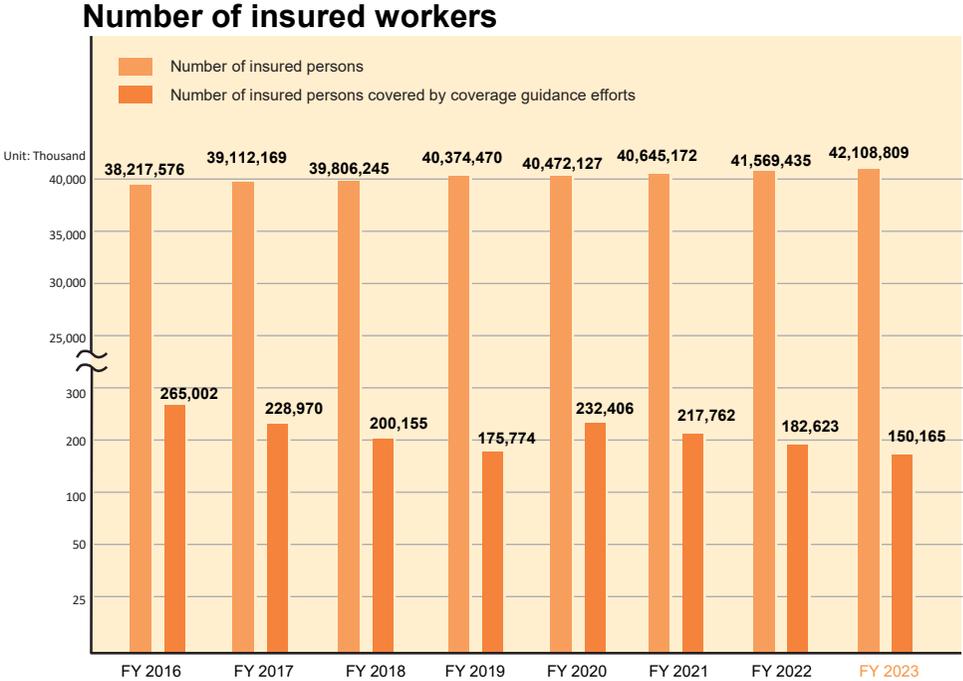
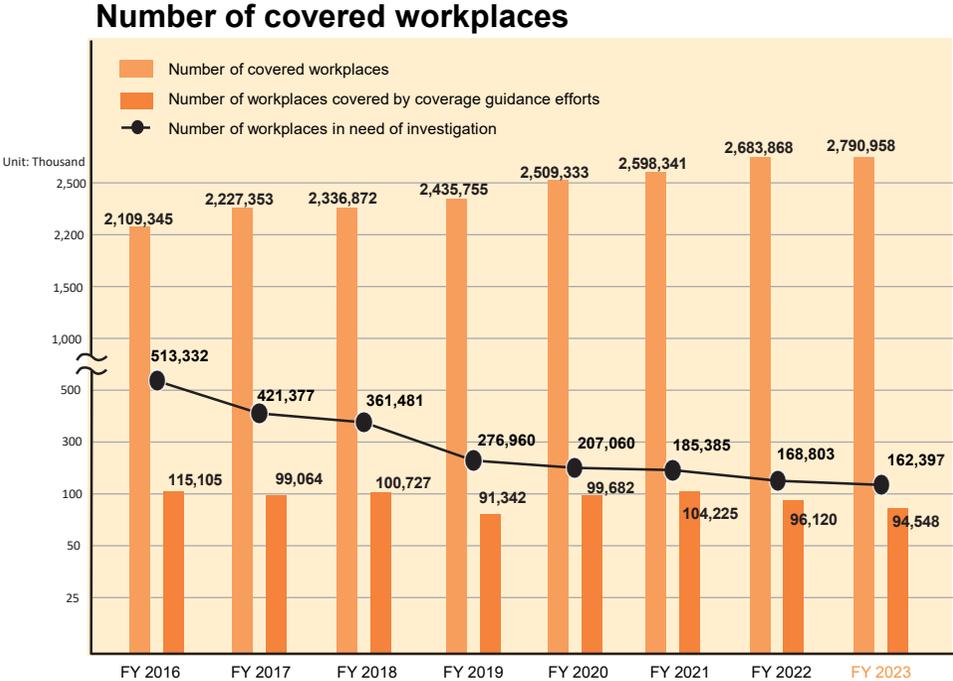


## (2) Promoting Coverage of Employees' Pension Insurance and Employees' Health Insurance

In general, all corporations (HOJIN legal persons), and business operated by individuals with at least five regular workers (excluding some industries) shall be covered by the EPI and EHI system. JPS works to systematically ensure coverage of workplaces which employ workers who should be covered; it is in the aim to prevent shorter coverage terms leading to disqualification to benefits or low benefits, to maintain a universal social insurance which provide sense of security in people's livelihood, as well as to ensure fair contribution payment liability among all employers.

### Coverage guidance efforts achieved coverage of 95,000 new workplaces

About 70,000 workplaces were newly covered through coverage guidance efforts, by means of notifying letters, telephone calls, and visits. Also, taking advantage of other authority's workplaces registry information, JPS promptly provides coverage guidance to newly established workplaces. Ultimately 95,000 workplaces with 150,000 workers in total were newly covered, leading to a drop in numbers of workplaces which need investigation to 162,000 as of the end of FY 2023, from 169,000 as of the end of FY 2022.



### (3) EPI / EHI Contribution Collected

The contribution collection is essential for ensuring the financial resources necessary for paying insurance benefits and also important for ensuring fair contribution payment liability among all employers. JPS is steadily implementing measures to collect contributions taking into consideration the social circumstances of covered workplaces, and the collection rate is improving. For those workplaces that have difficulties in paying contributions, JPS takes flexible action considering their individual circumstances.

#### Achieved a higher collection rate than the previous fiscal year

- ▶ EPI contribution collection rate was 98.7% at the end of FY 2023, an increase of 0.2 percentage point from the previous year.
- ▶ EHI contribution collection rate (EHI managed by the Japan Health Insurance Association) reached 97.7 % in FY 2023, an increase of 0.4 point from the previous year.

#### ▶ EPI contribution collection rate

Fiscal year	2022	2023
Contribution to be collected	<b>¥34.5889 trillion</b> (\$230.6 billion)	<b>¥35.6336 trillion</b> (\$237.6 billion)
Contribution collected	<b>¥34.0583 trillion</b> (\$227 billion)	<b>¥35.1702 trillion</b> (\$234.5 billion)
Collection rate	<b>98.5%</b>	<b>98.7%</b>

US\$1=¥150

Exchange rate specified in the ministerial ordinance report in December 2023

#### ▶ EHI contribution collection rate

Fiscal year	2022	2023
Contribution to be collected	<b>¥11.2938 trillion</b> (\$75.3 billion)	<b>¥11.6626 trillion</b> (\$77.8 billion)
Contribution collected	<b>¥10.9872 trillion</b> (\$73.2 billion)	<b>¥11.391 trillion</b> (\$75.9 billion)
Collection rate	<b>97.3%</b>	<b>97.7%</b>

## (4) Pension Benefit Operations from Customers' Viewpoint

JPS's important operational mission is to receive and examine pension applications, issue Pension Certificates, and pay pension benefits swiftly and accurately. In the effort to ensure benefit payments, JPS even reminds potential applicant to file applications without fail by sending application forms in advance. Also, JPS provides purpose-specific hotlines or contact points to respond to customers' inquiries and consultation needs in a meticulous manner.

### Service standard levels and achievement

The service standard levels are set to be achieved as a goal for prompt service. Among various services, swift benefits entitlement is in high demand involving direct impact to people, so JPS sets a standard number of days to be achieved, from the day of claim to benefits entitlement. Our achievement rate for service standard levels for benefits entitlement was maintained at above 90%, reflecting our efforts to deliver benefits swiftly.

#### Service standard levels and achievement rate in FY 2023

##### Old-age pension

Term in ( ) indicates each service standard.

For claims with no need of coverage records reconfirmation (Within one month)		For claims which need coverage records reconfirmation (Within two months)	
Avg. days required	Achievement rate	Avg. days required	Achievement rate
<b>23.4</b>	<b>98.5%</b>	<b>32.9</b>	<b>95.9%</b>

##### Survivors' pension

For claims with no need of coverage records reconfirmation (Within one month)		For claims which need coverage records reconfirmation (Within two months)	
Avg. days required	Achievement rate	Avg. days required	Achievement rate
<b>23.5</b>	<b>98.4%</b>	<b>31.7</b>	<b>95.0%</b>

##### Disability pension

Within three months	
Avg. days required	Achievement rate
<b>68.5</b>	<b>95.7%</b>

## (5) Responding to Pension Records Problem

*Pension records problem* occurred in 2007, where 50.95 million pension records were found to be not yet linked to Basic Pension Numbers (called “unidentified records”.) Since then JPS has been striving to solve the problem and thus to regain the public trust in pension operation.

### ▶ Unidentified records reduced by 230,000 in FY 2023

Remaining unidentified records was 17.13 million in FY 2023, a reduction of 230,000 from FY 2022.

### ▶ Linking Basic Pension Numbers to My Numbers

To ensure accurate management of pension records and efficient operations, as well as to improve convenience for customers, JPS works to link all BPNs to respective My Number (Japan’s individual number assigned to each resident and citizen.) As of the end of March 2024, 99.81 % of all BPNs was linked to individual My Number, an increase from 99.78 % as of the end of March 2023.

### Investigation status of 50.95 mil. unidentified records (as of March 2024)

Note: Change in classification of data in June 2012 (Records of the deceased and invalid records were classified as “identified records”).

Base population: 16.06 million  
Beneficiaries: 11.48 million Insured persons: 4.58 million

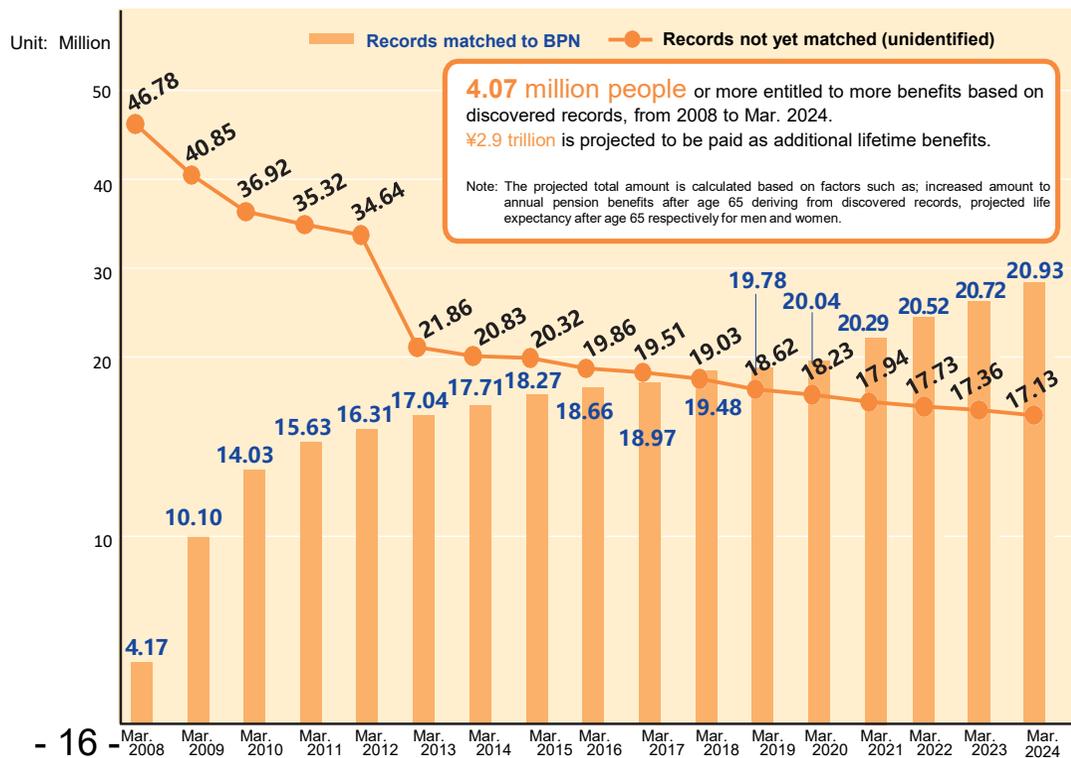
**33.82 million**  
records united to owner

(1) Records matched to owners' BPN	20.93 million
(2) Records of deceased persons	12.89 million
- Records for individuals determined to be deceased	7.63 million
- Records not valid for benefit entitlement	5.26 million

**17.13 million**  
records under ongoing investigation

(3) Under investigation upon reply from possible owner of records	4 thousand
(4) No reply or negative reply to our letter to find owner (NAYOSE TOKUBETSU BIN)	6.34 million
- No reply	1.96 million
- Reply of non-owner	1.58 million
- Letter not received	0.38 million
- Others	2.42 million
(5) No clue or indication of ownership	8.12 million
(6) Possibly same owner as in (3), (4), or (5)	2.67 million

**230,000**  
reduction from FY 2022



## (6) Promoting Awareness of the Public Pension System

JPS implements the *local pension communication project*, a project led by JPS branch offices throughout Japan to promote understanding and awareness of the public pension system. The project focuses on community-based activities implemented in collaboration with local communities, companies, schools, and other related organizations.

### Pension seminars/information sessions to learn and understand pension system

JPS organizes pension seminars throughout Japan for students at universities and senior high schools, and pension system information sessions for companies and local communities. In addition, JPS expands the audience by providing online seminars via web conference tools and DVD videos.

#### ► Pension Seminars and Pension System Information Sessions in FY2023

Events	Number of events organized	Number of participants
<b>Pension seminars</b>	<b>3,156 seminars</b> (3,488 in FY 2022) Including 333 online seminars (466 in FY 2022) and 126 sessions via DVD videos (244 in FY 2022)	<b>164,105</b> (162,894 in FY 2022)
<b>Pension system information sessions</b>	<b>1,965 sessions</b> (3,694 in FY 2022) Including 262 online sessions (1,725 in FY 2022)	<b>82,324</b> (65,712 in FY 2022)

## 8. FY 2023 Primary Performance Indicators and Evaluations

JPS's mid-term (five years) plan and an annual plan aim to achieve mid-term goals set by the Minister of Health, Labour and Welfare, and JPS implements various initiatives to achieve those goals.

Based on the Japan Pension Service Act, JPS's performance is thus evaluated by the Minister every fiscal year as well as every period for mid-term goals. The chart below shows primary performance indicators for FY 2023 in the third mid-term target period and the evaluations given by the Minister.

(Evaluation mark in the chart: S; notably exceeded the annual plan, A; exceeded the annual plan, B; generally achieved the annual plan)

Operational items		Primary performance indicators					Evaluation by Minister of HLW					
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	
NP contribution collection	NP contribution payment rate - Current FY rate	69.3 %	71.5 %	73.9 %	76.1 %	77.6 %	A	A	A	A	S	
	NP contribution payment rate - Final rate (2 years later)	For contributions of FY 2017 76.3 % (+10.0 % points)	For contributions of FY 2018 77.2 % (+9.0 % points)	For contributions of FY 2019 78.0 % (+8.7 % points)	For contributions of FY 2020 80.7 % (+9.2 % points)	For contributions of FY 2021 83.1 % (+9.2 % points)						
EPI coverage	Number of newly covered workplaces	146,533	120,898	133,305	134,726	153,857	A	A	A	A	A	
	(Of the above) workplaces covered by coverage initiatives	91,342	99,682	104,225	96,120	94,548						
EPI contribution collection	EPI contribution collection rate	99.1 %	97.5 % <small>Note: 99.3% if excluding ¥584.2 billion which is subject to contribution payment postponement, due to such as COVID-19 pandemic</small>	98.3 % <small>Note: 99.4% if excluding ¥352.9 billion which is subject to contribution payment postponement</small>	98.5 % <small>Note: 99.0% if excluding ¥201.7 billion which is subject to contribution payment postponement</small>	98.7 %	A	A	A	A	A	
	Rate of contribution payments by automatic bank account transfer	81.8 %	81.0 %	81.4 %	81.5 %	81.5 %						
Benefits payment	Achievement of service standard levels (standard period needed for benefits entitlement)	Old-age pension	95.3 %	97.4 %	97.9 %	93.3 %	B	B	A	A	A	
		Disability pension	90.1 %	75.4 %	95.7 %	94.8 %						95.7 %
Records problems	Progress of investigation	Records matched	20.04 million (As of Mar. 2020)	20.29 million (As of Mar. 2021)	20.52 million (As of Mar. 2022)	20.72 million (As of Mar. 2023)	20.93 million (As of Mar. 2024)	B	B	B	B	B
		Records under/ in need of more investigation	18.23 million (As of Mar. 2020)	17.94 million (As of Mar. 2021)	17.73 million (As of Mar. 2022)	17.36 million (As of Mar. 2023)	17.13 million (As of Mar. 2024)					

# 9. Public Pension by the Numbers

## Essential figures of the public pension system and pension operation

### Persons covered by the public pension

**67.44 million** (as of the end of FY 2022)

Public pension system here includes National Pension and Employees' Pension Insurance. More than half the population of Japan (124.55 million<sup>\*1</sup>) is covered by the public pension.

### Insured persons who pay contribution (as of the end of FY 2022)

**67.44 million persons covered by the public pension**

National Pension Category I insured persons	National Pension Category II insured persons <sup>*3</sup>	National Pension Category III insured persons
<b>14.05 million</b> <sup>*2</sup> <small>Age between 20-59, self-employed workers, students, farmers, unemployed persons</small>	<b>46.18 million</b> <small>Company workers and public-sector workers (covered by Employees' Pension Insurance)</small>	<b>7.21 million</b> <small>Age between 20-59, dependent spouses of Category II insured persons, annual income less than ¥1.3 million</small>
<b>People paying contributions<sup>*4</sup></b> <span style="color: red; border: 1px solid red; border-radius: 50%; padding: 2px;">Approx. 99%</span>		
<b>Non-payers<sup>*5</sup> 0.89 million</b>		

The current FY payment rate for Category I insured persons in FY 2022 was 76.1%. When combined with other public pension such as EPI, 99% of all insured persons covered by public pension paid contributions; leaving only 1% who did not pay.

**Revenues from contributions** **¥40.6539 trillion**  
(as of the end of FY 2022) (\$271 billion)

Contributions of National Pension and Employees' Pension Insurance: For EPI, the employers cover half of the EPI contribution payments.

**PLUS national government subsidy and pension reserve fund investment income**

**Pension benefits payments** **¥53.7363 trillion**  
(as of the end of FY 2022) (\$358.2 billion)

The pension benefits payments sum was covered by pension contribution revenues, national government subsidy, and pension reserve fund investment income. This sum is equal to around 10% of Japan's nominal GDP.<sup>\*6</sup>

**Pension beneficiaries** **39.75 million people**<sup>\*7</sup>  
(as of the end of FY 2022)

Number of beneficiaries of old-age pension, disability pension, or survivors' pension counts about 30% of the Japan's population (124.55 million.)

\*1: Total population (final figure) as of April 1 of the following fiscal year (Monthly Population Estimation Report, Statistics Bureau, Ministry of Internal Affairs and Communications)

\*2: Number of Category I insured persons includes voluntary covered insured persons (190,000 persons.)

\*3: Category II insured persons means those who are insured by the Employees' Pension Insurance. (Including persons aged 65 and older who have the right to receive old-age or retirement pension benefits in this page)

\*4: Includes people who are granted contribution exemption or postponement of contribution payments.

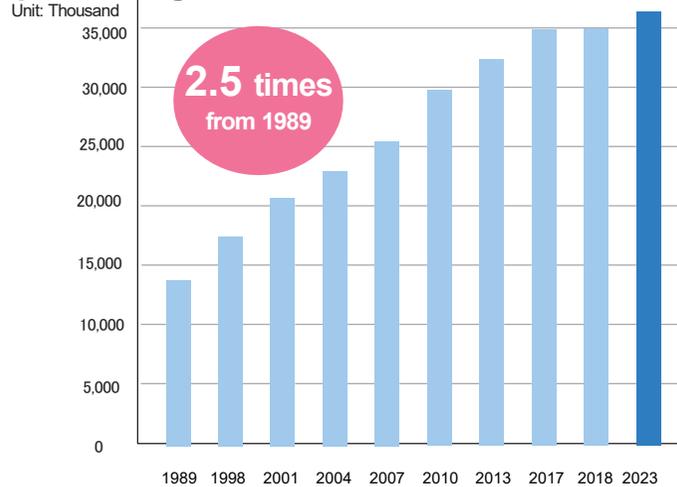
\*5: Non-payers here mean persons who did not pay 24 monthly contributions for April 2021 through March 2023.

\*6: GDP refers to the total value of goods and services produced in a year, calculated using market prices.

\*7: Beneficiaries who have right to receive at least one type of pension benefits: No multiple-counting of a person with more than one type of benefits.

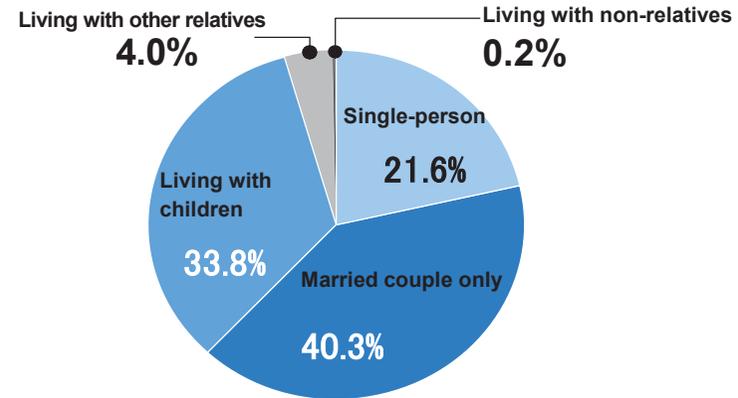
# Population aged 65 and older **36.22** million (as of April 2023)

## Population aged 65 and older



The population of age 65 and older has reached a level about 2.5 times of that in 1989 (14.31 million.)

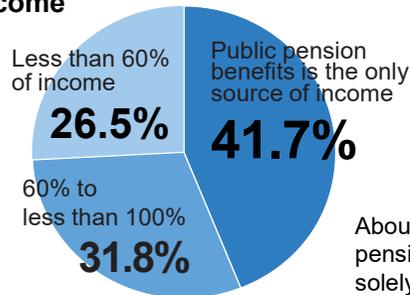
## Households of people aged 65 and older



The largest household group is “married couple only” (40.3% or 15.938 million) which consists one or both of the couple aged 65 or older, followed by “living with children” (33.8% or 13.378 million,) and finally “single-person households” (21.6 % or 8.553 million.)

## Elderly households\* whose only source of income is public pension **41.7 %**

### Elderly households by percentage of public pension income to total income

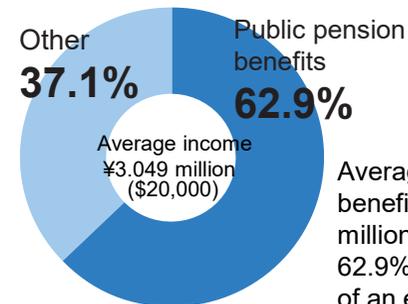


About 40% of elderly pensioner households live solely on the income of public pension benefits.

## Public pension amount paid to elderly households\*

**¥1.919 million**  
(\$12,800)

### Breakdown of average income per elderly household



Average public pension benefits amount is ¥1.919 million/year, which composes 62.9% of the average income of an elderly household.

\* “Elderly household” here refers to a household consisting only of person(s) aged 65 and older, with or without unmarried person under age 18.

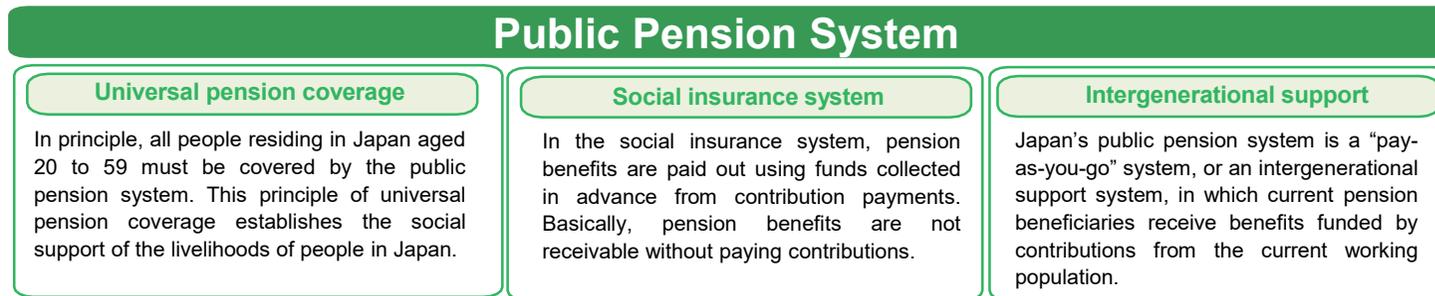
# - REFERENCE - Japanese Public Pension System

## Public Pension System

### Basic Concept of the Public Pension

#### Three fundamental concepts to support people's livelihood

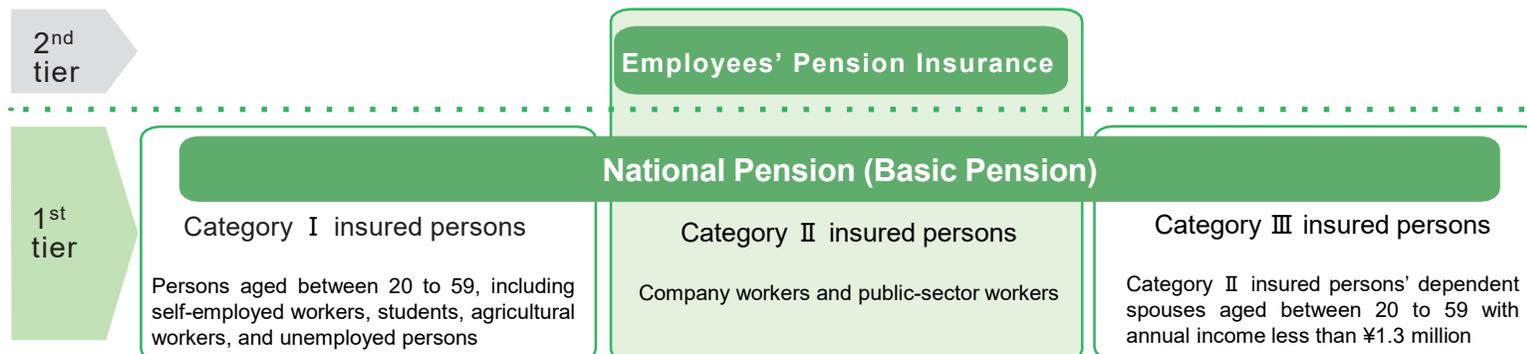
The public pension system was created based on the idea that the working generation supports the livelihoods of those in need, i.e., people in old age, people with disability due to illness or injury, and surviving family members whose primary wage earner died. It is built on three fundamental concepts as below.



### Structure of the Public Pension System

#### Structured to suit your lifestyle

The public pension system consists of a two-tier structure: National Pension (NP) covers all people aged between 20 to 59, and company workers and public-sector workers are covered by Employees' Pension Insurance (EPI) on top of that: this means those employed workers are covered by both NP and EPI. Under NP, individuals are categorized as Category I, Category II, or Category III insured persons according to their status. Each category has different contribution payment schemes and processes.



## Pension Benefit Types

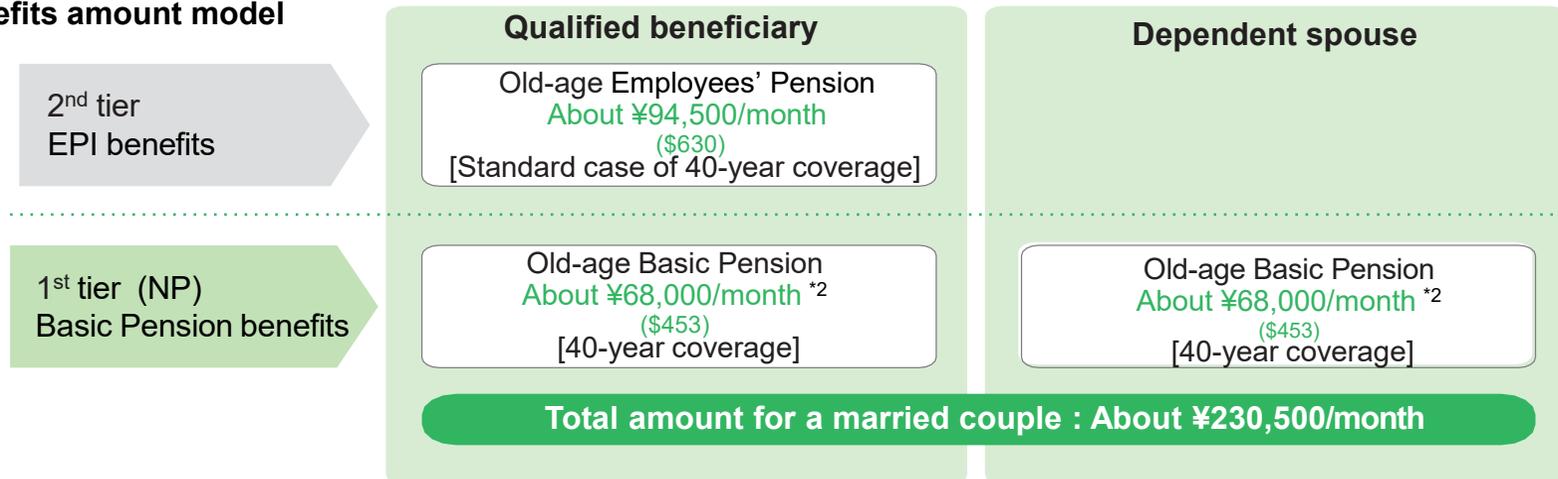
### Three types of pension benefits: old-age, disability, and survivors' pensions

Pension benefits are paid not only for retirement of senior citizens. People at younger age can receive benefits for disability or survivors' pension when in need. The pension system is essential for its role in supporting the livelihoods of the elderly as well as the working population and younger people.

## 1. Old-age Pension

The NP system provides life-long Old-age Basic Pension benefits. If the person has coverage period of EPI system, Old-age Employees' Pension benefits is paid in addition to Old-age Basic Pension benefits. For both NP and EPI, the benefits amount depends on the period of coverage and contribution payments. Old-age benefits are payable at age 65 in principle, while option is possible to start the benefits early or later, at any age between 60 and 75.\*1

### Benefits amount model

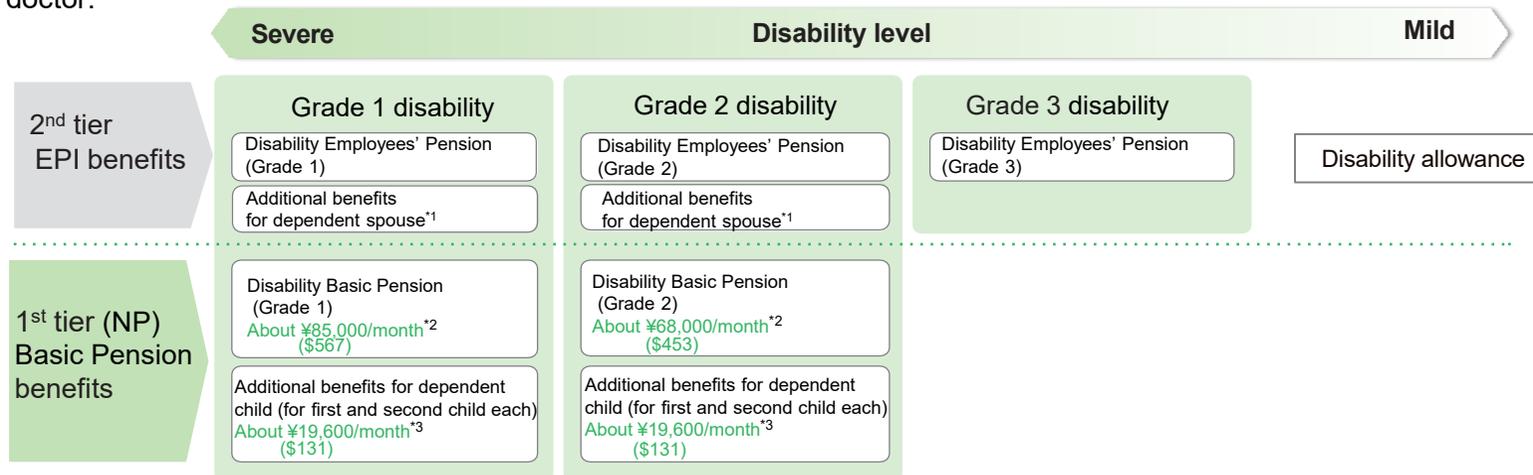


\*1: Benefits will be reduced if received early, and increased if received late. For those born on and before April 1, 1952, age 70 is the limit to delay the start of benefits.

\*2: Benefits amount for FY 2024 for those born on or after April 2, 1956. About ¥67,800/month for those born on or before April 1, 1956.  
(\$452)

## 2. Disability Pension

When a person's livelihood or work is limited due to illness or injury, disability pension can be received, depending on the grade of disability. Either Disability Basic Pension or Disability Employees' Pension, or both can be paid depending on coverage status at the time of first visit to a medical doctor.



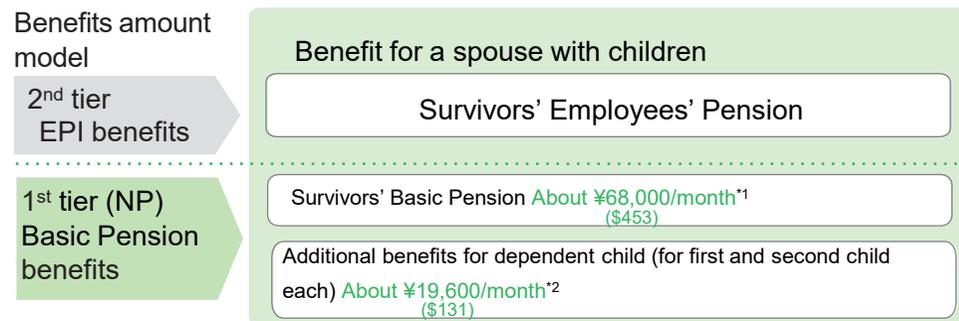
\*1: The spouse must be under 65 years of age and not eligible for Old-age Employees' Pension (coverage period is less than 240 months) or disability benefits.

\*2: Benefits amount for FY 2024 for those born on or after April 2, 1956. For those born on or before April 1, 1956, about ¥84,800 for Grade 1, and about ¥67,800 for Grade 2. (\$565)

\*3: Additional benefits amount for FY 2024. The monthly amount for the third and subsequent children is about ¥6,500/month each. Payable until the end of first March after reaching age 18, or if the child is under age 20 and has disability of Grade 1 or 2. (\$43)

## 3. Survivors' Pension

If an insured wage earner died, survivors' pensions are paid out to the dependent family members including spouse or children who meet certain requirements. Depending on the type of pension system under which the deceased person was covered, the survivor(s) can receive either the Survivors' Basic Pension or the Survivors' Employees' Pension, or both.



\*1: Benefits amount for FY 2024 for those born on or after April 2, 1956. About ¥67,800 for those born on or before April 1, 1956. (\$452)

\*2: Additional benefits amount for children in the FY 2024. The monthly amount for the third and subsequent children is about ¥6,500/month each. Payable until the end of first March after reaching age 18, or if the child is under 20 years of age and has disability of Grade 1 or 2. (\$43)