

## **Redesign of Retirement Benefit: an Opportunity to Rethink Income Adequacy for Individuals in Japan**

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Due to changing of social security system and economical and statutory environment, many Japanese employers have to think of redesign of retirement benefit. This provides us with a best opportunity to rethink individual preparation for employees' retirement.

I want to discuss how to provide necessary information about defined benefit plans granted by employers to their employees and job candidates to understand their retirement preparation. Especially I will deal with some measures that help us characterize some type of annuity/lump sum benefit provided by DB plan in Japan.

Through the utilization of the measures, I will also address a comparability of benefit among DB plan, DC plan and other investment vehicles in terms of expected return and the relevant volatility.

The employers should make effort to fairly disclose informative reference about their retirement benefit, to help their employees and job candidate to plan retirement preparation, as retirement preparation of Japanese worker will be scant because of changing of social security system and economical environment.

I believe that these matter are alternative challenge that we should address future and actuaries' expertise may play a role in the solution by providing their ability in communicating financial matters for people.