

2nd PBSS Colloquium
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Topic B. Longevity and annuitisation, risk sharing in pension design

Public sector pension plans in Japan – Changes in plan design, financing and investment policies

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As public sector pension plans in Japan, there are private pension plans which non-profit organizations provide and public pension plans which government officials' pension funds and private school teachers' pension fund provide.

Private pension plans which non-profit organizations provide had not been regulated by the law, so various types of plans were established for government officials and private school teachers and each plan had financing, an investment policy and risk management of its own.

Recently the insurance law has become applicable for non-profit organization's pensions, and the new non-profit organization law, the new tax law and the new accounting rules will be in effect by FY2008. Furthermore, the additional pensions of the government officials' pensions and the private school teachers' pension will be reformed in 2010.

I introduce the current status of some non-profit organization's pension plans and deliberating the new additional pensions, and compared to corporate pension plans, I state what plan design, financing and investment policies should be in these public sector pension plans in conjunction with the regulation.

Keywords: Public Sector Pension, Government Official, Financing, Investment Policy, Regulation