

Dear Scientific Committee,

Hello, my name is Kazuma Fujiyama, and I am an actuary in Nippon Life Insurance, Japan.

I would like to register for PBSS Colloquium Cancun.

Proposal requirements are as below.

-Presentation title

Practical Issues on Japanese Version of “Defined Ambition”

-Presenter

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-Type

Presentation

-Abstract

Most developed countries are seeking ways to maintain a sustainable pension system. Japan is no exception. DB plans still cover a half of Japanese corporate pension plans, however there has been a big change in Japanese DB plans. In Japan since January 2016, Negative Interest Rate Policy has been adopted by the Bank of Japan and it made the investment environment more severe. As a result, the transfer from DB plans to DC plans is now accelerated in particular among large companies.

The transfer to DC plans is not the only way to make the pension plans sustainable. The government has taken the initiative in introducing the new type of pension system for the past few years, and finally Japanese version of “Defined Ambition” system shall come into force by March 2017. It is a kind of the hybrid pension systems and called “Risk-Sharing Corporate Pension”. One of the most significant features is that the benefit is linked to the adequate level of the plan.

Toward smooth introduction of the new system, some practical issues have been discussed by the government and the trustee companies which are life insurance companies and trust banks. Some of the issues will be discussed in my presentation. The objectives of the presentation are threefold.

First, I review the mechanism of the Japanese risk-sharing corporate pension, and explain the underlying practical issues which will affect sponsor companies, trustee companies and participants. Second, by means of the financial model, I illustrate how the practical issues will cause unfairness among participants and discuss how they will be solved. Third, I make recommendations on this system to improve practicality and sustainability.

-Language

English

-Prior Exposure
No

-Presentation
Case study discussions with power point slides.

Best regards,
Kazuma Fujiyama, Nippon Life.