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# Proposal and Trial Calculation of a New Standard Pension Amount

**The average pension amount for husband-and-wife households will increase even assuming zero growth**

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## Summary

- The government calculates the standard pension amount based on the assumption that the husband participates in the employee pension plan for 40 years, and that the wife is a full-time housewife for 40 years, and announces this amount along with future prospects. However, the younger the generation, the more diverse the working styles of husband and wife, and it is possible that the standard pension amounts will deviate from the average figure for the pension amount that generation receives.
- In this report, a more generally applicable average description of husband-and-wife households for each generation is adopted as the new standard pension amount, in which the question of whether husband and wife are employees, self-employed or full-time housewife (househusband), and the pension amount for husband-and-wife households with average welfare pension membership records is estimated for each generation.
- The results of the estimate show that the standard pension amount and the new standard pension amount are almost the same as they are for current new pension recipients, and that the standard pension amount is still useful as a measure of the average pension amount. However, since it is assumed that women will work longer at higher wage levels in later generations, the new standard pension amount will be higher than the old standard pension amount, and the difference will widen. Therefore, the standard pension amount is not considered to be very useful as a measure of the amount of pension benefits to be received in the future by generations born after 1980.
- The new standard pension amount can provide an immediate indication of the enhancement of public pensions by expanding the application of the Employee Pension, and it can be an indication that the pension amount is expected to increase, albeit slightly, even going on conservative economic assumptions that the GDP growth rate is expected to be 0% for the long-term. With reference to this report, the government should consider calculating and publishing a new standard for pension payments based on changes in working styles.

Attention

This report is a summary translation. The official document is only in Japanese.