

2 November 2021 (No. of pages:1)

Japanese report: 29 Oct 2021

Further Expansion of Application Prevents Low Pensions for Women

Considering increase of corporate burden, and eliminating requirement of number of employees desirable

Policy Research Dept.
Aguri Sagawa

Summary

- The 2020 revision to the pension system reviewed the requirements for expanding the application of employee pensions. As a result of expanding the application to companies with more than 501 employees, which came into effect in October 2016, more than 0.5 million part-time workers are now eligible for the employee pension. Furthermore, the size requirement has been reduced to more than 50, and 650,000 new employees are expected to participate in the employee pension plan.
- More than 70% of the part-time insured employees who have been extended are women. The fact that wage income increased for many part-time insured employees, and women's national pension insured employees who have low income in particular, came to participate in the employee pension program is a major achievement. Among housewives who are part-time workers, there are still some moves to adjust employment in the absence of an increase in the insurance premium burden. However, there is room to encourage an increase in employment if there is an understanding of the merits of expanding the application.
- The challenge for expanding application is to consider increasing the burden of corporations. Industries that employ a large number of part-time workers have voiced that increasing the burden of social insurance premiums due to the expansion of application thus far has had a major impact on corporate management. As a proposal, the expansion of the career advancement subsidy system for a positive corporation that is working to increase employee productivity will contribute to the smooth expansion of its application.
- With regard to the requirement for the number of employees, it is desirable to aim for its elimination in the future in order to meet the conditions of competition for corporations and to increase the neutrality of individual working styles and choice of place of work. For this reason, it is necessary to respond carefully to any challenges that emerge in the process of expanding the application to enterprises with more than 50 employees.

Attention

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