Five Years Since Expansion of Target Audience, Tracking Dissemination of iDeCo

Promoting use of iDeCo by corporate employees without pensions is key

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Summary

▪ The number of participants in the personal defined contribution plan (individual-type Defined Contribution pension plan; iDeCo) has increased by about eight times in five years since the number of eligible participants was expanded in January 2017, to 2,388,000 as of March 2022. Use of iDeCo by company employees and public servants has expanded, and the participation rate of public servants has exceeded 10%. The pace of increase in the number of new subscribers has accelerated since the second half of 2020 for self-employed persons, full-time housewives, for which use had been sluggish.

▪ Looking at the contribution status of premiums, self-employed persons and full-time housewives are split between the category of small contributions and the category that contributes up to the limit. A relatively large proportion of corporate employees with corporate pensions and public employees contribute up to the limit. However, amongst corporate employees who do not have corporate pensions, there are many subscribers who can make additional contributions. These trends have not changed in five years.

▪ The relaxation of iDeCo membership requirements for corporate DC subscribers (to be enforced in October 2022), and the securing of fairness in iDeCo contribution limits for corporate employees with corporate pensions and public servants (to be enforced in December 2024) are expected to further expand iDeCo use by corporate employees with corporate pensions and public servants. On the other hand, with regard to corporate employees who do not have corporate pensions, where self-help preparations for old age are more important, it is an urgent issue to disseminate the use of iDeCo.

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