

## VIII-5 Pension

Regardless of nationality, all persons from the age of 20 to 59 residing in Japan must become a policyholder of the pension scheme and pay premiums. A foreign national is required to be a member of either the National Pension Plan or Employees' Pension Insurance

### 1. Employee Pension Insurance

Employees from the age of 20 and over and working for a company with 4 or more employees must be insured with the employee pension insurance. Even part-time workers engaged in work for 75% or longer period of regular workers' working hours and days must be insured (Employees who work less than 75% of regular workers' work hours will be also insured if they meet the following requirements for part time workers\*). Premiums are paid in equal shares by employer and employee, but the amount may be shifted depending on the employee's salary and bonus amounts. Premiums are paid through the employer.

- (\*) 1. Work more than 20 hours per week
- 2. Expected to work for more than 1 year
- 3. Earn more than 88,000 Yen per month
- 4. Are not students
- 5. Work for a company with more than 500 employees

### 2. National Pension Plan

People who are not covered by employee pension insurance must become members of the National Pension Plan. The same premium applies to all policyholders regardless of their income, and the cost to the individual is 16,410 yen per month (FY 2019). For those with very low income, a reduction or exemption of premium payments may be available. For details, consult with the Pension Division in your municipality.

### 3. Lump-sum Withdrawal Payments

Employees' Pension Insurance and the National Pension Plan have a system called Lump-sum Withdrawal Payments. If a foreign national became a policyholder of a pension plan while in Japan and paid premiums for 6 months or longer, and leaves Japan, if s/he applies for the payment according to necessary procedures no later than 2 years from leaving Japan, a partial lump-sum payment (part of the self-paid amount only) is paid to the foreign national. Those who have contributed to the pension system for 10 year or longer, however, are not entitled to Lump-sum withdrawal payment. (Instead, they will be eligible to receive an old-age pension when they reach pension age.) For details, consult with the Pension Division in your municipality or the Japan Pension Service Branch Offices and Pension Consultation Centers. (Appendix IX—1)