Title: A Balance Sheet Approach to Reforming Social Security Pensions in Japan: Is NDC the Answer?

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Figure 1  Current Account of the KNH
Figure 2 Balance Sheet of the KNH

(as at the 31st MAR 2000)

Excess Liabilities: 530 tr. yen

Assets

Liabilities

170 F. Reserve
280 Transfers (GR)
1170 Contributions

2150
Figure 3  Balance Sheet of the KNH (Part 1)  
(as at the 31st MAR 2000)

Pension Liabilities Accrued from FUTURE Contributions

Assets Liabilities

<table>
<thead>
<tr>
<th>(trillion yen)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>1,400</td>
<td>1,400</td>
</tr>
<tr>
<td>1,600</td>
<td>1,600</td>
</tr>
</tbody>
</table>

Excess Liabilities: 80 tr. yen

Contributions: 1170

Transfers (GR): 180

Liabilities: 1430

Part 1
Figure 4 Balance Sheet of the KNH (Part 2)

Pension Liabilities Accrued from PAST Contributions

(as at the 31st MAR 2000)

Excess Liabilities: 450 tr. yen

Assets

<table>
<thead>
<tr>
<th>Transfers (GR)</th>
<th>F. Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>170</td>
</tr>
</tbody>
</table>

Liabilities

| 720 |

(101x747)
Figure 5  Which Is More, SS Contributions or Tax Revenues?
FY 2003 National Budget, Japan

SS Contributions: 55.6 trillion yen
Tax (Central Gov.t): 43.9 trillion yen
Figure 6  Main Income Sources of Japan’s Central Government
FY 2003 National Budget, Japan

(trillion yen)

- Consumption Tax: 11.9
- Personal Income Tax: 13.8
- SS Pension Contributions: 29.0
- SS Health Care Contributions: 17.5
- Corporate Income Tax: 9.1
Figure 7  Per-capita Income by Age in Japan

Figure 8  Drop-out from SS Pensions (Non-employees)
Delinquency in Paying Pension Contributions

YEAR

% 0 10 20 30 40


37.2