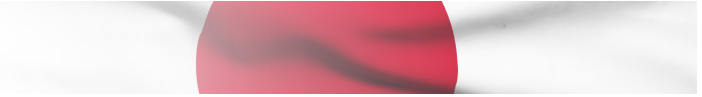


Japan



Self-Employment in Japan

In 2015, there were 7.2 million self-employed people in Japan participating in the national pension for the self-employed. This is quite a low level, reflecting the expectation that the self-employed can continue to work beyond retirement age. Four-hundred-and-eighty thousand self-employed also participate in the National Pension Fund which is a defined benefit plan and 73,000 participate in the defined contribution plan for the self-employed. The contribution amount is limited at 68,000 yen per month for both of National Pension Fund and the Defined Contribution plan together, designed to bridge the gap in pensions between employed workers and the self-employed. In practice, half (50 percent) of the Japanese self-employed expect to work beyond age 65 years which is well above the global average (40 percent). Employed workers are frequently mandated to retire at normal retirement age often without having the option to keep working. Since 2002 a quarter of the self-employed (2.6 million) have shifted to “non-regular” workers, a cause for concern given that these workers enjoy less generous retirement benefits. Yet only 52 percent of the “non-regular” workers participate in Workers’ Pension compared to 99 percent among regular workers (2014).¹ The Japanese self-employed express a low level of positivity toward retirement, only half (50 percent) associate retirement with positive words compared to 66 percent globally.

Key country indicators



11.5%² of workers are self-employed



61%³ of self-employed are men



65 years official retirement age (when full entitlements are payable)

Profile of Japanese self-employed



\$19.4k median personal income



83% cite positive reasons for becoming self-employed



84% are sole-proprietors



12% will sell their business to prepare for retirement

What attitudes and expectations do the self-employed hold toward retirement?



Confident you will be able to fully retire with a lifestyle you consider comfortable

Japan: 13%

Global: 26%



Proportion that expect to retire at over 65 (includes never)

Japan: 50%

Global: 40%



Envision a flexible transition to retirement

Japan: 33%

Global: 69%

How are the self-employed planning and saving for retirement?



Habitual savers

Japan: 11%

Global: 34%



Have a written retirement strategy

Japan: 5%

Global: 13%



Have a backup plan

Japan: 14%

Global: 38%

This country profile is part of the report “Retirement Preparations in a New Age of Self-Employment” and contains research findings from the fifth annual Aegon Retirement Readiness Survey. To read the full report and view videos and infographics, please visit: aegon.com/Self-Employed

Sources:

¹ <http://www.japantimes.co.jp/opinion/2016/01/05/editorials/plight-of-irregular-workers/#.WFOP>

² [OECD Self Employment rate \(2013\)](#)

³ [OECD Self-Employment, proportion male \(2013\)](#)

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