

9 Achieving Adequate Remuneration

Remuneration of national public employees is made up of salary (basic salary) and allowances to complement the salary. The remuneration level for national public employees is determined through a precise comparison of salaries, including monthly remuneration and bonuses, between the public and private sectors, which we survey. The distribution of salary and allowances in monthly remuneration is decided taking into account the necessity in personnel management in the public service.

Types of Remuneration

Salary	(Equivalent to base pay in private sector)
Allowances	<ul style="list-style-type: none"> • Family Allowance • Housing Allowance • Commuter Allowance • Family-unattended-transfer Allowance • Teleworking allowance • Area Allowance (paid to employees working in the areas where wage levels in the private sector are high) • Wide-area Transfer Allowance • Managerial Allowance (paid to employees in managerial positions) • Headquarters Duty Adjustment Allowance • Hardship Duty Allowance • Overtime Allowance, etc.
Bonus	<ul style="list-style-type: none"> • End-of-term Allowance • Diligence Allowance

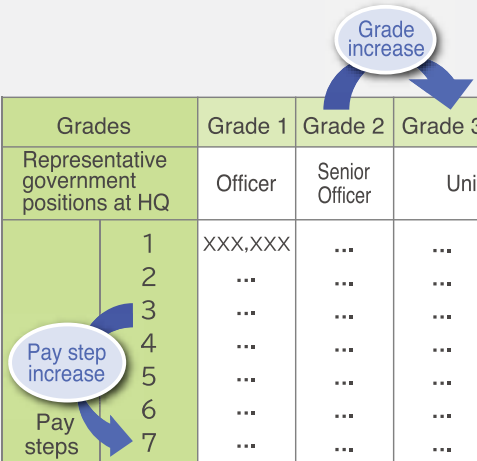
■ Principle of Remuneration based on Official Duties and Responsibilities

- ▶ Remuneration of national public employees is determined in accordance with the type of job as well as the degree of complexity, difficulty and responsibility of duties.
- ▶ There are 17 salary schedules in accordance with the type of job (Administrative Service, Public Security Service, Medical Service, etc.); one of these schedules is applied to each employee.
- ▶ Each salary schedule has several grades that are established in accordance with the degree of complexity, difficulty and responsibility of duties (Officer, Unit Chief, Division Director, etc.).

■ Principle of Merit

- ▶ Grade increase (change to upper grade) and pay step increase within grade (change to upper pay step) are determined based on work performance and abilities. The diligence allowance is also paid in accordance with work performance. (Refer to page 18.)

Example of Salary Schedule for Administrative Service (I) (equivalent to administrative/technical jobs in private enterprises)



The diagram illustrates the progression within the salary schedule. A blue arrow labeled 'Grade increase' points from Grade 2 to Grade 3. Another blue arrow labeled 'Pay step increase' points from step 1 to step 2 within Grade 2. A third blue arrow labeled 'Pay steps' points from step 1 to step 9 within Grade 2.

Grades	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10
Representative government positions at HQ	Officer	Senior Officer	Unit Chief		Assistant Director		Director of Office		Division Director	
1	XXX,XXX	...	...	...	...	...	...	...	...	...
2	...	...	...	...	...	...	...	...	...	...
3	...	...	...	...	...	...	...	...	...	...
4	...	...	...	...	...	...	...	...	...	...
5	...	...	...	...	...	...	...	...	...	...
6	...	...	...	...	...	...	...	...	...	...
7	...	...	...	...	...	...	...	...	...	...
8	...	...	...	...	...	...	...	...	...	...
9	...	...	...	...	...	...	...	...	...	...
:	:	:	:	:	:	:	:	:	:	:

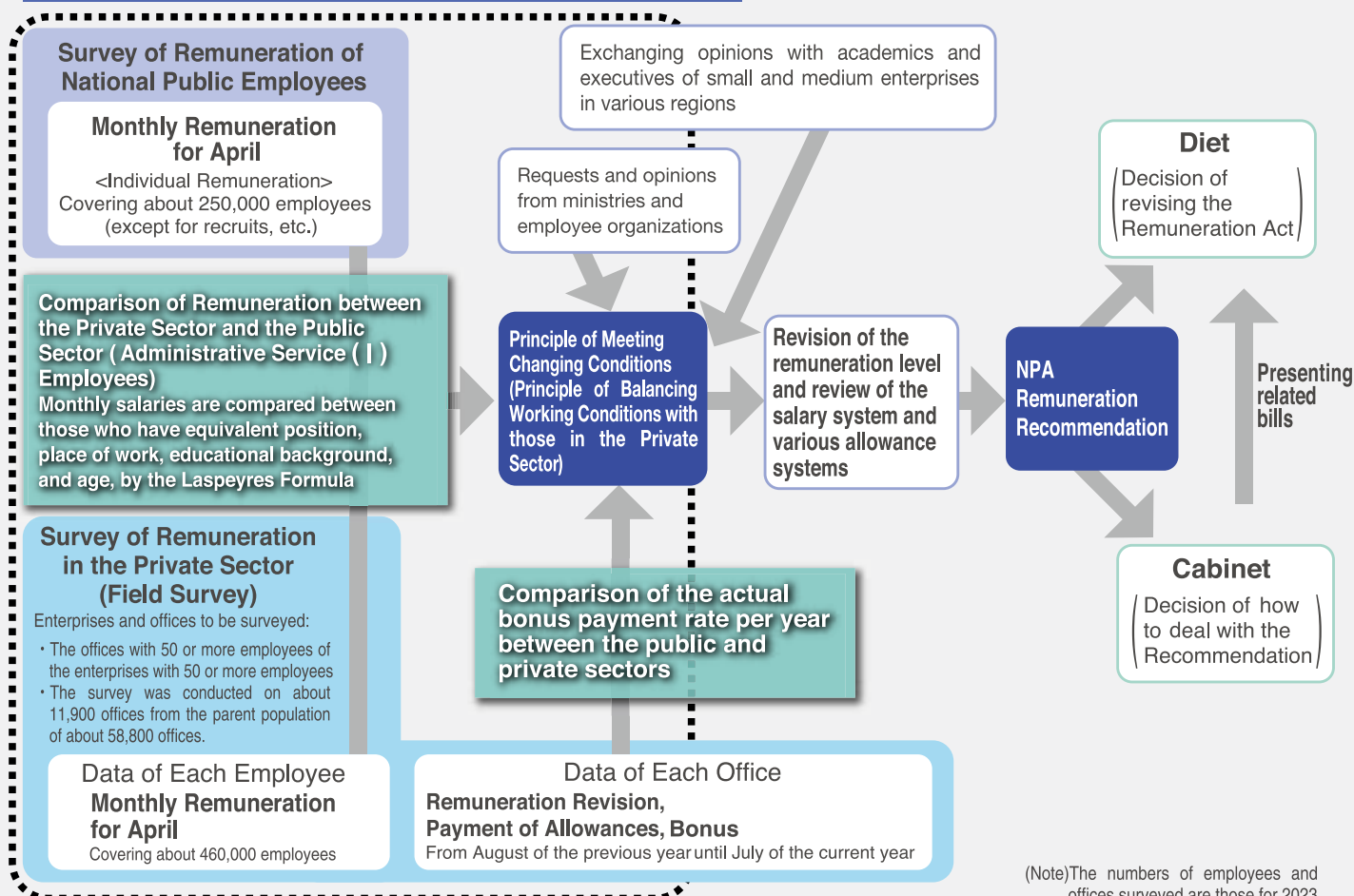
Remuneration Recommendation

The national public employees cannot conduct labor-management negotiation due to the restriction of basic labor rights. The NPA's remuneration recommendations serve as the compensatory measure to offset the restriction.

Principle of Meeting Changing Conditions

- ▶ Remuneration of national public employees is required by law to be revised to meet the general condition in society.
- ▶ The NPA annually conducts a survey on the remuneration of national public employees and that of private companies and makes the remuneration recommendation based on the principle of adjusting the remuneration level of national public employees to that of private sector employees (Principle of Balancing Working Conditions with those in the Private Sector).

Process of Remuneration Recommendation



[Reference] Major Amendments to Comparison Method (from 2006)

Expanded the survey target

- 2006 ▶ Changed the private sector offices covered by the survey to those with 50 or more employees on the enterprise scale basis and 50 or more employees on the office scale basis(※)
▶ “Staff employees” were added to the survey target employees.

Expanded the survey target industries

- 2013 ▶ The survey target industries were expanded to “all industries” through incorporating “Agriculture and Forestry”, “Lodging and Food Service Industry”, etc. into the target industries.

Expanded the survey target employees

- 2014 ▶ “Middle positions (employees at the positions between Department Director and Division Director)” were added to the survey target employees.

※The number of full-time employees in private establishments with 50 or more employees on the enterprise scale basis accounts for over 60% of all the full-time employees in private establishments.

Points of 2023 Remuneration Recommendation

Approximately ten times increase in base pay compared to the average of the previous five years

- Monthly Remuneration: Raise of 0.96% (3,869 yen) on average
 Raises are made with emphasis on salary for young employees, including initial salaries for new recruits. (High school graduates: Approx. 8% [12,000 yen], University graduates: Approx. 6% [11,000 yen])
- Bonus: Increase of 0.10 x monthly remuneration (4.40 months → 4.50 months)
 Based on the situation of payment in the private sector, increases are equally allocated to the end-of-term allowance and diligence allowance.
- Creation of a new allowance: For employees who work mainly by telework, teleworking allowance of 3,000 yen per month is newly created.



▲ August 7, 2023
 The President of the NPA, Kawamoto Yuko, submitted the Recommendation to Prime Minister, Kishida Fumio (Courtesy of the Cabinet Public Relations Office)

Remuneration Recommendation in the Recent Years

	Month	End-of-term and Diligence Allowances (bonus)	
	Ratio of revision (amount)	Number of months per annum	Change from the previous year
2019	0.09% (387 yen)	4.50	0.05
2020	No revision recommended	4.45	-0.05
2021	No revision recommended	4.30	-0.15
2022	0.23% (921 yen)	4.40	0.10
2023	0.96% (3,869 yen)	4.50	0.10

[Reference] Model Remuneration per Annum

Model			2023 [after the recommendation]
Regional Office	Officer	age: 22 (Initial salary for employees recruited through General Service Examination (Univ. Grad.))	3,222,000 yen
	Unit Chief	age: 35	4,638,000 yen
	Division Director	age: 50	6,761,000 yen
Headquarters	Officer	age: 22 (Initial salary for employees recruited through Comprehensive Service Examination (Univ. Grad.))	4,060,000 yen
	Assistant Director	age: 35	7,307,000 yen
	Division Director	age: 50	12,717,000 yen

Update of Remuneration System

The NPA is working to update remuneration system for human resources management in response to changes in society and the civil service.

“Draft framework of items to be considered for measures toward 2024” described in the Report on HRM in the Public Service on the occasion of 2023 Remuneration Recommendation

~Heading toward a system more tailored to employees' job duties, abilities, and achievements, and is convincing to stakeholders with various backgrounds~

① Securing Human Resources

Improve remuneration levels at the time of hiring and expand salary increases based on roles and activities in order to change the traditional image of public service remuneration among potential applicants

① Treatment of new graduates and young and middle employees

- Increase in initial salary for new graduates
- Raise the minimum level of salaries for unit chief level to assistant director level in ministry HQ
- Increase in the maximum bonus amounts for the best performers

② Treatment of private sector personnel

- Raise the minimum level of salaries for unit chief level to assistant director level in ministry HQ (reposted)
- Expand bonuses for specified fixed-term employees
- Provide allowance for commuting by Shinkansen and family-unattended-transfer from the time of hiring

② Improve organizational performance

While reflecting the roles, abilities, and achievements of the employees and treating them appropriately for their contributions, facilitate personnel rotation to maintain public services throughout the country.

① Treatment of employees in accordance with their roles and contributions

- Raise the minimum level of salaries for unit chief level to assistant director level in ministry HQ (reposted)
- Revise the salary system for division directors/office directors in ministry HQ to place more emphasis on job responsibilities
- Expand allowances for overtime work for management staff
- Increase in the maximum bonus amounts for the best performers (reposted)

② Support for smooth personnel rotation

- Broadly group regional allowances
- Review the amount of allowance for commuting by Shinkansen
- Expand allowances for pre-mandatory-retirement-age reappointed short-time employees

③ Responding to the diversification of work styles and lifestyles

Encourage employee's choices as their work needs and lifestyles diversify

- Review the family allowance
- Establishment of new teleworking allowance (effective in April 2024)
- Provide allowance for commuting by Shinkansen and family-unattended-transfer from the time of hiring (reposted)
- Review the amount of allowance for commuting by Shinkansen (reposted)