

Outline of Remuneration Recommendation

○ Main Points of 2020 NPA Remuneration Recommendation

Bonuses should be reduced by 0.05 times as much as the monthly remuneration

Regarding monthly remuneration, a necessary report and recommendation will be made separately.

I. Basic Concepts of Remuneration Recommendation

(Significance and Role of the Remuneration Recommendation)

- The remuneration of national public employees may be changed at any time by the Diet to better suit the general conditions of society. It is the NPA's duty, stipulated in the National Public Service Act, to report at least once a year and recommend such changes as needed.
- The NPA Remuneration Recommendation ensures appropriate remuneration for national public employees as a compensatory measure for restrictions placed on basic labor rights. It provides the basis upon which efficient administration is maintained.
- Since the public sector is exempt from the deterrence of market mechanisms which serve as a restriction to determine remuneration, it is most rational to determine the level of public-sector remuneration in accordance with that of the private sector remuneration, which is determined by labor-management negotiations, etc., reflecting factors such as economic and employment circumstances.

II. Revision of Bonus, etc.

1. Survey on Remuneration in the Private Sector

The survey was conducted targeting approximately 12,000 private sector offices. Due to the impact of the COVID-19 pandemic, the survey on bonus was completed in advance of the survey on monthly remuneration in a non-site-based manner (80.3% completion rate).

The survey on monthly remuneration still continued until September 30.

<Bonus> A comparison was made between the actual payment results in the private sector (payment rate) for the most recent one year from August 2019 to July 2020 and the payment rate in the public sector.

- **Payment rate in the private sector:** 4.46 months (4.50 months in the public sector)

2. Content and Concept of Bonus Revision

The Bonuses should be reduced to match the payment rate of the private sector (from 4.50 to 4.45 times as much as the monthly remuneration).

The decrement should be allocated to the payment rate of the End-of-Term Allowance considering the payment situation in the private sector, etc.

(Payment rates for general employees)

	June	December
FY 2020		
End-of-Term Allowance	1.30 (Paid)	1.25 (Currently 1.30)
Diligence Allowance	0.95 (Paid)	0.95 (No revision)
FY 2021 onward		
End-of-Term Allowance	1.275	1.275
Diligence Allowance	0.95	0.95

[Time of Implementation]

Date of promulgation of the act to realize this recommendation

3. Monthly Remuneration

The NPA compared remuneration for April 2020 in both the public and private sectors and is to make a necessary report and recommendation.

Administrative Service (I): Current remuneration 408,868 yen; average age 43.2 years old

[This is a year-over-year reduction of 2,255 yen and 0.2 years of age].