

Outline of Remuneration Recommendation

○ Main Points of 2022 NPA Remuneration Recommendation

~ Both Monthly remuneration and bonuses should be raised for the first time in three years ~

1. The initial salary for new recruits and basic salary for young employees should be raised to make up for the remuneration differential between the public and private sectors (0.23%).
2. Bonuses should be raised by 0.10 times as much as the monthly remuneration; an increment should be allocated to Diligence Allowance, considering the situation in the private sector.

I. Basic Concepts of Remuneration Recommendation

- The NPA Remuneration Recommendation ensures appropriate remuneration for national public employees as a compensatory measure for the restrictions placed on basic labor rights. It provides the basis upon which efficient administrative management is maintained.
- It is most rational to determine the level of public sector remuneration in accordance with that of private sector remuneration, which is determined by labor-management negotiations, etc., reflecting factors such as economic and employment circumstances.

II. Revision of Remuneration Based on Comparison with Private Sector Remuneration, etc.

1. Comparison with Private-Sector Remuneration

A survey was conducted for approximately 450,000 individual remunerations in about 11,800 private sector offices. (Survey completion rate: 83.2%)

<Monthly remuneration>

The NPA compared the remuneration of the public and private sectors for April 2022 by considering factors determining remuneration, such as position level, working area, educational background and age.

- **Difference from private sector remuneration:** 921 yen, 0.23%

(Administrative Service (I): Current remuneration 405,049 yen; average age 42.7 years old)

Basic Salary: 818 yen

Rebound*: 103 yen

(*The consequential changes in allowances which are calculated with fixed rates on basic salary.)

<Bonus>

A comparison was made between actual payment results in the private sector (payment rate) for the most recent one-year period (from August 2021 to July 2022) and the payment rate in the public sector.

- **Payment rate in the private sector:** 4.41 months (4.30 months in the public sector)

2. Content and Concept of Remuneration Revision

<Monthly remuneration>

(1) Salary Schedules

① Admin. (I) Schedule

In consideration of the trends in initial salary for private companies, the initial monthly salary for those recruited by the Comprehensive Service Examination and the General Service Examination (for the university graduate level) should be raised by 3,000 yen and those recruited by the General Service Examination (for high school graduates) by 4,000 yen. In line with this revision, necessary revisions should be made concerning pay steps and applied mostly to those employees in their mid-30s or younger. (The average revision rate is 0.3% overall; 1.7% for Grade 1, 1.1% for Grade 2, 0.2% for Grade 3, 0.0% for Grade 4 and 5, no raise for Grade 6 and above.)

② Other Salary Schedules

Other salary schedules should be revised in balance with the Admin. (I) Schedule (No revision for the Salary Schedule for Specialized Staff and Designated Service).

<Bonus>

Bonuses should be raised to match those of the private sector (from 4.30 to 4.40 times as much as the monthly remuneration).

An increment should be allocated to the Diligence Allowance for the promotion of remuneration based on work performance considering the payment situation in the private sector. A portion of increments should be reserved for employees in the upper performance ranks of the personnel evaluation.

(Payment rates for general employees)

	June	December
FY 2022		
End-of-Term Allowance	1.20 (Paid)	1.20 (No revision)
Diligence Allowance	0.95 (Paid)	1.05 (Currently 0.95)
FY 2023 onward		
End-of-Term Allowance	1.20	1.20
Diligence Allowance	1.00	1.00

[Time of Implementation]

- Revision of Monthly Remuneration: April 1, 2022
- Revision of Bonuses: Date of implementation of the act to realize this recommendation (*November 18, 2022)

3. Other Measures

(1) Review of initial salary standards for those who complete doctoral courses

In order to improve remuneration for those who complete doctoral courses, the NPA will revise initial salary standards by the end of 2022 and enforce the revision in April 2023.

(2) Response to the increase of telework (working from home) in terms of remuneration

The NPA will consider a specific framework for a new allowance to be paid to employees doing telework from the standpoint of reducing associated financial burdens such as electricity and water expenses.

4. Improvement of remuneration system in response to the change of society and civil service

In order to realize an energetic and efficient civil service organization in which every employee can flourish, the NPA will promote comprehensive approaches toward updating the remuneration system, especially when dealing with the challenges raised below, while taking the actions mentioned in its report on public employee personnel management (for details, please see “Outline of 2022 NPA Report on Public Employee Personnel Management”).

The NPA will advance a skeleton draft in 2023, and formulate a definite plan on necessary measures for the remuneration system in 2024. The NPA will also continue to consider further required measures in relation to the completion of phased raise in mandatory retirement age.

