

## Overview of Remuneration System

Remuneration of national public employees is made up of salary (basic salary) and allowances to complement the salary. Concerning the remuneration level of national public employees, their monthly remuneration as a whole is balanced with that in the private sector, then distribution of salary and allowances in 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

- Family Allowance
- Housing Allowance
- Commuter Allowance
- Family-unattended-transfer 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

- 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 16.)

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

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	
Pay steps	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8 9 10

*Note: Diagram annotations show 'Grade increase' from Grade 3 to Grade 4 and 'Pay step increase' within Grade 3.*

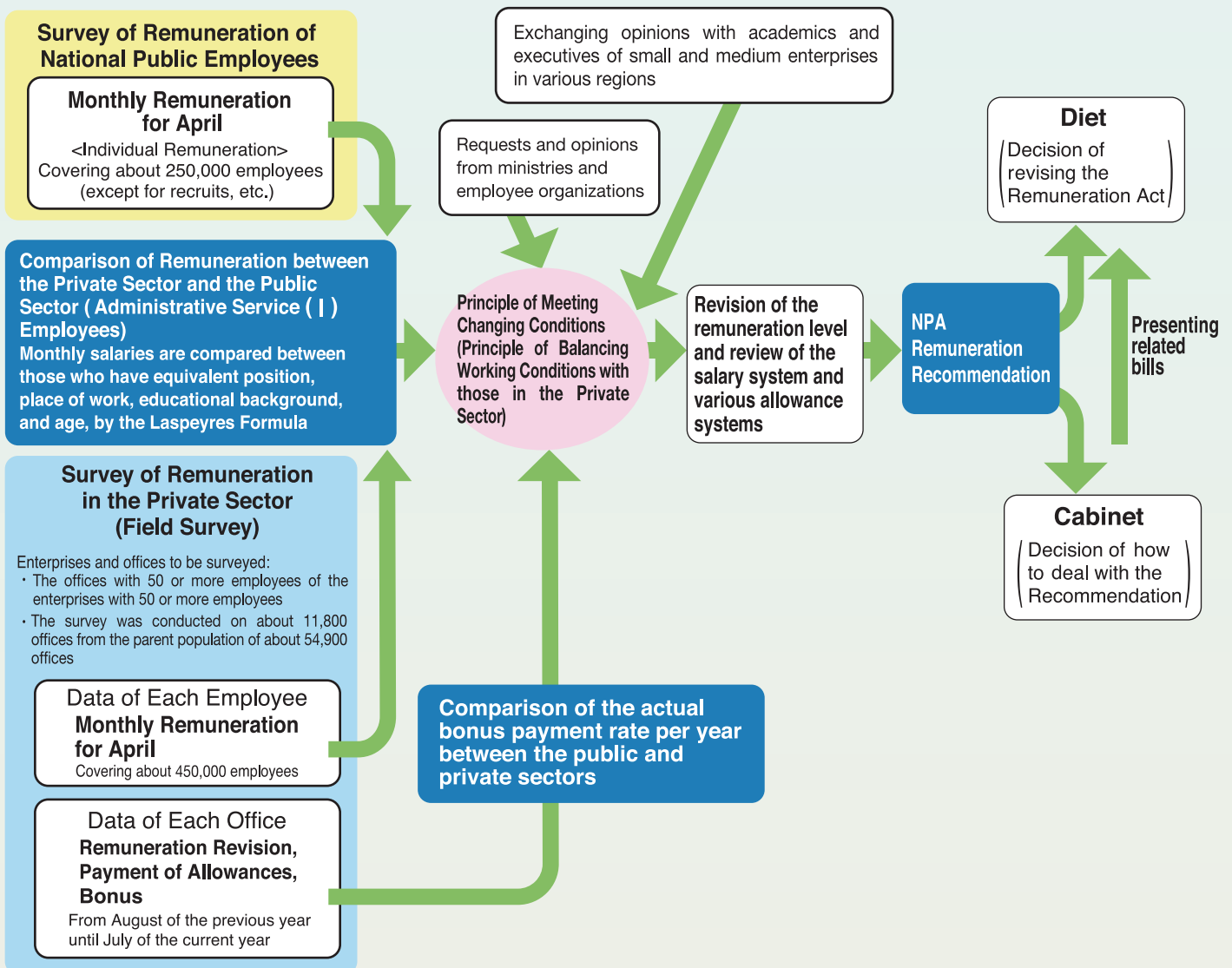
## Remuneration Recommendation

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 meet the general conditions 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



(Note) The numbers of employees and offices surveyed are those for 2022.

## [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 2022 Remuneration Recommendation

### Both monthly remuneration and bonuses should be raised for the first time in three years

- Monthly Remuneration: Raise of 0.23% (921 yen) on average  
Initial salary for new recruits and basic salary for young employees should be raised
- Bonus: Increase of 0.10 × monthly remuneration  
The diligence allowance should be increased based on the situation of payment in the private sector, etc.

On August 8, 2022

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
2018	0.16% (655 yen)	4.45	0.05
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

### [Reference] Model Remuneration per Annum

Model	2022
Officer, age: 25	3,213,000 yen
Unit Chief, age:35	4,541,000 yen
Division Director at Regional Office, age: 50	6,702,000 yen
Assistant Director at Headquarters, age: 35	7,192,000 yen
Division Director at Headquarters, age: 50	12,601,000 yen

## Measures toward the Update of Remuneration System

- Improvement of remuneration system in response to changes in society and the civil service -

### Changes in society and the civil service

**Fierce competition over brilliant young talent**  
▶ Decline in applicants for recruitment examinations  
▶ Increase of turnover of young employees

**Rapid changes in the social environment, e.g, digitalization**

**Changes in HRM corresponding with the raise of mandatory retirement age**  
Diversification of recruitment channels such as appointment of experienced personnel

**Diversified perceptions on work styles and lifestyles**

### Issues to be dealt with

※ Toward the completion of phased raise of mandatory retirement age, the law requires consideration for salary level before and after the age of 60 transitioning continuously.

Measures are necessary on the remuneration side as well to attract and secure younger generations of employees

**Active mid-career recruitment**  
Increased needs for placement and appointment in flexible and agile manner

**Diversifying the age and profile of new recruits and their career paths following recruitment**

Need to support for employees so that they can be active in a variety of fields  
+  
Necessity of maintaining structure to provide public service nationwide

### Concrete Measures

- ✓ Appropriate salary levels for all public services, especially for the younger generation, from the perspective of securing human resources
- ✓ Setting salaries in accordance with the specialties of diverse human resources
- ✓ A pay curve before and after the age of 60 in light of raising the mandatory retirement age to 65
- ✓ Appropriate reflection of abilities, achievements, and job responsibilities to remuneration at each career stage, including entry-level, mid-career, and managerial positions
- ✓ Remuneration reflecting the situation of re-appointment before the mandatory retirement age
- ✓ Review of various allowances in response to changes in society and the civil service

The NPA will address salary schedules, standards for initial salary, grade increases, and pay step increases, and various allowances comprehensively, and present a plan in 2024 on the measures considered necessary at that point of time  
\*Following this, the NPA will address further measures in light of the completion of a phased raise of mandatory retirement age