

newly appointed officials at the Deputy Director-General level were carried out twice attracting 86 participants in total, and the training for officials at the Director-General level was carried out once attracting 39 participants.

(8) Career Development Seminar 30

As described in Part 1, “Career Development Seminar 30” was newly developed with a view to supporting career development of employees at the Unit Chief level in their 30s. The seminar was held on a trial basis four times in total (including one follow-up seminar), and 97 employees from 31 organizations participated in the seminar.

2. The Instructor Training Programs

Table 5 shows the objectives and implementation status of the instructor training programs, which were implemented by the NPA in FY2018.

Table 5 The Objectives and Implementation Status of the Instructor Training Programs

Name of Training Programs	Objectives	Duration (Unit: days)	Number of Implementation (Unit: times)	Participants (Unit: persons)
Training to Enhance Abilities of Training Officers	Mainly targeting newly-appointed officers in charge of training planning in each ministry, the program aims to help them acquire the basic knowledge that is required to perform their duties and to enhance their planning ability.	1	1	36
Training for the Prevention of Harassment	This training aims to raise employees' awareness about harassment prevention; to ensure understanding of managers and supervisors about their duties and roles; and to develop their practical abilities.	1	9	461
JKET (Training for Public Employee Ethics)	The program aims to cultivate a sense of ethics and to develop their practical abilities by considering public employee ethics.	3	5	92
JST Basic Course (Training for Management of Work and Personnel)	The program aims to help trainees to understand the principles concerning work management and instruction of subordinates in an organizational and systematic manner and to provide them with practical abilities.	4	5	86

Chapter 3. Remuneration of Employees

Section 1. Recommendation and Report on Remuneration

1. Mechanism for Remuneration Recommendation

(1) Significance and Role of the Remuneration Recommendation

Article 28 of the National Public Service Act stipulates that the remunerations of national public employees may be changed at any time by the Diet in accordance with general conditions in society, that the NPA must make an appropriate recommendation to the Diet and the Cabinet, and that the NPA must report to the Diet and the Cabinet simultaneously on the propriety of the current salary schedules not less than once each year.

In light of the distinctive features of the status of national public employees and the public nature of their duties, their basic labor rights guaranteed under the Constitution are restricted. The NPA remuneration recommendation plays a role to secure appropriate remuneration of national public employees corresponding to the general conditions of society in compensation for the restriction of basic labor rights. The remuneration recommendation has conventionally dealt with the review on the systems for salary and other various allowances, in addition to the revision of the remuneration level.

Article 3 of the said Act stipulates that the protection of the welfare of officials is one of NPA's basic roles. Securing appropriate treatment of national public employees through the NPA recommendation elevates the morale of diligent national public employees. At the same time, it is useful in securing human resources in the public service and stabilizing the labor-management relationship, which serves as a platform to maintain efficient administrative management.

(2) Making Recommendations Based on the Principle of Balancing Working Conditions with Those in the Private Sector

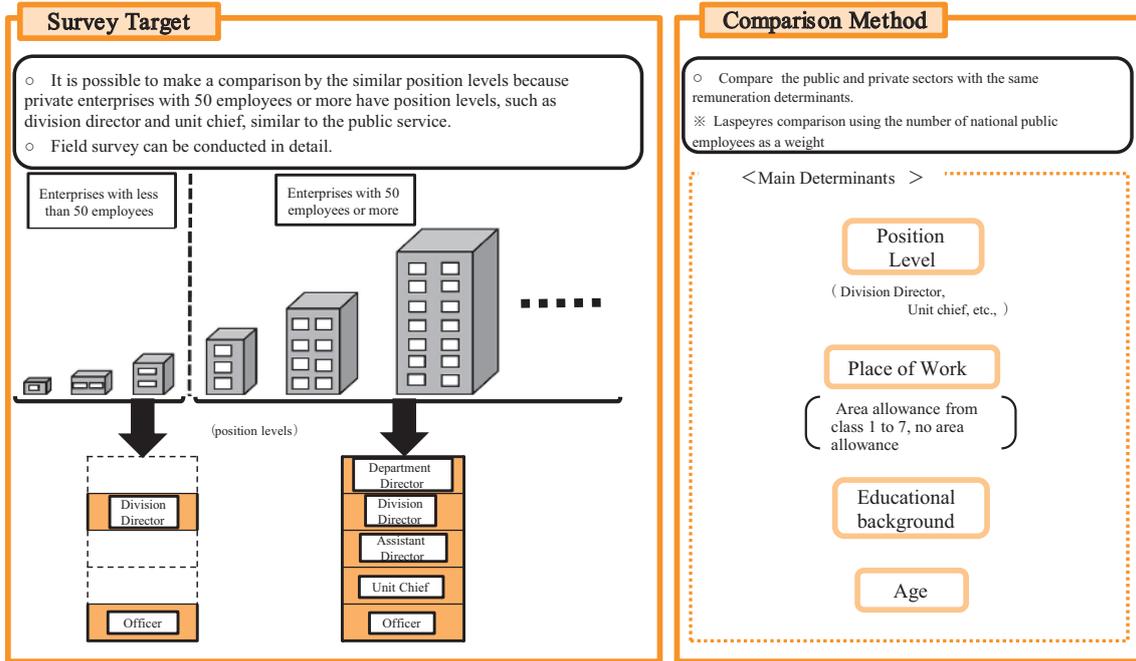
The reasons why the NPA makes a recommendation based on the above principle is as follows. National public employees are workers to whom the proper amount of remuneration needs to be paid as compensation for their work. Unlike the private sector, there is no limitation in the form of the market acting as a deterrent regarding decision of remuneration in the public sector. Accordingly, it is most rational to decide remuneration levels in the public sector by following remuneration trends in the private sector, which are determined through labor-management negotiations reflecting the economy / employment conditions of the time.

With regard to comparisons between the remuneration of national public employees and that of private company workers, the NPA precisely compares the remuneration for the month of Apr. of the employees in both sectors having the same main remuneration determinants. The NPA carries out the "Survey of Private Industry" targeting offices with 50 or more employees on an enterprise scale basis and 50 or more employees on an office scale basis for the purpose of making comparisons with the remuneration of private company workers working at these offices.

In general, a remuneration level is set based on the factors, such as job category, position level, place of work, educational background and age. Therefore, it is not appropriate to use average salaries to compare remunerations between the public service and private companies. Instead, a combination of remuneration determinants should be used as a basis for the comparison (the comparisons of same category and same rank).

Concerning the survey target, most of the private companies with 50 employees or more on the enterprise scale basis have position levels, such as department director, division director and unit chief, similar to the public service. Thus, it is possible to make a comparison between national public employees and their counterpart in the same category in such private companies. In addition, with the current number of offices subject to the survey, field surveys can be conducted in detail and survey accuracy can be maintained. Because of these reasons, the current survey target is appropriate (Figure 9).

Figure 9 Comparison with Remuneration in the Private Sector



(3) Comparison with Private Enterprise Pay Levels

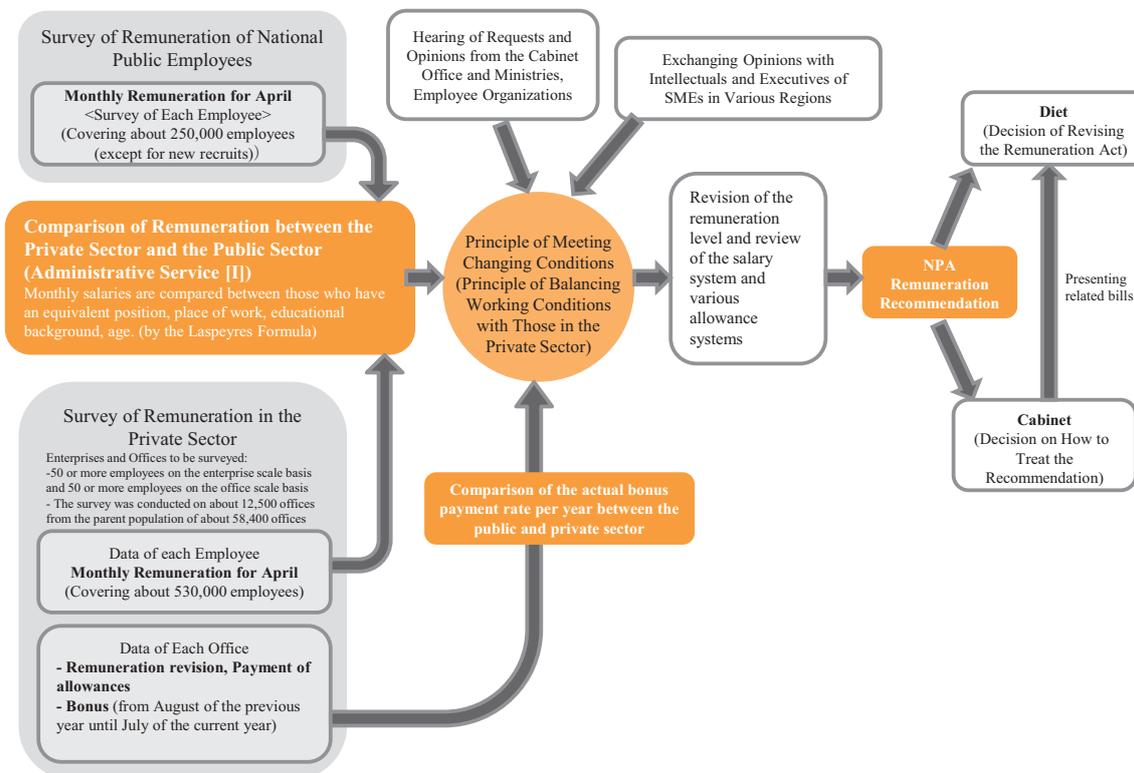
[Comparison of Monthly Wages]

The NPA conducts the “Survey of National Public Employees” and the “Survey of Private Industry” each year in order to precisely ascertain salary levels in both the public and private sectors for the month of Apr. Then, the NPA makes comparisons between public employees and private sector workers using the aforementioned method and submits its recommendation formed on the basis on balancing remuneration levels of public employees with those of private sector workers (Figure 10).

[Comparison of Special Remuneration (Bonus)]

Regarding special remuneration, through the “Survey of Private Industry,” the NPA grasps the accurate amount of special remuneration in the private sector (bonus) paid during one year from Aug. of the previous year to Jul. of the current year. The NPA submits a recommendation to make the number of months of the special remuneration (end-of-term allowance and diligence allowance) paid as a yearly bonus to public employees, the same as the number of months of bonus paid in the private sector (Figure 10).

Figure 10 Process of Remuneration Recommendation



2. 2018 Report and Recommendation

The NPA submitted its report and recommendation on the remuneration of regular service employees to the Diet and the Cabinet on Aug. 10, 2018. Details of the report are described in Chapter 1 of Part 1.

3. Survey of Remuneration of National Public Employees (Survey of National Public Employees)

With the cooperation of each ministry, the NPA conducts the “Survey of National Public Employees” every year to ascertain remuneration levels for national public employees. It serves as a basis for the comparison with remuneration levels for private sector workers.

Survey target: Incumbent employees to whom the Remuneration Act, the Act Concerning Fixed term Researchers or the Fixed-term Employees Act applies as of Jan. 15 (excluding employees on administrative leave, dispatched employees who exclusively engage in duties in the workplace to which they are dispatched, and employees serving at diplomatic missions abroad)

Survey items: Receipt status of salary and allowances, age, educational background, type of recruitment examination they passed

Survey calculations: Remuneration calculated as of Apr. 1

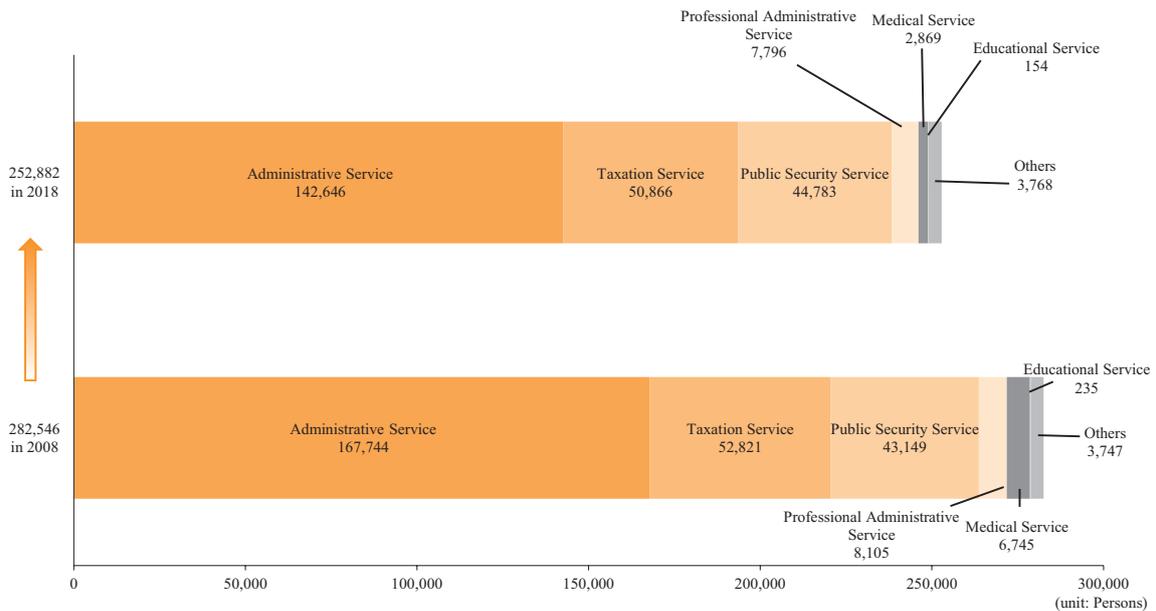
The outline of results of the 2018 Survey of National Public Employees is as follows.

(1) Composition of National Public Employees

The number of national public employees has been decreasing year after year as a result of continued personnel reduction. It has decreased by approx. 30,000 from 2008.

The average age is 43.1, which is 0.1 year younger than that in 2017.

Figure 11 Number of Employees by Job Type in 2018 and 2008



- (Notes) 1. The “Number of Employees” refers to the incumbent employees as of April 1 of each year (excluding new recruits, reappointed employees, those on administrative leave, those who are dispatched to other organizations, and those who work at diplomatic establishments abroad).
2. In the “Administrative Service,” the numbers of employees under the Administrative Service (I) were 140,093 (55.4%) in 2018, and 162,960 (57.7%) in 2008.

(2) Remuneration of Employees

The average remuneration amount per month and the receipt status of various allowances as of Apr. 1, 2018, are as follows. (Table 6)

Table 6 Average Monthly Remuneration by Item

(Unit: yen)

Item	All Employees	Employees to whom Admin (I) is Applied
Salary	339,120	329,845
Area Allowance	42,546	43,062
Managerial Allowance	11,883	12,481
Family Allowance	10,649	10,429
Housing Allowance	5,453	5,893
Others	7,529	9,230
Total	417,230	410,940

(Note) “Others” includes the HQ duty adjustment allowance, family-unattended-transfer allowance, cold area allowance and remote area allowance, but does not include compensation of actual expenses or performance-based allowances such as commuter allowance, hardship duty allowance and overtime allowance.

4. Survey of Job-by-Job Pay Rates in Private Enterprises (Survey of Private Industry)

For the purpose of acquiring the basic data to decide the appropriate remuneration of public employees, the NPA conducts the “Survey of Private Industry” each year in conjunction with personnel commissions of each prefecture and cabinet order-designated cities and ascertains the actual remuneration of workers in the private sector who engage in duties similar to public duties.

(1) Outline of the 2018 Survey

A. Private Sector Offices the Survey Covered

Private sector offices targeted by the survey were those with 50 or more employees on the enterprise scale basis and 50 or more employees on the office scale basis. A total of 58,351 offices were targeted.

B. Private Sector Offices Actually Surveyed

A total of 12,479 private sector offices were randomly selected from all offices the Survey covered, by stratifying them into 914 groups by prefecture and cabinet-order-designated cities and also by organization, scale and industry, using the stratified random sampling method.

C. Survey Method and Content

The Survey was jointly conducted with personnel commissions of prefectures and cabinet order-designated cities during the period from May 1 to Jun. 18, 2018, by way of site surveys held at the offices on monthly wages paid for the month of Apr. 2018.

D. Calculation Method

In calculating totals and average values, consideration was given to avoid results that are skewed to specific areas, scales, or industries, by multiplying the result by the reciprocal of the sampling rate for offices or employees

to obtain the population again.

(2) Results of the 2018 Survey

A. The Total Number of the Survey Completed Offices

10,896 offices (a completion rate of 88.2%)

B. The Actual Number of Employees Actually Investigated in the Individual Survey

The personnel actually investigated in the survey targeting 76 job types (comprising 22 job types equivalent to those subject to the Admin (I) and 54 other job types), which is deemed similar to those in the public service, totaled 479,937 employees in the job types equivalent to the ones subject to Admin (I) (33,313 employees for the initial salary survey and 446,624 for other surveys); and 54,194 employees in other job types (2,865 employees for the initial salary survey and 51,329 for other surveys).

The number of the employees in the job types subject to the surveys, excluding the initial salary survey, is assumed to be 4,043,463. Among them, 3,247,603 employees are in the job types equivalent to those subject to Admin (I).

Section 2. Implementation of the Remuneration Act

1. Revision of Rules in Conjunction with the Establishment of Administrative Organizations

In order to change the range of application of the Salary Schedule for Professional Administrative Service in conjunction with the establishment, revision and abolition of administrative organizations along with the launch of new government positions, Rule 9-2 (Applicability of Salary Schedule) was partially amended and Rule 9-6 (Salary Adjustment Pay) and Rule 9-17 (Managerial Allowance) were revised partially and successively.

2. Revision of the Fixed Numbers of Officials in Each Grade of Salary Schedules

(1) Submission of opinions about Revision of the Fixed Numbers of Officials in Each Grade of Salary Schedules

Remuneration of public employees is paid on the basis of salary schedules and grades, which are decided in accordance with the duty and responsibility he/she is assigned. The grade of each employee is decided within the range of the number in the grade to which he/she is rated. The fixed number of officials in each grade of salary schedule is decided by classifying individual duties based on the degree of complexity, difficulty, and responsibility on the basis of standard duties by grade of each salary schedule and then designating the number of officials in each grade (the limit) by budget account, organization and position title. The fixed numbers of officials in each grade take a role in ensuring uniformity and fairness in grading so that the appropriate grading of duties might be performed in each ministry. In concrete terms, the fixed number of officials in each grade is decided, based on the standard duties by grade, as well as the degree of complexity, difficulty, and responsibility of the duties employees are assigned, considering qualifications, abilities and experience required to execute the said duties.

The authority to set and revise the fixed number of officials in each grade of salary schedules resides in the Prime Minister on the grounds that it is related to organization management. However, the fixed number of officials in each grade is a factor of working conditions which plays a fundamental role in deciding employees' remuneration. Therefore, the Remuneration Act specifies "when setting or revising the fixed number, the Prime Minister is to hear and fully respect the opinions of the NPA with a view to securing appropriate working conditions for employees," for the purpose of ensuring the compensatory function for the restriction of basic labor rights.

The NPA's opinions are submitted to the Prime Minister with a view to securing appropriate working conditions for employees as the compensatory function for restriction of basic labor rights, which are guaranteed in the Constitution. The NPA's opinions share the same characteristics with the NPA Recommendation, which requests full implementation to the Diet and the Cabinet.

With regard to the fixed numbers of officials in each grade of salary schedules, necessary revisions have been made each year in order to respond to the changes in duties associated with expanding administrative demands and complication / sophistication of administration; to promote efficient administrative management; and to ensure appropriate and stable personnel management.

In FY2018, during the budgeting process that started with a request of the Cabinet Office and each ministry at the end of Aug. 2018, the NPA heard the opinions of both the labor and management and drafted the proposal on the setting and revision of the fixed numbers of officials in each grade of salary schedules. The proposal was submitted to the Prime Minister as the opinion on Dec. 20, 2018 prior to the Cabinet decision on the budgetary request. On Mar. 28, 2019, the NPA submitted to the Prime Minister the opinion concerning the fixed numbers of officials in each grade of salary schedules which added the matters necessary for the operation of this fixed number in the Cabinet Office and each ministry with a view to passing the budget reflecting the said opinion of the NPA. The Prime Minister set and revised the fixed numbers of officials in each grade of salary schedules in accordance with the opinion submitted by the NPA.

In preparing the opinion, the NPA gives consideration to the smooth operation of public organizations and the necessity to maintain and enhance the morale of employees. The NPA also pays attention so as not to cause major disparity between generations or significant imbalances between ministries. At the same time, the NPA makes an evaluation on appropriate remuneration commensurate with the content / degree of duty and responsibility along with qualifications, ability and experience necessary for the performance of duties. In addition, the NPA proactively cuts the fixed numbers of officials of less necessity to make the opinion reflecting the actual circumstances of the Cabinet Office and each ministry.

Besides, the NPA submitted its opinions on 20 cases related to the setting and revision of the fixed numbers of officials in each grade of salary schedules in response to the new establishment of the organizations and the increase/decrease in the ceiling of the number of officials, which were carried out by the government during FY2018. The Prime Minister set and revised the fixed numbers of officials in each grade of salary schedules in accordance with the NPA's opinion. Furthermore, the NPA submitted the view on the operation of the pay steps of

designated service officials. In response this, the Prime Minister provided a separate operation according to the view submitted by the NPA.

(2) Examination of Decision on Grades of Duty

Regarding the remuneration decision at the time of initial appointment, grade increase and pay step increase, the Cabinet Office and each ministry can make decisions by themselves in accordance with the standards set in Rule 9-8. However, consultation with the NPA is required for the exceptional cases where a remuneration decision is not based on the standards in deciding grade increase to Grade 7 or above of Admin (I), which are the grades for standard duty of Directors of office at the HQ; and the cases where a special decision is made in deciding initial salary of those who have extremely useful knowledge and experience in the private sector. Thus, the NPA responded to individual cases of consultation from the Cabinet Office and each ministry and conducted examinations.

3. Disclosure of Remuneration Levels of Incorporated Administrative Agencies, etc.

The remuneration levels of incorporated administrative agencies, national university corporations, special corporations and authorized corporations are disclosed based on the guidelines for the remuneration level disclosure established by the Minister of Internal Affairs and Communications. As a specialized agency, the NPA provided these corporations (192 corporations in FY2018) disclosing the remuneration levels with necessary cooperation for instance through creating and providing the indexes to compare remuneration of each corporation with that of national public employees.

Chapter 4. Life Planning for Public Employees

In response to the full-fledged aging of Japanese society, the NPA has promoted measures to ensure smooth implementation of the reappointment system and provide the information necessary to enable public employees to plan their post-retirement lives.

Section 1. Situation of Mandatory Retirement and Reappointment System

1. Situation of Mandatory Retirement and Employment Extension

The National Public Service Act stipulates the mandatory retirement age to be 60 as a general rule with some exceptions. In cases of positions that do not conform to the mandatory retirement age of 60 due to the particularity of duties and responsibilities, the Act provides the range of 61 to 65 as an alternative (special mandatory retirement age) (e.g. doctors: 65, administrative vice-ministers: 62).

In addition, for exceptional cases of mandatory retirement, where it is recognized that the employee's retirement would have a significant adverse effect on the administration of public service, the employment extension system is provided to enable employees to continue to work. In this system, the employment period can be extended up to one year. It can be extended again up to a total of three years.