

# **Defined Contribution Pension Law**

**(Law No. 88 of June 29, 2001)**



**The Japan Institute of Labour**

**(Provisional translation by the specialist)**

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Shinjuku Monolith, 3-1, Nishishinjuku 2-chome,  
Shinjuku-ku, Tokyo 163-0926, Japan  
Tel: +81-3-5321-3084  
Fax: +81-3-5321-3125

# Defined Contribution Pension Law

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CHAPTER I  
GENERAL PROVISIONS

(Purpose)

**Article 1.** The purposes of this Law, in light of the developments toward an aging population with a reduced birthrate and the changes in socio-economic condition associated with the diversification of the elderly livelihood, are to stipulate essential matters regarding the Defined Contribution Pension Plan in order that individuals may receive payments in their elder years, based on each individuals' carrying out the instructions for application of this plan by his own responsibility, from funds contributed by both the individual and the employer; and to contribute to the improvement of the welfare and stability of the citizenry by supporting the autonomous endeavor of people to secure an income in their elder years, combined with payments from a public pension plan.

(Definitions)

**Article 2.** In this Law, "defined contribution pension plan" shall mean a corporate pension plan as well as a private pension plan.

2. In this Law, "corporate pension plan" shall mean a pension system put into effect by employers of an employees' pension-eligible workplace, either independently or through combined effort, in accordance with the provisions in the next Chapter.

3. In this Law, "private pension plan" shall mean a pension system put into effect by the Association in accordance with the provisions in Chapter 3.

4. In this Law, "employees' pension-eligible workplace" shall mean either an eligible workplace under Article 6, Paragraph 1 of the Employees' Pension Insurance Law (Law No. 115 of 1954) or an eligible workplace that obtained approval per Paragraph 3 of the same Article.

5. In this Law, "Association" shall mean the National Pension Foundation Association, which was designated by the Minister of Health, Labour and Welfare as the sole association throughout Japan to put into effect private pension plans.

6. In this Law, "employees' pension insureds, etc." shall mean persons under 60 years of age as laid out in the following.

- (1) insureds in the employees' pension insurance
- (2) subscribers in the private school teachers' mutual-aid system, based on the provisions of the Law for Mutual Aid of Private School Teaching Staff (Law No. 245 of 1953).
- (3) union members (including voluntary renewal union members) of the Mutual aid Association of Agriculture, Forestry and Fishery Corporation Personnel

7. In this Law, “defined contribution pension plan operational management” shall mean the business of carrying out one or all of the services (hereinafter referred to simply as “operational management services”) as laid out in the following.

- (1) Services for the defined contribution pension plan laid out in the following a. through c. (excluding services carried out by the Association relating to the verification of private pension plan subscriber requirements and those other services stipulated by ordinance of the Ministry of Health, Labour and Welfare. Hereinafter referred to as “record-related services.”)
  - a. Recording, preservation and notification of the full name, address, and sum of privately managed assets of corporate pension plan subscribers and corporate pension plan investment directors as well as private pension plan subscribers and private pension plan investment directors (hereinafter the general term “subscribers, etc.” is used), and other matters concerning subscribers, etc.
  - b. Assembly of the investment instructions carried out by the subscribers, etc., and notification of the therein contained asset management institutions (those with whom the employers who put the corporate pension plan into effect concluded a contract in accordance with the provisions of Article 8, paragraph 1. Hereinafter the same.) or Association.
  - c. Decisions on the right to receive benefits

- (2) Selection of an investment policy for the Defined Contribution Pension Plan and presentation to subscribers, etc., as well as the supply of information regarding the investment policy concerned (Hereinafter referred to as “investment-related services”).

8. In this Law, “corporate pension plan subscribers” shall mean the employers of employees’ pension-eligible workplaces who put the corporate pension plan into effect and by whom premium is contributed to the corporate pension plan; moreover, those who carry out the investment instructions regarding those individually managed assets.

9. In this Law, “corporate pension plan investment directors” shall mean those persons (excluding corporate pension plan subscribers) who carry out the investment instructions regarding individually managed assets for a corporate pension plan.

10. In this Law, “private pension plan subscribers” shall mean those persons who contribute premium to a private pension plan; moreover, those who carry out the investment instructions regarding those individually managed assets.

11. In this Law, “private pension plan investment directors” shall mean those persons (excluding private pension plan subscribers) who carry out the investment instructions regarding individually managed assets for a private pension plan.

12. In this Law, “individually managed assets” shall mean those assets, put aside in each corporate pension plan or private pension plan, that should be assigned for payments given to corporate pension plan subscribers or those who were corporate pension plan subscribers, or to private pension plan subscribers or those who were private pension plan subscribers.

13. In this Law, “sum of individually managed assets” shall mean the sum calculated according to stipulation by the government ordinance for the sum of individually managed assets.

CHAPTER II  
CORPORATE PENSION PLANS

Section I. Launching of a Corporate Pension Plan  
Subsection I. Rules and Regulations of Corporate Pension Plans

(Approval of Rules and Regulations)

**Article 3.** The employer of an employees' pension-eligible workplace, when trying to put a corporate pension plan into effect, must obtain the agreement of the concerned labour union when there is a labour union organized by the majority of the employees' pension insureds, etc. employed by that employees' pension-eligible workplace where the corporate pension plan is to take effect, or the agreement of a majority representative of the concerned employees' pension insureds, etc. when there is no labour union organized by the majority of the concerned employees' pension insureds, etc.; draw up rules and regulations regarding the corporate pension plan; and receive the approval of the Minister of Health, Labour and Welfare regarding the rules and regulations concerned.

2. In the case that a employer is attempting to put a corporate pension plan into effect at two or more employees' pension-eligible workplaces, the agreement mentioned in the previous Paragraph must be obtained at each employees' pension-eligible workplace.

3. Certain matters, as laid out in the following, must be stipulated in the rules and regulations for the corporate pension plan.

- (1) Names and addresses of the employers of employees' pension-eligible workplaces who put the corporate pension plans into effect (hereinafter referred to as "employers," excluding Item 5 of Article 47, Article 70, Article 71 and Article 78)
- (2) Names and locations of employees' pension-eligible workplaces where corporate pension plans are put into effect (hereinafter referred to as "operative workplaces") (When the workplace is a ship as provided for in Article 6, Paragraph 1, Item 3 of the Employees' Pension Insurance Law (hereinafter referred to as "ship"), the owner's name and address as provided for in the same Item.)
- (3) When the employers are carrying out one or all of the operational management services, those services to be carried out
- (4) When the employers have entrusted one or all of the operational management services, based on the provisions of Article 7, Paragraph 1, the name and address of the defined contribution pension plan operational management institution in receipt of the commission concerned (Those who are registered as mentioned in paragraph 1 of Article

88 and run the defined contribution pension plan operational management institution. Hereinafter the same.) (including defined contribution pension plan operational management institutions that receive a re-entrustment based on the provisions in Article 7, Paragraph 2), as well as services to be carried out

- (5) Names and addresses of the asset management institutions
- (6) When fixed qualifications are stipulated as to employees' pension insureds, etc. employed at operative workplaces becoming corporate pension plan subscribers, matters regarding the qualifications concerned
- (7) Matters regarding the method of calculation of the premium amount contributed by the employers (hereinafter, "employers premium")
- (8) Matters concerning presentation of investment policies and investment instructions
- (9) Matters regarding the sum of benefits of the corporate pension plan, and the methods of supplying benefits
- (10) In the case that the period of employment at an operative workplace is less than three years on the day that a corporate pension plan subscriber is deprived of qualifications, when it is stipulated by government ordinance that all or part of the portion equal to the business owners premium for the corporate pension plan concerned is to be returned from that person's individually managed assets to the employer as employers premium, matters regarding the calculation method of the sum of assets returned to the business owners concerned (hereinafter referred to as "sum of returned assets")
- (11) Matters regarding the burden of business expenses required for the operation of the corporate pension plan
- (12) Other matters stipulated by government ordinance  
(Standards, etc. of Approval)

**Article 4.** In the case of an application for approval as in paragraph 1 of the previous Article, when the rules and regulations regarding the application concerned agree with and recognize the necessary conditions laid out in the following, the Minister of Health, Labour and Welfare will issue approval as in that paragraph.

- (1) Matters are stipulated as laid out in each Item of paragraph 3 of the previous Article.
- (2) When fixed qualifications are stipulated as to employees' pension insureds, etc. employed at operative workplaces becoming corporate pension plan subscribers, the qualifications concerned may not be unreasonably discriminatory toward the specified persons, compared with the range of persons to whom apply the employees' pension fund in effect at the operative workplace concerned, the pension system stipulated by other government ordinance (referred to as "corporate pension system" in Article 54,



paragraph 1) and the retirement benefits system.

- (3) Employers premium can be stipulated based on a fixed amount or a sum calculated by a method of multiplying the salary by a fixed rate, or by other methods resembling this
- (4) The number and types of investment policies presented must not go against the provisions of Article 23, paragraph 1.
- (5) Investment instructions by the corporate pension plan subscribers and corporate pension plan investment directors (hereinafter referred to as “corporate pension plan subscribers, etc.”) shall be carried out at least once every three months.
- (6) The method of calculation of the sum of corporate pension plan benefits is in agreement with the standards stipulated by government ordinance.
- (7) In the case that the period of employment at an operative workplace is three years or more on the day that a corporate pension plan subscriber is deprived of qualifications, or when the corporate pension plan subscriber has the right to receive disability payments for the corporate pension plan concerned, when that person’s individually managed assets are transferred, everything shall be transferred.
- (8) Other necessary conditions stipulated by government ordinance.

2. The Minister of Health, Labour and Welfare, upon making the approval in paragraph 1 of the previous Article, must immediately issue notice to that effect to the employers who applied.

3. The employers, upon receipt of the approval in paragraph 1 of the previous Article, must without delay make the rules and regulations of the approval received in that paragraph (hereinafter “corporate pension plan rules and regulations”) generally known for the employees’ pension insureds, etc. employed at the operative workplace.

(Modification of Rules and Regulations)

**Article 5.** Employers, when attempting to modify the corporate pension plan rules and regulations (excluding slight modifications as stipulated by ordinance of the Ministry of Health, Labour and Welfare), must receive approval of that modification from the Minister of Health, Labour and Welfare.

2. The application for approval of modification as in the previous paragraph must be carried out with the agreement of the labour union concerned when a labour union exists organized by the majority of the employees’ pension insureds, etc. employed at the operative workplace, or of a majority representative of the concerned employees’ pension insureds, etc. when there is no such labour union organized by the majority of the concerned employees’ pension insureds, etc.

3. In the case of the previous paragraph, when the operative workplaces number two or

more, the agreement mentioned in that paragraph must be obtained at each operative workplace.

4. The provisions of the previous Article apply *mutatis mutandis* to cases in which there was an application for approval of modification as in paragraph 1. In this case, throughout paragraph 3 of the same Article, the term “employees’ pension insureds, etc.” can also be read as “employees’ pension insureds, etc. (including corporate pension plan investment directors when important modifications were added to the matters concerning corporate pension plan investment directors).”

**Article 6.** When the corporate pension plan rules and regulations are modified (restricted to the modifications stipulated by ordinance of the Ministry of Health, Labour and Welfare in paragraph 1 of the previous Article), the employer must, without delay, report the modifications to the Minister of Health, Labour and Welfare.

2. The provisions of the third paragraph of Article 4, as well as paragraphs 2 and 3 of the previous Article, apply to the modification of the previous paragraph.

## Subsection II. Entrustment of Operational Management Services, Etc.

(Entrustment of Operational Management Services)

**Article 7.** Employers may, according to stipulation of government ordinance, entrust one or all of the operational management services to a defined contribution pension plan operational management institution.

2. Defined contribution pension plan operational management institutions may, according to stipulation of government ordinance, re-entrust part of the operational management services entrusted to them by the provisions of the previous paragraph to another defined contribution pension plan operational management institution.

3. If the defined contribution pension plan operational management institution carrying out all or part of the operational management services ceases its function, the employers must carry out all or part of the concerned operational management services themselves, or must select the defined contribution pension plan operational management institution that is to inherit the operational management services concerned, and entrust the stipulated operational management services concerned.

4. Aside from those stipulated in the previous three paragraphs, necessary matters concerning the entrustment of operational management services will be stipulated by government ordinance.

(Conclusion of the Asset Management Contract)

**Article 8.** Employers must, according to stipulation by government ordinance, conclude a contract as laid out in each of the following Items regarding reserve funds that should be set aside for payments (hereinafter referred to as “reserve funds”).

- (1) A trust agreement specifying the investment policy for a trust company (including financial institutions running trust services. Hereinafter the same.) or the employees’ pension fund.
- (2) A life insurance contract with a life insurance company (life insurance company provided for in Article 2, paragraph 3 of the Insurance Industry Law (Law No. 105 of 1995) and foreign life insurance companies, etc. provided for in paragraph 8 of the same Article. Hereinafter the same).
- (3) A mutual-aid life insurance contract with a Federation of Agricultural Cooperative Associations (taking the whole country as a region, limited to those enterprises of the Agricultural Cooperative Association Law (Law No. 132 of 1947) Article 10, paragraph 1, Item 8 carrying out mutual-aid life insurance business.).
- (4) An accident insurance contract with an accident insurance company (accident insurance companies provide in Article 2, paragraph 4 of the Insurance Industry Law and foreign accident insurance companies, etc. provided for in paragraph 9 of the same Article. Hereinafter the same).

2. Those who provide each Item of the previous paragraph, excluding cases in which there is legal pretext, may not refuse to conclude the contracts laid out in each Item of the same paragraph (hereinafter referred to as “asset management institution contract”).

3. If the asset management institution ceases its function, the employers must select another institution with which to have an asset management contract, and conclude the asset management contract.

4. When the asset management contract is cancelled, the asset management institution for the cancelled asset management contract concerned must immediately transfer the reserve funds for the asset management contract concerned to the asset management institution selected by the employers.

5. Aside from those stipulated in each of the previous paragraphs, necessary matters concerning the conclusion of the asset management contract will be stipulated by government ordinance.

## Section II. Corporate Pension Plan Subscribers, Etc.

(Corporate Pension Plan Subscribers)

**Article 9.** Employees' pension insureds, etc. employed in operative workplaces shall be corporate pension plan subscribers.

2. When fixed qualifications are stipulated in the corporate pension plan rules and regulations as to employees' pension insureds, etc. employed in operative workplaces becoming corporate pension plan subscribers, those who do not possess the qualifications concerned, regardless of the provisions in the previous paragraph, shall not be corporate pension plan subscribers.

(Time of Qualifications Acquisition)

**Article 10.** Corporate pension plan subscribers acquire the qualifications of corporate pension plan subscribers on the day when they fall under any of the following Items.

- (1) Upon becoming employed at an operative workplace.
- (2) When either the employing workplace or office (hereinafter referred to as "workplace") or ship becomes an operative workplace.
- (3) When those employed at operative workplaces become employees' pension insureds, etc.
- (4) When those employed at operative workplaces acquire the qualifications stipulated in the corporate pension plan rules and regulations.

(Time of Qualifications Loss)

**Article 11.** On the day following the day when corporate pension plan subscribers fall under any of the following Items (furthermore, on the actual day either at the time when they fall under any Item of the previous Article or at the time when they fall under Item 6), they lose the qualifications of corporate pension plan subscribers.

- (1) Upon passing away.
- (2) Upon losing employment at an operative workplace.
- (3) When the either the employing workplace or ship ceases to be an operative workplace.
- (4) Upon ceasing to be an employees' pension insured, etc.
- (5) Upon losing the qualifications stipulated in the corporate pension plan rules and regulations.
- (6) Upon reaching age 60.

(Special Case Regarding the Acquisition and Loss of Corporate Pension Plan Subscriber Qualifications)

**Article 12.** Those who lose corporate pension plan subscriber qualifications during the

month in which they were acquired are considered not to be corporate pension plan subscribers retroactive to the day on which the qualifications were acquired.

(Treatment of Those Persons who Possess the Qualifications to Become Corporate Pension Plan Subscribers of Two or More Corporate Pension Plans Simultaneously)

**Article 13.** Those persons who possess the qualifications to become corporate pension plan subscribers of two or more corporate pension plans simultaneously, regardless of the provisions in Article 9, shall not be corporate pension plan subscribers of a corporate pension plan aside from the one they select.

2. The selection in the previous paragraph must be made within 10 days, counting from the day on which those persons took possession of the qualifications to become corporate pension plan subscribers of two or more corporate pension plans.

3. Those persons as provided for in paragraph 1, once the selection in the same paragraph is made, shall not be corporate pension plan subscribers of a corporate pension plan aside from the one selected corporate pension plan, retroactive to the day on which they took possession of the qualifications to become subscribers of two or more corporate pension plans.

4. Those persons as provided for in paragraph 1 shall be considered to have selected one corporate pension plan from the two or more corporate pension plans concerned, as stipulated by government ordinance, if they have not made the selection in the same paragraph.

5. In the case that the corporate pension plan subscribers of one corporate pension plan simultaneously possess the qualifications to become corporate pension plan subscribers of another corporate pension plan, according to the provisions in paragraph 1, once the latter corporate pension plan has been selected, those persons shall lose the qualifications of corporate pension plan subscribers of the former corporate pension plan as of the day they became corporate pension plan subscribers of the latter corporate pension plan.

6. Those persons as provided for in paragraph 1 shall take possession of the qualifications of corporate pension plan subscribers of a corporate pension plan aside from the corporate pension plan concerned on the day when they cease to be corporate pension plan subscribers of the selected corporate pension plan according to the provisions in the same paragraph

(Corporate Pension Plan Subscribers' Term)

**Article 14.** When calculating the term of corporate pension plan subscribers (hereinafter referred to as "corporate pension plan subscribers' term") on a monthly basis, to this term shall be added the period from the month in which they took possession of the

qualifications of corporate pension plan subscribers to the month before the month in which they lost the qualifications.

2. For those who again take possession of the qualifications of corporate pension plan subscribers of their original corporate pension plan after losing the qualifications of corporate pension plan subscribers, the before and after corporate pension plan subscribers' terms shall be added up for the corporate pension plan concerned.

(Corporate Pension Plan Investment Directors)

**Article 15.** The people as laid out in the following shall be corporate pension plan investment directors.

- (1) Those who lost the qualifications of corporate pension plan subscribers (limited to those people who have individually managed assets in the corporate pension plan concerned) by falling under Article 11, Item 6.
- (2) Those who were corporate pension plan subscribers in a corporate pension plan, and have the right to receive disability payments as a pension of the corporate pension plan concerned.

2. Corporate pension plan investment directors acquire the qualifications of corporate pension plan investment directors on the day when they fall under any of the people laid out in the Items of the previous paragraph.

3. Corporate pension plan investment directors lose the qualifications of corporate pension plan investment directors on the day following the day when they fall under any of the following Items (when falling under Item 3, on the day concerned).

- (1) Upon passing away.
- (2) When they cease to have individually managed assets in the corporate pension plan concerned.
- (3) Upon becoming corporate pension plan subscribers of the corporate pension plan concerned.

4. The provisions of Article 12 shall apply *mutatis mutandis* to the qualifications of corporate pension plan investment directors, and the provisions of the previous Article shall apply to cases when the terms of corporate pension plan investment directors (hereinafter referred to as "corporate pension plan investment directors' terms") are calculated.

(Notification, etc.)

**Article 16.** The employers must, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, notify the defined contribution pension plan operational management institution carrying out record-related services for the corporate pension plan subscribers, etc. of the corporate pension plan concerned (hereinafter referred to as "corporate records-related

operational management institution”) regarding the full name, address and other matters of the corporate pension plan subscribers who put the corporate pension plan into effect. However, in the case that the employers concerned carry out all of the record-related services, this shall not apply.

2. The corporate pension plan subscribers, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, must report the selected corporate pension plan and other matters to either the employers or the corporate records-related operational management institution, according to the provisions in paragraph 1 of Article 13.

**Article 17.** The corporate pension plan investment directors, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, must report the full names, addresses and other matters to the corporate records-related operational management institution (including employers who carry out record-related services. Hereinafter referred to as “corporate records-related operational management institution, etc.”).

(Ledger of the Corporate Pension Plan Subscribers, etc.)

**Article 18.** The corporate records-related operational management institution, etc., as stipulated by ordinance of the Ministry of Health, Labour and Welfare, must prepare and maintain a ledger concerning the corporate pension plan subscribers, etc. in which should be recorded the following information regarding corporate pension plan subscribers, etc.: names, addresses, dates of acquisition or loss of qualifications, sums of individually managed assets, and other matters stipulated by ordinance of the Ministry of Health, Labour and Welfare.

2. The corporate pension plan subscribers and those who were corporate pension plan subscribers (including those who can receive the lump sum upon death) may request to the corporate records-related operational management institution, etc. to peruse the ledger mentioned in the previous paragraph, or inquire to the same institution regarding matters recorded in the ledger concerned. In this case, the corporate records-related operational management institution, etc., except in cases where there is legal pretext, may not decline the request for perusal, nor refuse to respond to the inquiry.

### Section III. Premiums

(Employers Premiums)

**Article 19.** Employers shall contribute premium each month, based on the calculation of the corporate pension plan subscribers’ terms.

2. The sum of employers’ premium shall be the sum calculated according to stipulation

in the corporate pension plan rules and regulations.

(Contribution Limit Sum)

**Article 20.** The sum of employers' premium for each corporate pension plan subscriber must not exceed the contribution limit sum (as the maximum sum of employers premium that can be contributed each month, this is the sum stipulated by government ordinance taking into account the existence of employees' pension fund members' qualifications of corporate pension plan subscribers).

(Payment of Employers' Premium)

**Article 21.** Employers shall pay every month's employers' premium to the asset management institution by the last day of the following month.

2. Employers must, when they pay the employers premium, notify the corporate records-related operational management institution regarding the sum of employers' premium for each corporate pension plan subscriber, as stipulated by ordinance of the Ministry of Health, Labour and Welfare. However, in the case that the employers concerned carry out all of the record-related services, this shall not apply.

#### Section IV. Investment

(Duties of the Employers)

**Article 22.** Employers must endeavor to present fundamental material regarding asset investment, and take other necessary measures that will be useful for those corporate pension plan subscribers, etc. of the corporate pension plan in effect to carry out the investment instructions as in paragraph 1 of Article 25.

(Selection and Presentation of the Investment Policy)

**Article 23.** The defined contribution pension operational management institution (including employers who carry out investment-related services; hereinafter referred to as "corporate investment-related operational management institution, etc.") that carries out investment-related services for the corporate pension plan subscribers, etc. must, as stipulated by government ordinance, select at least three of the investment policies laid out in the following, according to the stipulation of corporate pension plan rules and regulations, and present them to the corporate pension plan subscribers, etc. In this case, any one or more of those presented investment policies (referred to as "presented investment policies" in paragraph 2 of Article 25, and Article 26) must be one stipulated by government ordinance as an investment policy that can secure principal.



- (1) Deposit in a deposit or savings account at either a bank or other financial institution, or a national institution.
- (2) Trust to a trust company
- (3) Buying and selling of securities
- (4) Payment of either life insurance or postal life insurance premium, or mutual aid premium of mutual-aid life insurance, to a life insurance company or federal institution, or an Agricultural Cooperative Association (limited to those businesses in the Agricultural Cooperative Association Law, Article 10, paragraph 1, Item 8 that carry out the business of mutual-aid life insurance) or other that carries out the business of mutual-aid life insurance as stipulated by government ordinance.
- (5) Payment of accident insurance premium to an accident insurance company
- (6) Aside from those laid out in each of the previous Items, the termination of a contract that adapts to the attempt to protect investors and other necessary conditions stipulated by government ordinance.

2. Corporate investment-related operational management institutions, etc., when carrying out the selection of investment policies in the previous paragraph, must carry out the selection based on specialized knowledge regarding investment of assets.

(Providing of Information Regarding the Investment Policy)

**Article 24.** Corporate investment-related operational management institutions, etc., as stipulated by ordinance of the Ministry of Health, Labour and Welfare, must provide the likelihood of profit, the possibility of loss, and other necessary information concerning the provisions of paragraph 1 of the previous Article regarding presented investment policies to the corporate pension plan subscribers, etc. concerned so they may carry out the investment instructions of paragraph 1 of the following Article.

(Investment Instructions)

**Article 25.** Corporate pension plan subscribers, etc., as stipulated in the corporate pension plan rules and regulations, shall carry out the investment instructions for the individually managed assets of corporate pension plan subscribers, etc. concerned from the reserve funds.

2. The investment instructions of the previous paragraph shall select either one, or two or more policies from among the presented investment policies; moreover, they shall determine the sum applied to each investment policy and be carried out by indicating these matters to the corporate records-related operational management institution, etc.

3. Corporate records-related operational management institutions, etc. must, upon receipt of the investment instructions in paragraph 1 and as stipulated by government

ordinance, summarize the simultaneously carried out investment instructions of the same paragraph for each of the investment policies as presented in the provisions of Article 23, paragraph 1, and notify the asset management institution as to the content therein.

4. When there is notification as in the previous paragraph the asset management institution must, immediately following the notification in the same paragraph, carry out the termination, modification, cancellation or other necessary measures of a contract for each investment policy.

(Agreements Regarding the Exclusion of Investment Policies)

**Article 26.** The corporate investment-related operational management institutions, etc., when attempting to exclude an investment policy from the presented investment policies, must obtain the agreement of the corporate pension plan subscribers, etc. who selected the investment policy concerned and are carrying out the investment instructions of paragraph 1 of the previous Article. However, when trying to exclude the investment policy concerned because the institution carrying out the contract regarding the investment policy concerned has ceased to exist, or for other causes as stipulated by ordinance of the Ministry of Health, Labour and Welfare, this restriction shall not apply.

(Notification of Sum of Individually Managed Assets)

**Article 27.** The corporate records-related operational management institution must, at least once every year, issue notification of the sum of individually managed assets of corporate pension plan subscribers, etc., and other matters as stipulated by ordinance of the Ministry of Health, Labour and Welfare, to the concerned corporate pension plan subscribers, etc.

## Section V. Benefits

### Subsection I. General Rules

(Types of Benefits)

**Article 28.** Corporate pension plan benefits (referred to as “benefits” in this Subsection) shall be as the following.

- (1) payments to the elderly
- (2) disability benefits
- (3) lump sum upon death

(Decisions)

**Article 29.** The corporate records-related operational management institutions, etc. will

decide the right to receive benefits based on the claim to have that right (referred to as “persons with the right to receive” in this Section).

2. When the corporate records-related operational management institutions, etc. made the decision according to the provisions of the previous paragraph, they must notify the asset management institution without delay regarding the content of the decision.

(Sum of Benefits)

**Article 30.** The sum of benefits shall be the sum calculated according to stipulation in the corporate pension plan rules and regulations.

(Period of Supply, etc. of Pension Benefits)

**Article 31.** The provision of those benefits supplied as a pension (referred to as “pension benefits” in the following paragraph) shall begin in the month following the month in which the reason to supply them comes about, and end in the month the right is lost.

2. The month of payment of pension benefits shall be as stipulated in the corporate pension plan rules and regulations.

(Prohibition, etc. of the Transfer, etc. of the Right to Receive)

**Article 32.** The right to receive benefits may not be transferred, offered to mortgage, or seized. However, when the right to receive payments to the elderly and lump sum upon death is seized as a charge for unpaid national tax (including charges imposed based on the same method), this shall not apply.

2. Taxation and other public charges may not be imposed based on a standard of monies received as provision for disability payments.

## Subsection II. Payments to the Elderly

(Necessary Conditions for Supply of Benefits)

**Article 33.** Those who were corporate pension plan subscribers, as laid out in the following Items (limited to those with individually managed assets in the corporate pension plan concerned, and excluding those with the right to receive disability payments from the corporate pension plan concerned), may file a claim to the corporate records-related operational management institution, etc. for the provision of payments to the elderly when they have a total subscribers, etc. term of at least the number of years or number of months stipulated in the respective Item concerned.

- (1) persons at least age 60, and under age 61-- 10 years
- (2) persons at least age 61, and under age 62-- 8 years

- (3) persons at least age 62, and under age 63-- 6 years
- (4) persons at least age 63, and under age 64-- 4 years
- (5) persons at least age 64, and under age 65-- 2 years
- (6) persons at least age 65-- 1 month

2. The total subscribers, etc. term in the previous Paragraph, as stipulated by government ordinance, shall be the sum total of the terms of those persons provided for in the same paragraph as laid out in the following (limited to the term before the month in which falls the day prior to the day those persons reached age 60).

- (1) corporate pension plan subscribers term
- (2) corporate pension plan investment directors term
- (3) term of private pension plan subscribers (hereinafter referred to as “private pension plan subscribers term”)
- (4) term of private pension plan investment directors (hereinafter referred to as “private pension plan investment directors term”)

3. When there is a claim as in paragraph 1, the asset management institution shall supply those persons who filed the claim with payments to the elderly in accordance with the decision of the corporate records-related operational management institution, etc.

(Supply of Benefits upon Reaching Age 70)

**Article 34.** If those who were corporate pension plan subscribers (limited to those with individually managed assets in the corporate pension plan concerned), according to the provisions of the previous Article, have not filed a claim for supply of payments to the elderly by the time they reach age 70, the asset management institution shall supply those people with payments to the elderly in accordance with the decision of the corporate records-related operational management institution, etc.

(Method of Supply)

**Article 35.** Payments to the elderly shall be supplied as a pension plan.

2. In the case that it is stipulated in the corporate pension plan rules and regulations that all or part of payments to the elderly can be supplied as a lump sum, payments to the elderly may be supplied as a lump sum as stipulated in the corporate pension plan rules and regulations regardless of the provisions in the previous paragraph.

(Loss of Rights)

**Article 36.** The right to receive payments to the elderly will be lost when any of the following Items become applicable.

- (1) When the person with the right to receive passed away.
- (2) Upon becoming a person with the right to receive disability payments under the

corporate pension plan concerned.

- (3) When they cease to have individually managed assets in the corporate pension plan concerned.

### Subsection III. Disability Benefits

(Necessary Conditions for Supply of Benefits)

**Article 37.** When corporate pension plan subscribers or those who were corporate pension plan subscribers (limited to those with individually managed assets in the corporate pension plan concerned) become infected by disease or suffer an injury; moreover, when those persons fall under the degree of disability condition stipulated by government ordinance for the disease or injury concerned, those persons may file a claim for supply of disability benefits to the corporate records-related operational management institution during the interval from the day on which they received either doctor's or dentist's medical treatment for the first time (hereinafter referred to as "day of initial medical exam") regarding that disease or injury (hereafter referred to as "illness") to the day prior to the day they reach age 70 (when the illness is cured within the term, from the day on which it was cured (including the day when the symptoms became fixed and the condition arose that the effects of medical treatment could not be anticipated), hereinafter referred to as "day of disability recognition").

2. When corporate pension plan subscribers or those who were corporate pension plan subscribers (limited to those with individually managed assets in the corporate pension plan concerned) become infected by disease or suffer an injury (throughout this Paragraph referred to as "standard illness"); moreover, when there is a condition of disability from an illness aside from the standard illness on the initial medical exam day for that illness (limited to times when the initial medical exam day of the standard illness falls after the initial medical exam day for the illness aside from standard illness (when illnesses aside from standard illness are two or more, all illnesses aside from standard illness)), those persons may file a claim for supply of disability benefits to the corporate records-related operational management institution, etc. during the interval from the day when those persons fall under the previous paragraph's degree of disability condition stipulated by government ordinance by absorbing disability from standard illness and other disability for the first time until the day prior to the day when they reach age 70.

3. When there was a claim as in the previous two paragraphs, the asset management institution shall supply disability benefits to the persons who issued the claim in accordance

with the decision of the corporate records-related operational management institution, etc.

(Method of Supply)

**Article 38.** Disability benefits shall be supplied as a pension plan.

2. In the case that it is stipulated in the corporate pension plan rules and regulations that all or part of disability benefits can be supplied as a lump sum, disability benefits may be supplied as a lump sum as stipulated in the corporate pension plan rules and regulations, regardless of the provisions of the previous paragraph.

(Loss of Rights)

**Article 39.** The right to receive disability benefits will be lost when any of the following Items become applicable.

- (1) When the person with the right to receive passes away.
- (2) When they cease to have individually managed assets in the corporate pension plan concerned.

#### Subsection IV. Lump Sum upon Death

(Necessary Conditions for Supply of Benefits)

**Article 40.** When a corporate pension plan subscriber or one who was a corporate pension plan subscriber (limited to those with individually managed assets in the corporate pension plan concerned) passes away, the asset management institution shall supply a lump sum upon death to that person's bereaved in accordance with the decision of the corporate records-related operational management institution, etc.

(Range and Ranking of Bereaved)

**Article 41.** The bereaved who may receive a lump sum upon death are those as laid out in the following. However when the person who passed away, before dying, designated the person to receive the lump sum upon death from among spouse (including persons in similar circumstances as a registered marriage, even if not yet registered at the time of the death of the person who passed away. the same throughout this Article), children, parents, grandchildren, grandparents or siblings, and when indication was made to the corporate records-related operational management institution, etc. to that effect, matters shall be conducted per the indication.

- (1) Spouse
- (2) Those who are children, parents, grandchildren, grandparents and siblings, and at the time of the passing away of the person who died, whose livelihoods were supported

chiefly by that person's income

- (3) Aside from those laid out in the previous Item, those relatives whose livelihoods were supported chiefly by that person's income at the time of the passing away of the person who died
- (4) Those who are children, parents, grandchildren, grandparents and siblings and who do not fall under Item 2

2. In the case of the body of the previous paragraph, the ranking of those bereaved who can receive a lump sum upon death, based on the ranking in each Item of the same paragraph, when they are among the persons as laid out in Items 2 and 4 of the same paragraph, shall be based on the ranking laid out in the same Item. In this case, parents shall be ranked as adoptive parents before biological parents, grandparents shall be ranked as adoptive parents of adoptive parents, biological parents of adoptive parents, adoptive parents of biological parents, and biological parents of biological parents.

3. According to the provisions of the previous paragraph, when there are two or more bereaved persons of same rank who can receive the lump sum upon death, the lump sum upon death shall be divided equally based on the number of people, and supplied in those divisions.

4. When there are no bereaved persons who can receive the lump sum upon death, monies equivalent to the sum of individually managed assets of the person who passed away shall be considered inherited property of the person who passed away.

5. When there is claim for a decision on rights by those who can receive a lump sum upon death within five years of the death, it shall be considered that there are no bereaved who can receive the lump sum upon death and the provisions of the previous paragraph shall apply.

(Disqualification)

**Article 42.** Any person who kills through deliberate criminal conduct a corporate pension plan subscriber or one who was a corporate pension plan subscriber, regardless of the provisions in the previous Article, may not receive the lump sum upon death. Anyone who, before the death of a corporate pension plan subscriber or one who was a corporate pension plan subscriber, kills through deliberate criminal conduct the person who should receive the lump sum upon death shall be considered the same.

## Section VI. Employers' Rules of Conduct

(Employers' Rules of Conduct)

**Article 43.** Employers must observe the law, actions of the Minister of Health, Labour and Welfare in accordance with the law, and the corporate pension plan rules and regulations; and must execute faithfully those services on behalf of the corporate pension plan subscribers, etc.

2. Employers must, regarding services for the carrying out of the corporate pension plan, store the full names, addresses, dates of birth, sums of individually managed assets, and other information regarding individual corporate pension plan subscribers, etc. or, when they are using these, store information regarding the concerned individuals within a necessary range of the execution of those services, and employ them. However, when there is the agreement of the person in question or other just cause just cause, this shall not apply.

3. Employers may not engage in conduct as laid out in the following.

- (1) Conclude either a contract relating to the entrustment of operational management services or an asset management contract based on the provisions of Article 7, paragraph 1, with the purpose of planning for the profit of either themselves or a third party aside from the corporate pension plan subscribers, etc.
- (2) Aside from those laid out in the previous Item, other conduct as stipulated by ordinance of the Ministry of Health, Labour and Welfare as lacking the protection of corporate pension plan subscribers, etc.

4. Employers (limited to those who carry out investment-related services) may not engage in conduct as laid out in the following.

- (1) Select a particular investment policy with the intent of planning for the profit of either themselves or a third party aside from the corporate pension plan subscribers, etc.
- (2) Aside from that laid out in the previous Item, any conduct as stipulated by ordinance of the Ministry of Health, Labour and Welfare that lacks the protection of the corporate pension plan subscribers, etc.

(Asset Management Institutions' Rules of Conduct)

**Article 44.** The asset management institution must observe law and the asset management contract, and execute faithfully those services on behalf of the corporate pension plan subscribers, etc.



## Section VII. Termination of a Corporate Pension Plan

(Termination of a Corporate Pension Plan)

**Article 45.** A corporate pension plan shall terminate in the case that it falls under any of the following Items.

- (1) When there is the approval as in paragraph 1 of the following Article.
- (2) When the approval of the corporate pension plan rules and regulations, according to the provisions of Article 47, becomes invalid.
- (3) When the approval of the corporate pension plan rules and regulations, according to the provisions of Article 52, paragraph 2, is revoked.

**Article 46.** Employers, when trying to terminate a corporate pension plan, must obtain the agreement of the concerned labour union when there is a labour union organized by the majority of the employees' pension insureds, etc. employed by that operative workplace, or the agreement of a majority representative of the employees' pension insureds, etc. concerned when there is no labour union organized by the majority of the employees' pension insureds, etc., and receive the approval of the Minister of Health, Labour and Welfare.

2. When there are two or more operative workplaces, the agreement in the previous paragraph must be obtained for each operative workplace.

3. The provisions of paragraphs 2 and paragraph 3 of Article 4 apply *mutatis mutandis* in cases where there was an application for approval of termination as in paragraph 1.

**Article 47.** When employers (in cases when they collaborate to put a corporate pension plan into effect, all of the employers who put into effect the corporate pension plan concerned) end up falling under any of the following Items, the approval of the corporate pension plan rules and regulations for the corporate pension plan put into effect loses validity. In this case, the people stipulated in each Item concerned must, within 30 days of the day on which they fell under the concerned Item (in the case of Item 1, the day on which they learned of that fact), file a report to that effect to the Minister of Health, Labour and Welfare.

- (1) When the employer dies, the successor
- (2) When the corporation is lost through absorption, an executive who represented that corporation
- (3) When the corporation is dissolved due to bankruptcy, the trustee in the bankruptcy
- (4) When the corporation is dissolved due to a cause other than absorption or bankruptcy, the liquidator
- (5) When ceasing to be the employer of an employees' pension-eligible workplace (excluding cases as laid out in the previous Item), either the individual who was the

business owner of the employees' pension-eligible workplace or an executive representing the corporation that was the employer of an employees' pension-eligible workplace.

(Commission to Government Ordinances)

**Article 48.** Aside from those stipulated in this section, necessary matters regarding the termination of a corporate pension plan shall be stipulated by government ordinance.

## Section VIII. Miscellaneous Provisions

(Account Book Documents Regarding Operational management Services)

**Article 49.** Employers (limited to those who carry out operational management services) must, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, draw up and keep account book documents regarding operational management services.

(Submission of Reports)

**Article 50.** Employers must, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, submit reports on services regarding the corporate pension plan to the Minister of Health, Labour and Welfare.

(Collection of Reports)

**Article 51.** The Minister of Health, Labour and Welfare may, in the necessary limitations for the enforcement of this Law, solicit reports from the employers concerning the operational conditions of the corporate pension plan, or a staff member concerned may enter the workplace and either question the party concerned, or inspect those conditions on the spot.

2. The staff member concerned who carries out the questioning or inspection as in the provisions of the previous paragraph must carry along proof of identification and, moreover, must present this identification if the party concerned requests.

3. The authority based on the provisions of paragraph 1 may not be interpreted as approved for criminal investigation.

(Supervision of Employers)

**Article 52.** If the Minister of Health, Labour and Welfare, when soliciting reports, questioning, or inspecting according to the provisions of the previous Article, recognizes a violation by the employers of either those laws regarding the corporate pension plan in effect, of the corporate pension plan rules and regulations, or of the dealings of the Minister of Health, Labour and Welfare; or if it is recognized that management by the employers of the corporate pension plan lacks marked fairness, the Minister may stipulate a term and issue a

command to the effect that the employers take necessary measures to correct or reform the violation.

2. When the employers violate the order in the previous paragraph, or when it is recognized that continuation of the operational conditions of the corporate pension plan is difficult, the Minister of Health, Labour and Welfare may revoke the approval of the corporate pension plan rules and regulations for the employers concerned.

(Special Cases of Employees' Pension Fund Services)

**Article 53.** The employees' pension fund can carry out services regarding the asset management contract, as stipulated by those rules and regulations.

2. The employees' pension fund must divide accounting of services regarding the asset management contract from other accounting and keep those accounts in order.

3. When employees' pension fund services can be carried out according to the provisions of paragraph 1, "this Chapter" throughout Article 185, Item 5 of the Employees' Pension Insurance Law shall mean, aside from "either this Chapter or the Defined Contribution Pension Law (Law No. 88 of 2001) Article 53, paragraph 1," necessary matters concerning the applicability of the provisions of the same Law shall be stipulated by government ordinance.

(Other Asset Transfer Systems)

**Article 54.** The asset management institution of the corporate pension plan may, as stipulated by government ordinance, receive transfer of all or part of the assets for the operative corporate pension system or the retirement benefits system at operative workplaces of the corporate pension plan concerned. In this case, from the sum of assets that can be transferred, the sum of those set aside for individually managed assets of each corporate pension plan subscriber in the corporate pension plan concerned shall take into consideration the contribution limit sum provided for in Article 20 and the term, etc. of employment by employers of operative workplaces concerned of the corporate pension plan subscribers concerned, and must not exceed the sum stipulated by government ordinance.

2. When the asset management institution received transfer of assets according to the provisions of the previous paragraph, those of the terms that each corporate pension plan subscriber was employed by employers of the operative workplaces concerned and other similar terms as stipulated by government ordinance shall be added to the total subscribers, etc. term of Article 33, Paragraph 1 for the corporate pension plan subscribers concerned.

3. Aside from those stipulated in the previous two paragraphs, necessary matters regarding the transfer of assets according to the provisions of paragraph 1 will be stipulated by government ordinance.

CHAPTER III  
PRIVATE PENSION PLANS

Section I. Launching of a Private Pension Plan  
Subsection I. Rules and Regulations of Private Pension Plans

(Approval of Rules and Regulations)

**Article 55.** The Association must draw up the rules and regulations regarding the private pension plan, and receive approval of the rules and regulations concerned from the Minister of Health, Labour and Welfare.

2. Certain matters, as laid out in the following, must be stipulated in the rules and regulations for the private pension plan.

- (1) Name and location of the Association
- (2) Name and address of the Defined Contribution Pension Plan operational management institution that received the entrustment according to the provisions of paragraph 1, Article 60 (including Defined Contribution Pension Plan operational management institutions that received re-entrustment according to the provisions of paragraph 3 of the same Article), as well as services to be carried out
- (3) Matters concerning the designation of a Defined Contribution Pension Plan operational management institution for the private pension plan subscribers and private pension plan investment directors (hereinafter referred to as “private pension plan subscribers, etc.”)
- (4) Matters regarding the determination and method of modifying the premium amount to be contributed by the private pension plan subscribers (hereinafter referred to as “private pension plan subscribers premium”)
- (5) Matters regarding the presentation of investment policies and investment instructions
- (6) Matters regarding the sum of benefits of the private pension plan, and the methods of supplying benefits
- (7) Matters regarding the burden of business expenses required for the operation of the private pension plan
- (8) Other matters stipulated by government ordinance  
(Standards, etc. of Approval)

**Article 56.** In the case of an application for approval as in paragraph 1 of the previous Article, the Minister of Health, Labour and Welfare shall, when recognizing that the rules and regulations regarding the application concerned agree with the necessary conditions laid out in the following, issue approval as in that paragraph.

- (1) Matters are stipulated as laid out in each Item of paragraph 2 of the previous Article
- (2) The number and types of investment policies presented must not go against the provisions of Article 23, paragraph 1 that apply *mutatis mutandis* to Article 73
- (3) The investment instructions by the private pension plan subscribers, etc. should be carried out at least once every three months
- (4) The method of calculation of the sum of private pension plan benefits is in agreement with the standards stipulated by government ordinance
- (5) Other necessary conditions stipulated by government ordinance

2. Minister of Health, Labour and Welfare, upon making the approval in paragraph one of the previous Article, must immediately issue notice to that effect to the Association.

3. The Association, upon receipt of the approval in paragraph one of the previous Article, must make the rules and regulations of the approval received in that paragraph (hereinafter referred to as “private pension plan rules and regulations”) generally known, as stipulated by government ordinance.

(Modification of Rules and Regulations)

**Article 57.** The Association, when attempting to modify the private pension plan rules and regulations (excluding slight modifications stipulated by ordinance of the Ministry of Health, Labour and Welfare), must receive approval of that modification from the Minister of Health, Labour and Welfare.

2. The provisions of the previous Article apply *mutatis mutandis* to cases in which there was an application for approval of modification as in the previous paragraph.

**Article 58.** When the private pension plan rules and regulations are modified (restricted to the modifications stipulated by ordinance of the Ministry of Health, Labour and Welfare in paragraph 1 of the previous Article), the Association must, without delay, report the modifications to the Minister of Health, Labour and Welfare.

2. The provisions of the third paragraph of Article 56 apply *mutatis mutandis* to the modification of the previous paragraph.

(Reconsideration of Private Pension Plan Rules and Regulations)

**Article 59.** The Association must, at least once every five years, take into consideration the trends in the numbers of private pension plan subscribers, the state of efficacy of the private pension plan, trends in the national welfare and the like; add to that a re-examination of the content of the private pension plan rules and regulations; and if the necessity is recognized, modify the private pension plan rules and regulations.

## Subsection II. Entrustment of Operational Management Services, Etc.

### (Entrustment of Operational Management Services)

**Article 60.** The Association must, according to stipulation by government ordinance, entrust the operational management services to a defined contribution pension plan operational management institution.

2. The defined contribution pension plan operational management institution must not, except when there is legal pretext, refuse the conclusion of a contract regarding the entrustment based on the provisions of the previous paragraph.

3. Defined pension plan operational management institutions may, according to stipulation of government ordinance, re-entrust part of the operational management services entrusted to them by the provisions of paragraph one to another defined contribution pension plan operational management institution.

4. Aside from those stipulated in the previous three paragraphs, necessary matters concerning the entrustment of operational management services will be stipulated by government ordinance.

### (Entrustment of Affairs)

**Article 61.** The Association may, as stipulated by government ordinance, entrust to another party the affairs laid out in the following.

- (1) Affairs concerning the acceptance of the application in paragraph one of the following Article
- (2) Affairs regarding the acceptance of the report to the Association in paragraph one of Article 66 (including cases that apply *mutatis mutandis* to paragraph two of the same Article)
- (3) Affairs concerning the management of reserve funds
- (4) Affairs regarding the safekeeping of securities, the bankbook for the contract concerning investment of reserve funds, and others resembling these
- (5) Other affairs stipulated by ordinance of the Ministry of Health, Labour and Welfare (excluding affairs regarding the verification of private pension plan subscribers qualifications and verification that the sum of private pension plan subscribers premium is within the range of the contribution limit sum provided for in Article 69)

2. Banks and other financial institutions stipulated by government ordinance may, regardless of the provisions of other Laws, accept entrustment of the affairs laid out in Item 1, Item 2 and Item 5 of the previous paragraph (restricted to the affairs stipulated by ordinance of the Ministry of Health, Labour and Welfare).

## Section II. Private Pension Plan Subscribers, Etc.

(Private Pension Plan Subscribers, Etc.)

**Article 62.** The persons laid out in the following may, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, apply to the Association and become private pension plan subscribers.

- (1) Item 1 insureds provided for in Article 7, paragraph 1, Item 1 of the National Pension Law (Law No. 141 of 1959) (excluding those who are not required to pay the insurance premium in the same Law according to the provisions of either Article 89 (restricted to those portions relating to Item 2), paragraph 1 of Article 90, or paragraph 1 of Article 90-3 of the same Law, and those who are not required to pay the half price insurance premium in the same Law according to the provisions of paragraph 1 of Article 90-2)
- (2) Insureds of the employees' pension insurance under age 60 (excluding corporate pension plan subscribers, members of the Employees' Pension Fund and others stipulated by government ordinance (referred to as "persons eligible for the corporate pension plan, etc." in Item 8 of paragraph 3))

2. Private pension plan subscribers acquire the qualifications of private pension plan subscribers on the day when they applied as in the previous paragraph.

3. On the day when private pension plan subscribers fall under any of the following Items (when falling under Item 1, on the following day; and when falling under Item 5, on the first day of the month in which they are freed of the requirement to pay the insurance premium concerned) they lose the qualifications of private pension plan subscribers.

- (1) Upon passing away.
- (2) Upon reaching age 60.
- (3) Upon losing the qualifications of national pension insureds (excluding cases laid out in Item 2).
- (4) Upon becoming Item 3 insureds provided for in Article 7, paragraph 1, Item 3 of the National Pension Law.
- (5) Upon becoming private pension plan investment directors according to the provisions of Article 64, paragraph 2.
- (6) Upon being freed of the requirement to pay the insurance premium of the National Pension Law according to the provisions of Article 89 (restricted to those portions relating to Item 2), paragraph 1 of Article 90 or paragraph 1 of Article 90-3 of the same Law, or upon being freed of the requirement to pay the half price insurance premium of the same Law according to the provisions of paragraph 1 of Article 90-2.

- (7) Upon becoming either union members of a mutual-aid association organized according to Law (including voluntary renewal union members of the Mutual aid Association of Agriculture, Forestry and Fishery Corporation Personnel) or subscribers of a private school teaching staff mutual aid system based on the provisions of the Law for Mutual Aid of Private School Teaching Staff.
- (8) Upon becoming persons eligible for the corporate pension plan, etc.

4. Those who lose private pension plan subscribers qualifications during the month in which they were acquired are considered not to be private pension plan subscribers retroactive to the day on which the qualifications were acquired.

(Private Pension Plan Subscribers' Term)

**Article 63.** When computing the private pension plan subscribers' term on a monthly basis, to this term shall be added the period from the month in which they took possession of the qualifications of corporate pension plan subscribers to the month before the month in which they lost the qualifications.

2. For those who again take possession of the qualifications of private pension plan subscribers after losing those qualifications, the before and after private pension plan subscribers' terms shall be added up.

(Private Pension Plan Investment Directors)

**Article 64.** Those who lost the qualifications of private pension plan subscribers (restricted to those with individually managed assets in the private pension plan) by falling under any Item of Article 62, paragraph 3 (excluding Item 1 and Item 5) shall be private pension plan investment directors.

2. Private pension plan subscribers (limited to those with individually managed assets in a private pension plan) or those who were corporate pension plan subscribers (restricted to those with individually managed assets in either a corporate pension plan or private pension plan), aside from those based on the provisions in the previous paragraph, may apply to the Association and become private pension plan investment directors.

3. Those private pension plan investment directors provided for in paragraph 1, and those who applied as in the previous paragraph, shall acquire the qualifications of private pension plan investment directors, respectively, on the day when they lose the qualifications of private pension plan subscribers and on the day of application.

4. Private pension plan investment directors lose the qualifications of private pension plan investment directors on the day following the day when they fall under any of the following items (when falling under Item 3, on the day concerned).

- (1) Upon passing away.



- (2) When they cease to have individually managed assets in the private pension plan.
- (3) Upon becoming private pension plan subscribers.

5. The provisions of Article 62, paragraph 4 shall apply *mutatis mutandis* to the qualifications of private pension plan investment directors, and the provisions of the previous Article shall apply *mutatis mutandis* to cases when the private pension plan investment directors' terms are calculated.

(Designation of the Defined Contribution Pension Plan Operational Management Institution)

**Article 65.** The private pension plan subscribers, etc., as stipulated by ordinance of the Ministry of Health, Labour and Welfare, shall themselves designate the defined contribution pension plan operational management institution to carry out operational management services relating to the said subscribers, or modify that designation.

(Registration with Authorities)

**Article 66.** Private pension plan subscribers must, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, report their full names, addresses and other matters to the Association.

2. The provisions of the previous paragraph also apply *mutatis mutandis* to private pension plan investment directors.

3. The Association, when there is a report as in paragraph 1 (including cases applying *mutatis mutandis* to the previous paragraph), must immediately report the matters in that report to the defined contribution pension plan operational management institution (hereinafter referred to as "individual records-related operational management institution") designated by the private pension plan subscribers, etc. to carry out the record-related services.

(Ledger, etc. of the Private Pension Plan Subscribers, etc.)

**Article 67.** The Association, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, must prepare and maintain a ledger concerning the private pension plan subscribers, etc. in which should be recorded the following information regarding private pension plan subscribers, etc.: names and addresses, dates of acquisition and loss of qualifications, and other matters stipulated by ordinance of the Ministry of Health, Labour and Welfare.

2. The individual records-related operational management institution, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, must prepare and maintain account books concerning the private pension plan subscribers, etc. in which should be recorded the following information regarding the private pension plan subscribers, etc.: names and

addresses, dates of acquisition and loss of qualifications, sums of individually managed assets, and other matters stipulated by ordinance of the Ministry of Health, Labour and Welfare.

3. The private pension plan subscribers and those who were private pension plan subscribers (including those who can receive a lump sum upon death) may request to the Association or the individual records-related operational management institution for perusal of (respectively) the ledger mentioned in paragraph 1 or the account books mentioned in the previous paragraph, or inquire regarding matters recorded in the ledger or account books concerned. In this case, the Association and the individual records-related operational management institution, except in cases where there is legal pretext, may not decline the request for perusal, nor refuse to respond to the inquiry.

### Section III. Premiums

(Private Pension Plan Subscribers' Premiums)

**Article 68.** Private pension plan subscribers shall contribute premium each month, based on the calculation of the private pension plan subscribers' terms.

2. The contribution of premium according to the provisions of the previous paragraph can be carried out only for months (including the month in which it became no longer required to pay the insurance premium of the same Law according to either Article 89 of the same Law (restricted to those portions relating to either Item 1 or Item 3) or the provisions of Article 94-6) in which payment of insurance premium was made for the National Pension Law.

3. The sum of private pension plan subscribers' premium, as stipulated by the private pension plan rules and regulations, shall be determined or modified by the private pension plan subscribers.

(Contribution Limit Sum)

**Article 69.** The sum of private pension plan subscribers' premium may not exceed the contribution limit sum (as the maximum private pension plan subscribers' premium sum that can be contributed in one month, this is the sum stipulated by government ordinance taking into consideration the classification of private pension plan subscribers (referring to the distinction between Item 1 subscribers (those who are private pension plan subscribers and fall under Article 62, paragraph 1, Item 1) and Item 2 subscribers (those who are private pension plan subscribers and fall under Item 2 of the same paragraph; hereinafter the same.)) as well as the sums of National Pension Foundation premium and the Agricultural Workers

Pension Foundation insurance premium.)

(Payment of Private Pension Plan Subscribers' Premium)

**Article 70.** The private pension plan subscribers, as stipulated in the private pension plan rules and regulations, shall pay every month's private pension plan subscribers' premium to the Association.

2. Item 2 subscribers, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, can make the payment in the previous paragraph through the employer of the employees' pension-eligible workplace where they are employed.

3. The employer of the employees' pension-eligible workplace may not, without legal pretext, refuse the situation in the previous paragraph.

4. The Association must, upon receiving the payments in paragraph 1 and paragraph 2, notify the individual records-related operational management institution regarding the sum of private pension plan subscribers' premium for each private pension plan subscriber, as stipulated by ordinance of the Ministry of Health, Labour and Welfare.

(Deduction of Private Pension Plan Subscribers' Premium at the Source)

**Article 71.** The employers of employees' pension-eligible workplaces who carry out the payment of private pension plan subscribers' premium according to the provisions of paragraph 2 of the previous Article may, when paying salaries to Item 2 subscribers in the form of money, deduct the previous month's portion of private pension plan subscribers' premium (in the case that Item 2 subscribers cease to be employed at that workplace or ship, that month's and the previous month's portion of private pension plan subscribers' premium) from the salary.

2. The employers of employees' pension-eligible workplaces must, when they have deducted private pension plan subscribers' premium according to the provisions of the previous paragraph, draw up a statement of accounts concerning the deduction of private pension plan subscribers' premium, and notify the Item 2 subscribers of the amounts of deductions.

#### Section IV. Termination of a Private Pension Plan

**Article 72.** The private pension plan shall terminate on the day when the Association dissolves.

2. Aside from those stipulated in the previous paragraph, necessary matters regarding the termination of a private pension plan shall be stipulated by government ordinance.

Section V. Application *Mutatis Mutandis* of Provisions  
Regarding Corporate Pension Plans

**Article 73.** The provisions of the previous Chapter, Section 4 shall apply *mutatis mutandis* to the investment of individually managed assets of private pension plan subscribers, etc. from the reserve funds; the provisions of the same Chapter, Section 5 to payments of the private pension plan; and the provisions of Article 43, paragraph 1 to paragraph 3 inclusive, to the Association.

In this case, the “employers” throughout Article 22, as well as the “asset management institution” throughout paragraph 3 and paragraph 4 of Article 25, paragraph 2 of Article 29, paragraph 3 of Article 33, Article 34, paragraph 3 of Article 37 and Article 40 shall be read as “Association.” Aside from this, necessary technical re-definitions regarding the provisions of Section 4 and Section 5 of the same Chapter, as well as Article 43, paragraph 1 to paragraph 3 inclusive shall be stipulated by government ordinance.

Section VI. Miscellaneous Provisions

(Special Cases of Association Services)

**Article 74.** The Association, aside from services based on the provisions of the National Pension Law, shall carry out services based on the provisions of this Law to achieve the purpose provided for in Article 1.

(Private Pension Plan Rules and Regulations Planning Committee)

**Article 75.** The private pension plan rules and regulations planning committee (hereinafter referred to as “planning committee”) shall be kept in the Association.

2. The Association must, when drawing up rules and regulations relating to the private pension plan or trying to modify the private pension plan rules and regulations, go by the decision of the planning committee.

3. The matters laid out in the following regarding services of the Association based on the provisions of this Law must go by the decision of the planning committee, regardless of the provisions of National Pension Law, Article 137-11, paragraph 1.

- (1) Budget for every business’ fiscal year
- (2) Accounts and closing accounts for every business’ fiscal year
- (3) Other matters stipulated by the private pension plan rules and regulations

4. Aside from those stipulated in paragraph 3, the organization of the planning

committee and other necessary matters regarding the planning committee shall be stipulated by government ordinance.

(Division of Accounting)

**Article 76.** The Association must separate the accounting for services carried out according to the provisions of this Law from all other accounting, and keep these in order.

(Special Cases of National Pension Foundation Services)

**Article 77.** The National Pension Foundation may receive the entrustment of the Association and carry out the affairs laid out in each Item of Article 61, paragraph 1.

2. The National Pension Foundation must separate the accounting for services carried out according to the provisions of the previous paragraph from all other accounting, and keep these in order.

(Employers' Cooperation, etc. with the Private Pension Plan)

**Article 78.** The employers of the employees' pension-eligible workplaces must, when those employed at the employees' pension-eligible workplace concerned are private pension plan subscribers, give the necessary cooperation to the private pension plan subscribers concerned, in addition to making an effort to give guidance, etc. for the observation of laws and private pension plan rules and regulations.

2. In the case of the previous paragraph the Government may give necessary guidance and counsel to the employers of employees' pension-eligible workplaces.

(Applicability of the National Pension Law)

**Article 79.** When the services of the Association are carried out according to the provisions in this Law, "matters laid out" throughout Article 137-11, paragraph 1 of the National Pension Law shall mean "matters laid out (those matters laid out in Item 2 to Item 4 inclusive, excluding those relating to Association services based on the provisions of the Defined Contribution Pension Plan Law (Law No. 88 of 2001))"; "provisions" throughout Article 137-23 of the same Law shall mean "provisions as well as provisions of the Defined Contribution Pension Plan Law"; "lump sum" throughout the table of Article 138 and the paragraphs of Article 105 of the same Law (excluding paragraph 2 (except those portions that apply *mutatis mutandis* to paragraph 2 of Article 12) and paragraph 5) shall mean "lump sum (excluding those supplied by the Association according to the provisions of the Defined Contribution Pension Plan Law)"; "Rules and Regulations" throughout Article 142, paragraph 1 of the same Law shall mean "Rules and Regulations, and the private pension plan rules and regulations (referred to as "Private Pension Plan Rules and Regulations" in the following paragraph) provided for in Article 56, paragraph 3 of the Defined Contribution Pension Plan Law"; "Rules and Regulations" throughout paragraph 2 of the same Article shall mean "rules

and regulations or private pension plan rules and regulations”; “instructions of paragraph 1” throughout paragraph 5 of the same Article shall mean “instructions of paragraph 1 (excluding those relating to businesses of the Association based on the provisions of the Defined Contribution Pension Plan Law)”; “businesses” shall mean “businesses (excluding those carried out by the Association according to the provisions of the Defined Contribution Pension Plan Law)”; and “this Chapter” throughout Article 145, Item 5 of the same Law shall mean “this Chapter or the Defined Contribution Pension Plan Law.” Aside from these, necessary matters regarding the applicability of provisions in the same Law shall be stipulated by government ordinance.

2. When services of the National Pension Foundation are carried out according to the provisions in paragraph 1 of Article 77, “this Chapter” throughout Article 145, Item 5 of the National Pension Law shall mean “this Chapter or Article 77, paragraph 1 of the Defined Contribution Pension Plan Law (Law No. 88 of 2001).” Aside from this, necessary matters regarding the applicability of provisions in the same Law shall be stipulated by government ordinance.

CHAPTER IV  
TRANSFER OF INDIVIDUALLY MANAGED ASSETS

(Transfer of Individually Managed Assets of Those who became Corporate Pension Plan Subscribers)

**Article 80.** When persons falling under each of the following Items (limited to those with individually managed assets in either the corporate pension plan concerned or a private pension plan) acquire the qualifications of corporate pension plan subscribers of corporate pension plan A, those organizations stipulated in each item concerned shall, respectively, transfer the individually managed assets of those who acquired the qualifications concerned to the asset management institution of corporate pension plan A.

- (1) For corporate pension plan subscribers of corporate pension plan B or those who were corporate pension plan subscribers (excluding those who possess the right to receive disability benefits of corporate pension plan B as well as those who fall under Item 3 and Item 4), the asset management institution of corporate pension plan B
- (2) For private pension plan subscribers (excluding those who possess the right to receive disability benefits of a private pension plan and those who fall under Item 4), the Association
- (3) For private pension plan investment directors (excluding those who possess the right to receive disability benefits of a private pension plan and those who fall under the following Item), the Association
- (4) For those whose individually managed assets were transferred to the Association according to the provisions of Article 83, paragraph 1, the Association

2. In the case that those falling under each of the following Items (limited to those with individually managed assets in either the corporate pension plan concerned or a private pension plan) acquire the qualifications of corporate pension plan subscribers of corporate pension plan A, and when they request the transfer of individually managed assets, those organizations stipulated in each item concerned shall, respectively, transfer the individually managed assets of the applicant concerned to the asset management institution of corporate pension plan A.

- (1) For corporate pension plan subscribers of corporate pension plan B or those who were corporate pension plan subscribers (limited to those who possess the right to receive disability benefits of corporate pension plan B, and excluding those who fall under Item 3), the asset management institution of corporate pension plan B
- (2) For private pension plan subscribers (limited to those who possess the right to receive

disability benefits of a private pension plan), the Association

(3) For private pension plan investment directors (limited to those who possess the right to receive disability benefits of a private pension plan), the Association

3. When the individually managed assets of persons related to the concerned corporate records-related operational management institution, etc. are transferred to the asset management institution of corporate pension plan A according to the provisions of paragraph 2, the corporate records-related operational management institution, etc. of corporate pension plan A must issue notification to that effect to the persons whose individually managed assets concerned were transferred.

(Transfer of Individually Managed Assets of Those who became Private Pension Plan Subscribers)

**Article 81.** When those who were corporate pension plan subscribers of a corporate pension plan (limited to those with individually managed assets in the corporate pension plan concerned, and excluding those who possess the right to receive disability benefits of the corporate pension plan concerned) file the application mentioned in paragraph 1 of Article 62, the asset management institution of the corporate pension plan concerned shall transfer the individually managed assets of the applicant concerned to the Association.

2. When those who were corporate pension plan subscribers of a corporate pension plan (limited to those with individually managed assets in the corporate pension plan concerned and who possess the right to receive disability benefits of the corporate pension plan concerned) file an application for transfer of their individually managed assets at the same time as the application mentioned in paragraph 1 of Article 62, the asset management institution of the corporate pension plan concerned shall transfer the individually managed assets of the applicant concerned to the Association.

3. When the individually managed assets are transferred to the Association according to the provisions of paragraph 2, the Association must issue notification to that effect to the persons whose individually managed assets concerned were transferred.

(Transfer of Individually managed Assets of Those who became Private Pension Plan investment Directors)

**Article 82.** When those who were corporate pension plan subscribers of a corporate pension plan file the application mentioned in paragraph 2 of Article 64, the asset management institution of the corporate pension plan concerned shall transfer the individually managed assets of the applicant concerned to the Association.

2. When the individually managed assets are transferred to the Association according to the provisions of the previous paragraph, the Association must issue notification to that effect



to the persons whose individually managed assets concerned were transferred.

(Transfer of Individually Managed Assets of Other Persons)

**Article 83.** The asset management institution of the corporate pension plan shall transfer the individually managed assets of those persons laid out in the following (restricted to those with individually managed assets in the corporate pension plan concerned) to the Association.

- (1) those who are corporate pension plan subscribers of the corporate pension plan concerned, and whose individually managed assets were not transferred according to the provisions of the previous three Articles within six months reckoning from the month following the day on which those persons lost the qualifications of corporate pension plan subscribers concerned (excluding corporate pension plan investment directors of the corporate pension plan concerned)
- (2) those who were corporate pension plan subscribers, etc. of the corporate pension plan concerned on the day the corporate pension plan concerned concluded, and whose individually managed assets were not transferred according to the provisions of the previous three Articles.

2. When the individually managed assets of persons related to the concerned corporate records-related operational management institution, etc. are transferred to the Association according to the provisions of the previous paragraph, the corporate records-related operational management institution, etc. of the corporate pension plan concerned must issue notification to that effect to the persons whose individually managed assets concerned were transferred.

3. When unable to issue the notification in the previous paragraph because the whereabouts of the persons whose individually managed assets were transferred according to the provisions of paragraph 1 are unclear, the corporate records-related operational management institution, etc. of the corporate pension plan concerned must, in exchange for the notification in the same paragraph, publicize to the effect that the individually managed assets concerned were transferred to the Association.

(Return of Assets to Employers)

**Article 84.** When there is a sum of returned assets for those who lost the qualifications of corporate pension plan subscribers of a corporate pension plan, the individually managed assets to be transferred by the asset management institution of the corporate pension plan concerned, according to the provisions relating to those persons from Article 80 to the previous Article, shall be the assets equivalent to the sum after the concerned sum of returned assets is subtracted.

2. The asset management institution of the corporate pension plan, in the case provided for in the previous paragraph, shall return money equivalent to the sum of returned assets to the employer as the concerned sum of returned assets.

(Commission to Government Ordinance)

**Article 85.** Aside from those stipulated in this Chapter, necessary matters concerning the transfer of individually managed assets shall be stipulated by government ordinance.

## CHAPTER V

### TAX MEASURES REGARDING THE DEFINED CONTRIBUTION PENSION PLAN

(Tax Measures)

**Article 86.** The Government shall take necessary measures for the imposition of income tax, corporate tax and inheritance tax, as well as prefectural tax (including the Tokyo residents tax) and municipal tax (including the special ward tax) for premium, reserve funds and benefits of the defined contribution pension plan, as stipulated by the Income Tax Law (Law No. 33 of 1965), Corporate Tax Law (Law No. 34 of 1965), Inheritance Tax Law (Law No. 73 of 1950) and Local Tax Law (Law No. 226 of 1950), as well as the instructions based on these laws.

(Guidance and Counsel)

**Article 87.** The Government may carry out necessary guidance and counsel for the employers and Association concerning the operation of the defined contribution pension plan.

CHAPTER VI  
DEFINED CONTRIBUTION PENSION PLAN OPERATIONAL MANAGEMENT  
INSTITUTION

Section I. Registration

(Registration)

**Article 88.** No corporation that has not received the registration from the competent minister may run defined contribution pension plan operational management services.

2. Banks and other financial institutions stipulated by government ordinance may, regardless of the provisions of other laws, receive the registration in the previous paragraph and run defined contribution pension plan operational management services.

(Application for Registration)

**Article 89.** Those parties attempting to receive the registration in paragraph 1 of the previous Article must submit a written application of registration to the competent minister, stating the matters laid out in the following.

- (1) Registered corporate name and address
- (2) Amount of capital (including the total amount of investments and the total amount of funds)
- (3) Executives' names and addresses
- (4) Names and locations of branch offices
- (5) Types and methods of services
- (6) When carrying out other business, the type(s) of business
- (7) Other matters stipulated by order of the competent Ministry

2. To the written application of registration in the previous paragraph, applicants must attach a letter swearing that they do not fall under any Item of Article 91, paragraph 1, and other documents stipulated by order of the competent ministry.

(Carrying Out Registration)

**Article 90.** When there is an application for registration as in paragraph 1 of Article 88, the competent minister must, excluding the refusal of registrations based on the provisions of paragraph 1 of the following Article, register the matters laid out in the following in the defined contribution pension plan operational management organization registration ledger.

- (1) Matters laid out in each Item of the previous Article, paragraph 1
- (2) Date of registration and registration number

2. The competent minister must, upon issuing registration based on the provisions of the

previous paragraph, notify the registration applicant to that effect without delay.

3. The competent minister must submit the defined contribution pension plan operational management institution registration ledger for public perusal.

(Refusal of Registration)

**Article 91.** The competent minister must refuse registration when either the registration applicant falls under any of the following Items, or when there is a false statement or when important statements of fact are lacking among the written application of registration or the attached documents.

- (1) Non-legal entity
- (2) A legal entity whose registration was withdrawn according to the provisions of Article 104, paragraph 2, and for whom five years have not lapsed since the day of withdrawal
- (3) A legal entity who violated the provisions of this Law, the Employees' Pension Insurance Law, or other laws stipulated by government ordinance and was punished with a fine, and for whom five years have not lapsed since the punishment was completed or since the day on which it was decided not to carry out the punishment
- (4) A legal entity recognized to be running other enterprises that go against the public good, or a legal entity recognized to be causing obstacles in the performance of the defined contribution pension plan operational management services due to difficulties in controlling the danger of loss at the enterprises concerned
- (5) A legal entity where among the executives are those who were executives of a defined contribution pension plan operational management institution within 30 days prior to the day on which registration was withdrawn according to the provisions of paragraph 2 of Article 104, and for whom five years have not lapsed since the day of withdrawal concerned; those who were punished by imprisonment or greater, and for whom five years have not lapsed since the punishment was completed or since the day on which it was decided not to carry out the punishment; or other persons stipulated by government ordinance.

2. The competent minister must, upon refusing registration according to the provisions of the previous paragraph, indicate the reason for refusal and notify the registration applicant to that effect without delay.

(Report of Modifications to Authorities)

**Article 92.** The defined contribution pension plan operational management institution must, when modifications are made to the matters laid out in each Item of paragraph 1 of Article 89, issue a report to that effect to the competent minister within a two week period from the day of modification.

2. The competent minister must, when accepting the report based on the provisions of the previous paragraph, register the matters in the report in the defined contribution pension plan operational management institution registration ledger.

(Report to Authorities, etc. of Business Closing, etc.)

**Article 93.** When the defined contribution pension plan operational management institution falls under any of the following Items, the registration of the defined contribution pension plan operational management institution concerned loses its validity. In this case the persons stipulated in each Item concerned must, within 30 days from the day they fell under the respective Item concerned, issue a report to that effect to the competent minister.

- (1) When lost due to a merger, an executive representing the legal entity that was the defined contribution pension plan operational management institution
- (2) When dissolved due to bankruptcy, a trustee of the legal entity that was the defined contribution pension plan operational management institution
- (3) When dissolved due to a reason aside from merger and bankruptcy, a liquidator of the legal entity that was the defined contribution pension plan operational management institution
- (4) When discontinuing the defined contribution pension plan operational management services, an executive representing the legal entity that was the defined contribution pension plan operational management institution

## Section II. Services

(Posting of Signs)

**Article 94.** The defined contribution pension plan operational management institution must post signs at each branch office in a place conspicuous to the public, and in a manner stipulated by order of the competent ministry.

2. Parties aside from the defined contribution pension plan operational management institution may not post signs as in the previous paragraph nor signs similar to these.

(Prohibition of Name-Lending)

**Article 95.** A defined contribution pension plan operational management institution must not cause another party to run defined contribution pension plan operational management services by means of the institution's own name.

(Perusal of Documents)

**Article 96.** The defined contribution pension plan operational management institution

must, as stipulated by order of the competent ministry, prepare at each branch office documents stating the condition of those services, respond to the requests of subscribers, etc., and make the documents available for perusal.

(Measures Contributing to the Investment Instructions of the Subscribers, etc.)

**Article 97.** The defined contribution pension plan operational management institution may receive the entrustment of employers or the Association, and supply fundamental data concerning the investment of assets as well as carry out other necessary measures, according to the provisions of Article 22 (including cases that apply to Article 73).

(Handing Over Services)

**Article 98.** The defined contribution pension plan operational management institution, when falling under any of the following Items, must as stipulated by government ordinance hand over all or part of the operational management services for which entrustment or re-entrustment were received to another defined contribution pension plan operational management institution that is taking over the operational management services concerned.

- (1) Upon modification or cancellation of the contract (hereinafter referred to as “operational management contract”) regarding the entrustment of operational management services based on the provisions of either Article 7, paragraph 1 or paragraph 2, or Article 60, paragraph 1 or paragraph 3
- (2) Upon modification of the designation based on the provisions of Article 65
- (3) Upon losing the validity of registration according to the provisions of Article 93
- (4) When registration is withdrawn according to the provisions of Article 104, paragraph 2

(Defined Contribution Pension Plan Operational Management Institution’s Rules of Conduct)

**Article 99.** The defined contribution pension plan operational management institution must observe laws, actions of the competent minister based on law, and the operational management contract, and must perform faithfully those services for the benefit of the subscribers, etc.

2. The defined contribution pension plan operational management institution must keep information regarding subscribers, etc. such as: name, address, date of birth, sum of individually managed assets, and other information regarding individual subscribers for services relating to the carrying out of either a corporate pension plan or a private pension plan. If the information will be used, information regarding the individual concerned must be kept and used within a necessary range of the performance of services. However, when there is the agreement of the person in question or another just reason, this limitation shall not apply.

**Article 100.** The defined contribution pension plan operational management institution may not engage in the conduct laid out in the following.

- (1) In the event of the conclusion of an operational management contract, promise the other party to bear all or part of the loss of the subscribers, etc.
- (2) In the event of the conclusion of an operational management contract, promise the other party to provide special profits for the subscribers, etc. or for the party concerned
- (3) Either make up all or part of a loss of the subscribers, etc. brought about by investment-related services; or offer property gains to the subscribers, etc. concerned or a third party for the sake of adding to the gains of the subscribers, etc. brought about by the services concerned; or have a third party offer such property gains (excluding cases when making up all or part of a loss due to an accident attributable to the responsibility of the institution itself).
- (4) In the event of asking for the conclusion of the operational management contract, or to prevent the cancellation of such a contract, either intentionally fail to tell the truth or tell an untruth relating to matters concerning operational management services stipulated by government ordinance as important and capable of influencing the judgment of the other party in the operational management contract.
- (5) Offer a particular investment policy to the subscribers, etc. with the purpose of planning for the profit of the institution itself or a third party aside from the subscribers
- (6) Advise the subscribers, etc. to either carry out or not carry out the instructions for a particular one of the presented investment policies (excluding cases when the defined contribution pension plan operational management institution concerned states clearly that these should be carried out by either an investment advisor provided for in Article 2, paragraph 3 of the Law concerning regulations, etc. of investment advice for securities (Law No. 74 of 1986), or another party running a business aside from defined contribution pension plan operational management services).
- (7) Aside from those laid out in each of the previous Items, behaviors stipulated by order of the competent Ministry as either lacking the protection of the subscribers, etc. or damaging the impartiality of the defined contribution pension plan operational management services, or bringing about the fear of loss of confidence in the defined contribution pension plan operational management services



### Section III. Supervision

(Account Book Documents Regarding Services)

**Article 101.** The defined contribution pension plan operational management institution must, as stipulated by order of the competent ministry, draw up and keep account book documents regarding those services performed.

(Submission of Reports)

**Article 102.** The defined contribution pension plan operational management institution must, as stipulated by order of the competent ministry, submit reports about those services performed to the competent minister.

(Collection, etc. of Reports)

**Article 103.** The competent minister may, in the necessary limitations for the enforcement of this Law, solicit reports from the defined contribution pension plan operational management institution regarding the condition of services, or a staff member concerned may enter a branch office of the defined contribution pension plan operational management institution and either question the party concerned, or inspect those conditions on the spot.

2. The provisions of paragraph 2 and paragraph 3 of Article 51 apply *mutatis mutandis* to the questioning and inspection based on the provisions of the previous paragraph.

(Supervision of the Defined Contribution Pension Plan Operational Management Institution)

**Article 104.** The competent minister may, when recognizing the fact that the interests of the subscribers, etc. are being damaged by the administration of services of the defined contribution pension plan operational management institution, within necessary limits for the protection of subscribers, etc. order the defined contribution pension plan operational management institution concerned to take necessary measures for the modification of the types and methods of services or for the reform of administration of other services.

2. The competent minister may, when the defined contribution pension plan operational management institution falls under any of the following Items, select a term within six months and either order the cessation of all or part of the defined contribution pension plan operational management services, or withdraw the registration mentioned in paragraph 1 of Article 66.

- (1) Upon falling under either Item 3 or Item 5 of Article 91, paragraph 1
- (2) When receiving registration of Article 88, paragraph 1 through unfair measures
- (3) When those defined contribution pension plan operational management services carried

out violate either this Law or orders based on this Law, or actions based upon these

(4) When it is recognized that the continuation of the defined contribution pension plan operational management services is difficult

(Cancellation of Registration)

**Article 105.** The competent minister must cancel the registration concerned when either the registration loses validity according to the provisions of Article 93 or when the registration is withdrawn according to the provisions of paragraph 2 of the previous Article.

(Publicizing of Supervised Actions)

**Article 106.** The competent minister must, when taking actions according to the provisions of Article 104, paragraph 2, publicize to that effect as stipulated by order of the competent ministry.

(Commission to Government Ordinances)

**Article 107.** Aside from those stipulated in this section, necessary matters concerning the supervision of the defined contribution pension plan operational management institution shall be stipulated by government ordinance.

#### Section IV. Miscellaneous Provisions

(Special Cases for the Services of the Employees' Pension Fund and National Pension Foundation)

**Article 108.** The Employees' Pension Fund and National Pension Foundation may receive the registration mentioned in paragraph 1 of Article 88, and become defined contribution pension plan operational management institutions.

2. The Employees' Pension Fund and National Pension Foundation must divide the accounting for services carried out according to the provisions in the previous paragraph from all other accounting, and keep these in order.

3. When Employees' Pension Fund services are carried out according to the provisions of paragraph 1, aside from "this Chapter" throughout Article 185, Item 5 of the Employees' Pension Insurance Law meaning "either this Chapter or the Defined Contribution Pension Plan Law (Law No. 88 of 2001) Article 108, paragraph 1," necessary matters concerning the applicability of the provisions of the same Law shall be stipulated by government ordinance.

4. When National Pension Foundation services are carried out according to the provisions of paragraph 1, aside from "this Chapter" throughout Article 145, Item 5 of the National Pension Law meaning "either this Chapter or the Defined Contribution Pension Plan

Law (Law No. 88 of 2001) Article 108, paragraph 1,” necessary matters concerning the applicability of the provisions of the same Law shall be stipulated by government ordinance.

(Special Cases for the Government)

**Article 109.** When the Government is carrying out defined contribution pension plan operational management services (limited to those regarding the private pension plan), the Minister of Management and Coordination shall manage these.

2. Article 88, Article 91, Article 93, Article 98 (restricted to cases laid out in either Item 3 or Item 4), paragraph 2 of Article 104 (limited to those portions relating to the withdrawal of registration in paragraph 1 of Article 88) and Article 105 as well as the provisions of Chapter VIII shall not apply when the Government carries out defined contribution pension plan operational management services according to the provisions of the previous paragraph.

3. When the Government carries out defined contribution pension plan operational management services according to the provisions of paragraph 1, excluding the provisions provided for in the previous paragraph, the Government shall be considered the defined contribution pension plan operational management institution and the provisions of this Law shall apply. In this case, necessary matters applying to the provisions of this Law shall be stipulated by government ordinance.

CHAPTER VII  
MISCELLANEOUS PROVISIONS

(Calculation of Terms)

**Article 110.** Provisions of the Civil Law (Law No. 89 of 1896) regarding terms shall apply *mutatis mutandis* to the calculation of terms provided by either this Law or instructions based on this Law, except when there are particular provisions in this Law.

(Supply of Data)

**Article 111.** The Director General of the Social Insurance Agency may provide the Association with data concerning qualifications of national pension insureds for the subscribers, and other data provided by ordinance of the Ministry of Health, Labour and Welfare necessary for carrying out services according to the provisions of this Law.

(Submission of Documents, etc.)

**Article 112.** The defined contribution pension plan operational management institution (including employers who carry out records-related services) may demand the submission of documents regarding the condition of disability and other materials from those who possess the right to receive benefits (hereinafter referred to as “persons with the right to receive”) when it is recognized that this is necessary.

(Reporting to Authorities)

**Article 113.** When either private pension plan subscribers or persons with the right to receive pass away, the person responsible for reporting the death to the authorities based on the provisions of the Family Registration Law (Law No. 22 of 1947), must report to the Association (in the case that the person with the right to receive passes away, to the organization that decided the concerned right to receive) to that effect within ten days.

2. The provisions of Article 66, paragraph 3 shall apply *mutatis mutandis* when the Association accepts the report in the previous paragraph.

(Competent Minister, etc.)

**Article 114.** The competent minister in the previous Chapter shall be, as stipulated by government ordinance, either the Minister of Health, Labour and Welfare or the Prime Minister.

2. The order of the competent ministry in this Law shall be an order issued, as stipulated by government ordinance, by either the Minister of Health, Labour and Welfare or the Prime Minister.

3. The authority of the Minister of Health, Labour and Welfare provided for in this Law may be, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, entrusted to

the Local Welfare Bureau Chief.

4. The authority entrusted to the Local Welfare Bureau Chief by the provisions of the previous paragraph, as stipulated by ordinance of the Ministry of Health, Labour and Welfare, may be entrusted to the Local Welfare Bureau Branch Chief.

5. The Prime Minister shall entrust the authority based on the provisions of the previous Chapter (excluding that stipulated by government ordinance) to the Minister of the Financial Services Agency.

6. The authority entrusted to the Minister of the Financial Services Agency according to the provisions of the previous paragraph may be, as stipulated by government ordinance, entrusted in part to either the Local Financial Services Bureau Chief or the Local Financial Services Bureau Branch Chief.

(Presentation of Data, etc. to the Minister of Finance)

**Article 115.** The Minister of Finance may demand of the Prime Minister the presentation and explanation of necessary data regarding systems to handle financial failure and financial crisis management in the charge of the Minister of Finance, when it is realized that this is necessary for the arrangement and planning of a system regarding defined contribution pension plan operational management.

(Provisions for Execution)

**Article 116.** Excluding the special provisions made in this Law, procedures for execution and other necessary detailed regulations for execution of the previous Chapter shall be stipulated by order of the competent ministry, and other procedures for execution and other necessary detailed regulations for execution of this Law shall be stipulated by ordinance of the Ministry of Health, Labour and Welfare.

(Transitional Measures)

**Article 117.** When either enacting or abolishing orders based on the provisions of this Law, necessary transitional measures (including transitional measures regarding penal provisions) may be stipulated within the range judged to be rationally necessary by those orders for enactment or abolishment.

CHAPTER VIII  
PENAL PROVISIONS

**Article 118.** A person who falls under any of the following Items shall be sentenced to penal servitude of not more than three years, or to a fine of not more than 3,000,000 yen, or to both.

- (1) Those running defined contribution pension plan operational management services without receiving the registration in paragraph 1 of Article 88
- (2) Those who received the registration in paragraph 1 of Article 88 through dishonest means
- (3) Those who violated the provisions of Article 95 and caused another party to run defined contribution pension plan operational management services
- (4) Those who violated the provisions of Article 100, Item 1 through Item 3 inclusive and engaged in conduct laid out in those provisions

**Article 119.** A person who falls under any of the following Items shall be sentenced to penal servitude of not more than one year, or to a fine of not more than 1,000,000 yen, or to both.

- (1) Those who violated the provisions of Article 100, Item 4 and either intentionally failed to tell the truth or told an untruth
- (2) Those who violated an order to cease services according to the provisions of paragraph 2 of Article 104, and continued to run defined contribution pension plan operational management services

**Article 120.** A person who falls under any of the following Items shall be sentenced to penal servitude of not more than six months, or to a fine of not more than 200,000 yen.

- (1) Those who either failed to report according to the provisions of paragraph 1 of Article 51 or issued false reports, or who failed to answer the questions of the staff member concerned according to the provisions of the same paragraph, made false statements, or refused, hindered or evaded the inspection according to the provisions of the same paragraph
- (2) Those who submitted false statements in either the application of registration in paragraph 1 of Article 89 or the documents in paragraph 2 of the same Article
- (3) Those who either fail to draw up and keep account book documents according to the provisions of Article 101, or draw up false account book documents
- (4) Those who fail to submit reports according to the provisions of Article 102, or submit reports with false statements

- (5) Those who either failed to report according to the provisions of paragraph 1 of Article 103 or issued false reports, or who failed to answer the questions of the staff member concerned according to the provisions of the same paragraph, made false statements, or refused, hindered or evaded the inspection according to the provisions of the same paragraph

**Article 121.** A person who falls under any of the following Items shall be sentenced to a fine of not more than 200,000 yen.

- (1) Those who either failed to report according to the provisions of paragraph 1 of Article 92, or issued false reports
- (2) Those who violated the provisions of paragraph 1 of Article 94
- (3) Those who violated the provisions of paragraph 2 of Article 94, and either posted signs based on the provisions of paragraph 1 of the same Article, or signs resembling those
- (4) Those who violated the provisions of Article 96 and either fail to prepare documents or fail to comply with the demands of subscribers, etc. for perusal, or who prepare documents with false statements or let the subscribers peruse these false documents
- (5) Those who violated orders based on the provisions of paragraph 1 of Article 104

**Article 122.** When either a representative of a legal entity, an agent or employee of a legal entity or person has engaged in conduct violating Article 118 to the previous Article inclusive with respect to services of that legal entity or person, in addition to punishing the violator, the fine under the relevant Article shall also be assessed against the legal entity or person.

**Article 123.** A person who falls under any of the following Items, shall be sentenced to a fine of not more than 200,000 yen.

- (1) Those who violated the provisions of paragraph 1 of Article 6 and either failed to issue reports or issued false reports
- (2) Those who either failed to draw up or keep account book documents based on the provisions of Article 49, or drew up false account book documents
- (3) Those who violated the provisions of Article 50 and either failed to report, or reported falsely
- (4) Those who violated orders based on the provisions of paragraph 1 of Article 52
- (5) Those who violated the provisions of paragraph 1 of Article 58 and either failed to issue reports, or who issued false reports
- (6) Those who violated either the provisions of paragraph 3 of Article 80, paragraph 3 of Article 81, paragraph 2 of Article 82, or paragraph 2 of Article 83, and failed to issue notification

- (7) Those who violated the provisions of paragraph 3 of Article 83 and neglected to publicize or publicized falsely

**Article 124.** A person who falls under any of the following Items shall be sentenced to a fine of not more than 100,000 yen.

- (1) Those who violated the provisions of paragraph 1 of Article 16 and did not issue notification
- (2) Those who violated the provisions of paragraph 2 of Article 16 and failed to propose, or proposed falsely
- (3) Those who violated the provisions of either Article 47, paragraph 1 of Article 66, Article 93 or paragraph 1 of Article 113, and failed to issue reports or issued false reports

#### SUPPLEMENTARY PROVISIONS

(Day of Enforcement)

**Article 1.** The date of enforcement for this Law shall be October 1, 2001. However, the date of enforcement for the revised provisions of Article 34, paragraph 1, Item 4 and Article 314-2, paragraph 1, Item 4 of the Local Tax Law throughout Article 15 of the Supplementary Provisions, as well as the provisions of Article 16 of the Supplementary Provisions, shall be April 1, 2002.