

**IPSS: Statistical Report No.19**

***THE COST  
OF  
SOCIAL SECURITY  
IN  
JAPAN***

*Fiscal Year 2006  
(April 2006 - March 2007)*



**National Institute of Population and Social Security Research  
TOKYO JAPAN 2009**

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Symbols contained in the Tables are shown below:

No figure	-
Minimum ratio when less than 0.05	0.0
Estimated figure when less than half the unit used in the Table	0
Reduced figure (ratio)	▲

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## I. The Scope of Social Security Expenditure

1. The scope of social security expenditure is based on the ILO (International Labor Organization) standards for international comparison.

The ILO defines Social Security Expenditure as all schemes or services which meet the following three criteria:

- (i) The objectives of the schemes must be to grant benefits for at least one of the following risks and needs: (1) Old age; (2) Survivor; (3) Invalidity; (4) Employment injury; (5) Sickness and health; (6) Family; (7) Unemployment; (8) Housing; (9) Public assistance and others.
- (ii) The system must have been set up by legislation which attributes specific individual rights to, or which imposes specified obligations on, a public, semi-public or autonomous body.
- (iii) The system should be administered by a public, semi-public or autonomous body founded by legislation; or by a private body which has been granted rights to perform legal obligations.  
Specifically, the schemes for employment injury compensation are conducted by a private body as the case may be, though it should be included in the scope of Social Security Expenditure.

On the basis of the criteria listed above, the following schemes are included in these statistics: social insurance (including unemployment insurance and employment injury compensation insurance), family allowances, special schemes for public employees, public health service, public assistance, social welfare schemes and aid for war victims.

Social Security Expenditure is based on the above ILO standards and is estimated in each fiscal year budget for expenditure in each system of social security in Japan. Since 1949, the ILO has conducted 19 international inquiries on the cost of social security, and provides social security expenses data submitted by various countries in "The Cost of Social Security" on its Internet homepage.

(See <http://www.ilo.org/public/english/protection/secsoc/areas/stat/css/index.htm>)

2. Social Security Expenditure is divided into "*Medical care*," "*Pensions*," and "*Welfare & Others*:"

- (i) "*Medical care*" includes costs for medical insurance, the medical service system for the aged, medical aid for public assistance, medical services for Workmen's Accident Compensation Insurance, as well as costs related to government-financed special medical services, such as the treatment of tuberculosis and mental disorders, and public health services conducted by local health centers.
- (ii) "*Pensions*" includes payments by public pension schemes such as National Pensions and Employee's Pension Insurance. It also includes some cash benefits paid in the form of pensions within the scheme of gratuities for retired public employees, and the scheme for Workmen's Accident Compensation Insurance.
- (iii) "*Welfare & Others*" includes expenses for social welfare services or long-term care, public assistances other than medical services, cash benefits for child allowance, sickness and injury cash benefits within the health insurance schemes, leave compensation benefits paid by the Workmen's Accident Compensation Insurance and unemployment benefits from Employment Insurance. In addition, Long-term care includes long-term care insurance benefits and public assistance long-term care services, atomic bomb victim long-term care insurance system co-payments, partial cost sharing and family-care leave benefits.

3. The functional classification of Social Security Expenditure sums up benefits for each of the risks and needs included in 1(i) of the above Scope of Social Security Expenditure.

4. The past estimated data and its functional classification were revised by the enforcement of the Services and Supports for Persons with Disabilities Act in 2006.

## II. Summary of Social Security Expenditure, FY 2006

1. Social Security Expenditure in fiscal year 2006 was 89,109.8 billion yen.

- (i) Of the three categories, Medical care was estimated at 28,102.7 billion yen, accounting for 31.5 percent of the total; Pensions was 47,325.3 billion yen for a total share of 53.1 percent. Welfare & Others was 13,681.8 billion yen for a total share of 15.4 percent.
- (ii) Social Security Expenditure increased by 1.5 percent in fiscal year 2006. The percentage share of the National Income was 23.87 percent.
- (iii) Social Security Expenditure per head of population was estimated at 697,400 yen, and the average expenditure per household was 1,850,800 yen.

**Table 1** Social Security Expenditure by category, fiscal years 2005 and 2006

Social Security Expenditure	2005	2006	Compared with the previous year	
			Amount of increase	Rate of increase
	Hundreds of millions of yen	Hundreds of millions of yen	Hundreds of millions of yen	%
Total	877,827 (100.0)	891,098 (100.0)	13,270	1.5
Medical care	281,094 (32.0)	281,027 (31.5)	▲ 66	▲ 0.0
Pensions	462,930 (52.7)	473,253 (53.1)	10,322	2.2
Welfare & Others	133,803 (15.2)	136,818 (15.4)	3,015	2.3
of which Long-term care	58,795 (6.7)	60,601 (6.8)	1,806	3.1

Note: ( ) The ratio to the total is expressed as a percentage.

**Table 2** Social Security Expenditure by category as a percentage of National Income

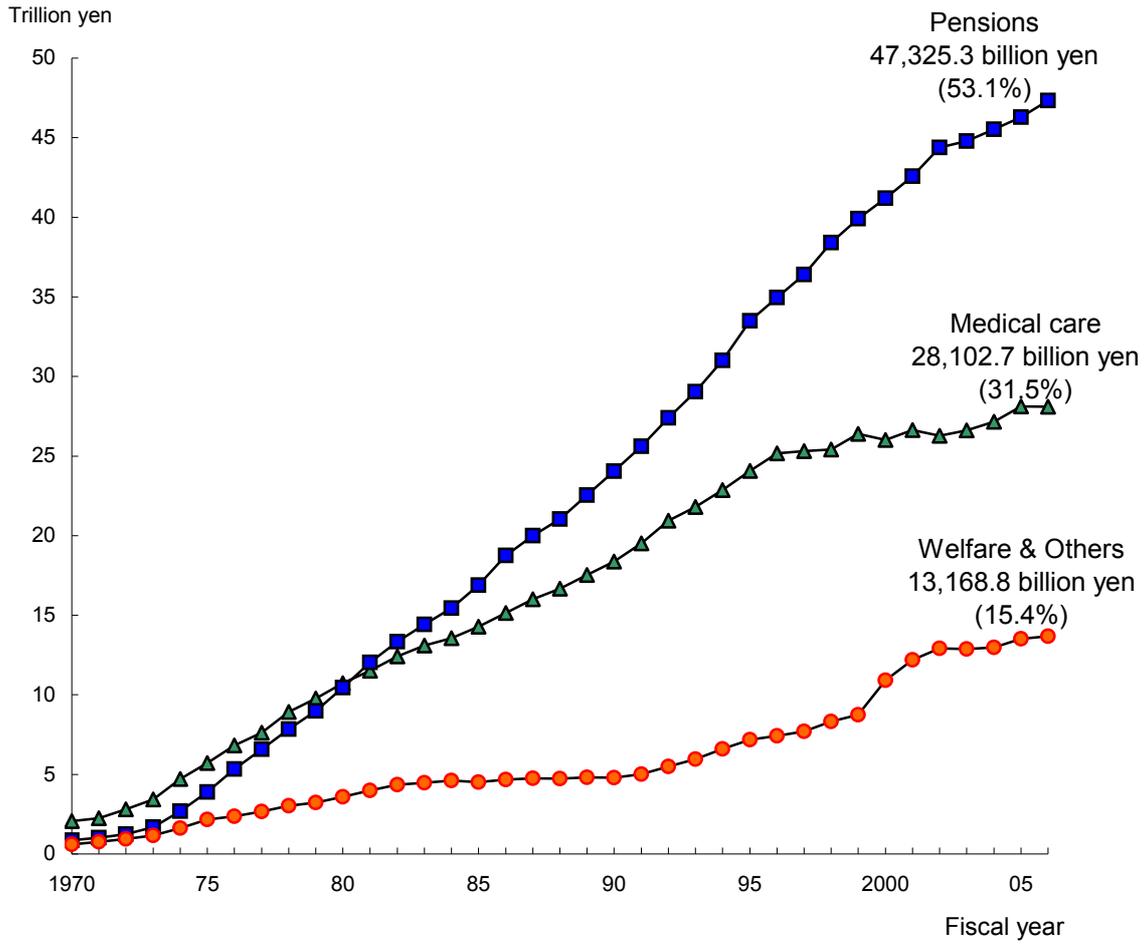
Social Security Expenditure	2005	2006	Increase compared with the previous year
	%	%	% point
Total	23.94	23.87	▲ 0.07
Medical care	7.67	7.53	▲ 0.14
Pensions	12.63	12.68	0.05
Welfare & Others	3.65	3.67	0.02
of which Long-term care	1.60	1.62	0.02

**Table 3** Social Security Expenditure per head of population and per household, fiscal years 2005 and 2006

Social Security Expenditure	2005	2006	Compared with the previous year	
			Amount of increase	Rate of increase
	1,000 yen	1,000 yen	1,000 yen	%
Per head of population	687.0	697.4	10.4	1.5
Per household	1,841.9	1,850.8	8.9	0.5

Notes: Social Security Expenditure per household = (Total number of people in households/Total number of households) x Social Security Expenditure per head of population.

**Figure 1** Social Security Expenditure by category, fiscal years 1970-2006



2. As can be seen in Table 4 below showing Social Security Expenditure by functional category, "Old age" heads the list with 50.1% of the total, followed by "Sickness and health" at 30.8%. These two functional categories make up approximately 80.9% of the entire Social Security Expenditure. The other functional categories and their percentages of the total are "Survivors" (7.2%), "Family benefits" (3.4%), "Invalidity benefits" (2.9%), "Social assistance and others" (2.6%), "Unemployment" (1.4%), "Employment injury" (1.1%) and "Housing" (0.4%).

**Table 4** Social Security Expenditure by functional category, fiscal years 2005 and 2006

Social Security Expenditure	2005	2006	Compared with the previous year	
			Amount of increase	Rate of increase
	Hundreds of millions of yen	Hundreds of millions of yen	Hundreds of millions of yen	%
Total	877,827 (100.0)	891,098 (100.0)	13,270	1.5
Old age	436,042 (49.7)	446,618 (50.1)	10,576	2.4
Survivors	63,684 (7.3)	64,479 (7.2)	795	1.2
Invalidity benefits	22,227 (2.5)	25,618 (2.9)	3,392	15.3
Employment injury	9,704 (1.1)	9,829 (1.1)	124	1.3
Sickness and health	275,067 (31.3)	274,696 (30.8)	▲ 371	▲ 0.1
Family benefits	31,306 (3.6)	30,705 (3.4)	▲ 601	▲ 1.9
Unemployment	13,444 (1.5)	12,396 (1.4)	▲ 1,048	▲ 7.8
Housing	3,305 (0.4)	3,416 (0.4)	112	3.4
Social assistance and others	23,048 (2.6)	23,341 (2.6)	293	1.3

Notes: 1. ( ) The ratio to the total is expressed as a percentage.

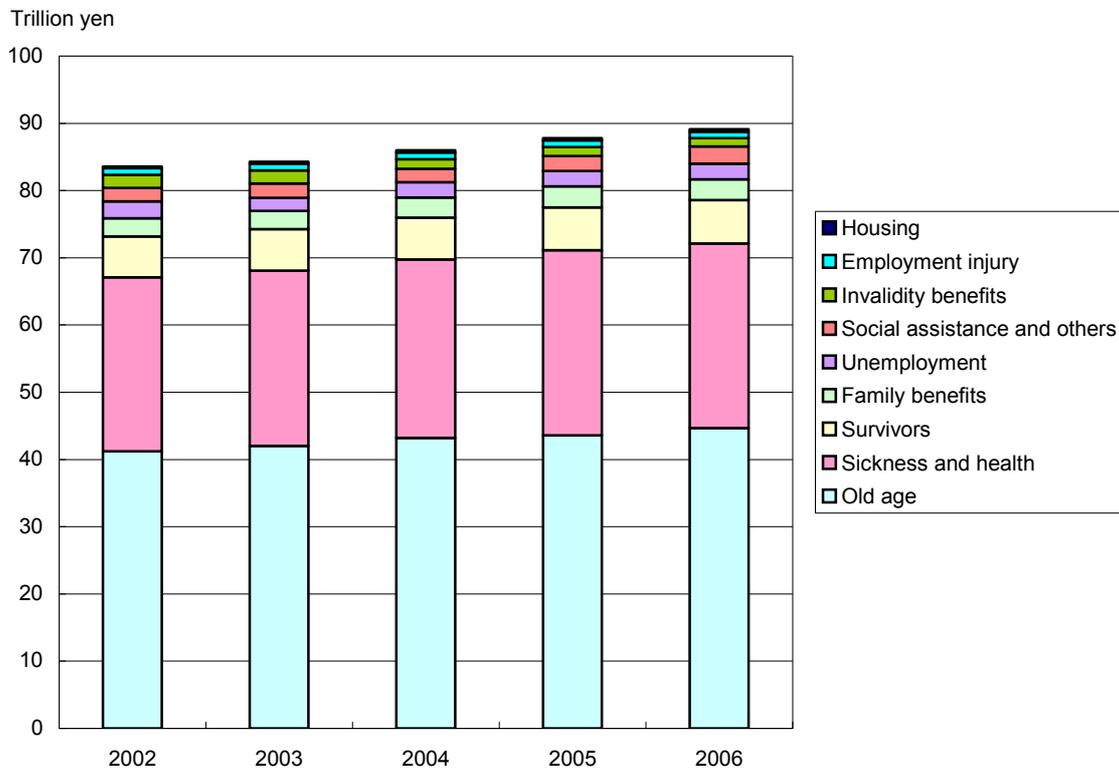
2. Refer to 'Reference' for more details about functional classifications.

3. Following the enforcement of the Services and Supports for Persons with Disabilities Act, it is necessary to keep in mind that the expenditures and their functional classifications have changed in fiscal year 2006. Some items were transferred from "Family benefits" or "Sickness and health" to "Invalidity benefits". In addition, the extraordinary subsidy for the Services and Supports for Persons with Disabilities Act greatly increased the "Invalidity benefits" expenditure. Therefore, simple data comparisons of fiscal year 2006 and before should be avoided.

**Table 5** Social Security Expenditure by functional category as a percentage of National Income

Social Security Expenditure	2005	2006	Increase compared with the previous year
	%	%	% point
Total	23.94	23.87	▲ 0.07
Old age	11.89	11.97	0.07
Survivors	1.74	1.73	▲ 0.01
Invalidity benefits	0.61	0.69	0.08
Employment injury	0.26	0.26	▲ 0.00
Sickness and health	7.50	7.36	▲ 0.14
Family benefits	0.85	0.82	▲ 0.03
Unemployment	0.37	0.33	▲ 0.03
Housing	0.09	0.09	0.00
Social assistance and others	0.63	0.63	▲ 0.00

Note: Following the enforcement of the Services and Supports for Persons with Disabilities Act, it is necessary to keep in mind that the expenditures and their functional classifications have changed in fiscal year 2006. Some items were transferred from “Family benefits” or “Sickness and health” to “Invalidity benefits.” In addition, the extraordinary subsidy for the Services and Supports for Persons with Disabilities Act greatly increased the “Invalidity benefits” expenditure. Therefore, simple data comparisons of fiscal year 2006 and before should be avoided.

**Figure 2** Social Security Expenditure by functional category, fiscal years 2002-2006

3. Social Security Expenditure for the elderly (i.e., retirement pensions, medical care for the aged, welfare services for the aged) was 62,229.7 billion yen. Its share of Social Security Expenditure was 69.8 percent.

**Table 6** Social Security Expenditure for the elderly, fiscal years 2005 and 2006

	2005	2006	Rate of increase compared with the previous year
<b>Total Social Security Expenditure</b>	Hundreds of millions of yen 877,827 (100.0)	Hundreds of millions of yen 891,098 (100.0)	% 1.5
<b>Expenditure for the elderly</b>	Hundreds of millions of yen	Hundreds of millions of yen	%
Pension benefits	446,690	457,716	2.5
Medical care	106,669	102,874	▲ 3.6
Welfare services	58,910	60,602	2.9
Subsidies for elderly employees	1,256	1,105	▲ 12.0
Total	613,524 (69.9)	622,297 (69.8)	1.4
<b>Population</b>			Rate of increase
By age group	10 thousand	10 thousand	%
60 and over	3,434	3,475	1.2
65 and over	2,576	2,660	3.3
70 and over	1,830	1,898	3.7
75 and over	1,164	1,217	4.6

Notes: 1. ( ) The ratio to the total Social Security Expenditure is expressed as a percentage.

2. Health and medical services expenditure for the aged consists of expenditures concerning measures for care control, the welfare service expense not covered by long-term care insurance, etc.

3. Elderly employment maintenance benefits provide those over 60 who, from the time of reaching 60 years of age, are to continue working with a pay cut of more than 25%, with the equivalent of 15% of their pay until they reach 65 years of age, with the aim of promoting the maintenance of employment and reemployment among people aged between 60 and 65.

4. The applicable age group for the healthcare system for the elderly was in October 2002 raised by five years from the over-70s to the over 75s; thus it is necessary to bear in mind that the above figures for elderly healthcare (medical areas) benefits in 2005 and 2006 differ in terms of their applicable age range. That the rate of increase compared with the previous year is a negative figure is a reflection of this. According to the "2006 National Medical Care Expenditure (Estimates) (Ministry of Health, Labor and Welfare)," the national medical expenses for the over-75s in 2006 rose by 1.5% compared with the previous year.

### III. Summary of Social Security Revenue by source, FY 2006

Fiscal year 2006 Social Security Revenue amounted to 104,371.3 billion yen.

- (i) Percentages in each category indicate that Social Insurance is 53.8%, Tax is 29.8%, and Other Receipts is 16.4% of the total.  
(ii) Revenue has decreased 11.1% as compared to the previous fiscal year.

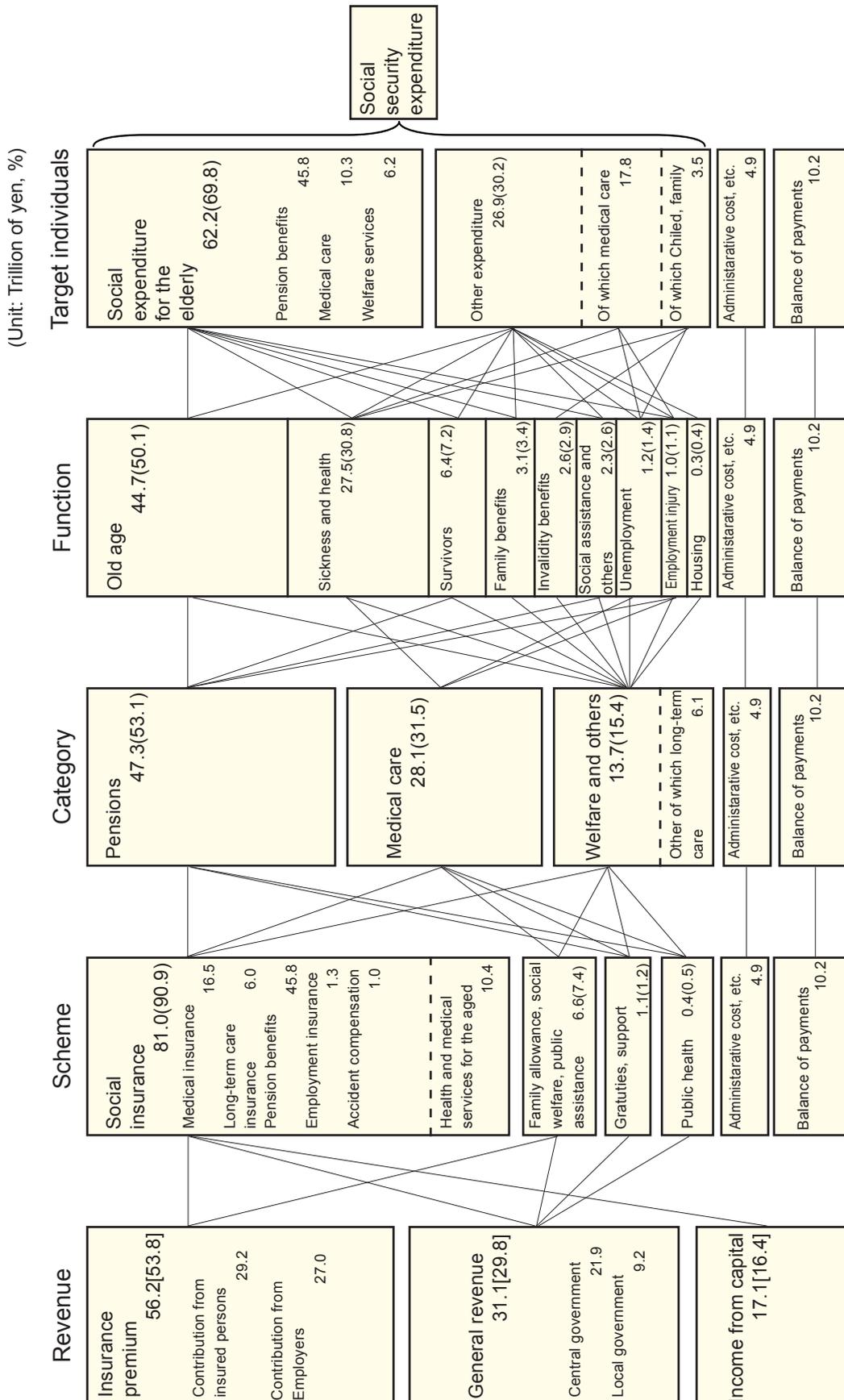
**Table 7** Social Security Revenue by source, fiscal years 2005 and 2006

	2005	2006	Compared with the previous year	
			Amount of increase	Rate of increase
	Hundreds of millions of yen	Hundreds of millions of yen	Hundreds of millions of yen	%
<b>Total</b>	1,173,897 (100.0)	1,043,713 (100.0)	▲ 130,184	▲ 11.1
<b>I Social Insurance</b>	547,072 (46.6)	562,016 (53.8)	14,944	2.7
Contribution from employers	263,603 (22.5)	269,847 (25.9)	6,245	2.4
Contribution from insured persons	283,469 (24.1)	292,169 (28.0)	8,699	3.1
<b>II Taxes</b>	299,525 (25.5)	310,750 (29.8)	11,225	3.7
Central government	219,857 (18.7)	218,703 (21.0)	▲ 1,155	▲ 0.5
Other government	79,668 (6.8)	92,048 (8.8)	12,380	15.5
<b>III Other receipts</b>	327,300 (27.9)	170,947 (16.4)	▲ 156,353	▲ 47.8
Income from capital	188,465 (16.1)	87,222 (8.4)	▲ 101,243	▲ 53.7
Others	138,835 (11.8)	83,725 (8.0)	▲ 55,110	▲ 39.7

Notes: 1. ( ) The ratio to the total is expressed as a percentage.

2. "Other receipts," where "Income from capital" included, the capital gain from the employees' pension funds and others are evaluated as current price of value. "Others" includes "Transfers from reserves."

**Figure 3** Social Security Expenditure by revenue, scheme, category, function and target individuals, fiscal year 2006



Notes: 1. "Child, family" refers to medical insurance in the form of a lump sum maternity allowance and child-rearing allowance, employment insurance in the form of parent leave allowance, day-care facilities administration costs and single parent family and disabled child allowance.  
 2. Fiscal year 2006 Social Security Revenues amounted to 104.4 trillion yen (excluding transfer from other systems). The figure in square brackets [ ] represents the ratio of the Social Security Revenues total.  
 3. Fiscal year 2006 Social Security Expenditure amounted to 89.1 trillion yen. The figure in parentheses ( ) represents the ratio of the Social Security Expenditure total.

## IV. Statistical tables

**Table 1** Social Security Expenditure by category, fiscal years 1950-2006

Fiscal year	Social Security Expenditure						
	Total (A) Hundreds of millions of yen	Medical Care (B) Hundreds of millions of yen	B/A %	Pension, Welfare & Others (C) Hundreds of millions of yen		C/A %	
1950	1,261	646	51.2	615		48.8	
1951	1,571	804	51.1	768		48.9	
1952	2,194	1,149	52.3	1,046		47.7	
1953	2,577	1,480	57.5	1,096		42.5	
1954	3,841	1,712	44.6	2,129		55.4	
1955	3,893	1,919	49.3	1,974		50.7	
1956	3,986	2,018	50.6	1,969		49.4	
1957	4,357	2,224	51.0	2,133		49.0	
1958	5,080	2,099	41.3	2,981		58.7	
1959	5,778	2,523	43.7	3,255		56.3	
1960	6,553	2,942	44.9	3,611		55.1	
1961	7,900	3,850	48.7	4,050		51.3	
1962	9,219	4,699	51.0	4,520		49.0	
1963	11,214	5,885	52.5	5,329		47.5	
				<i>Pension (D)</i> Hundreds of millions of yen	D/A %	<i>Welfare &amp; Others (E)</i> Hundreds of millions of yen	E/A %
1964	13,475	7,328	54.4	3,056	22.7	3,091	22.9
1965	16,037	9,137	57.0	3,508	21.9	3,392	21.2
1966	18,670	10,766	57.7	4,199	22.5	3,705	19.8
1967	21,644	12,583	58.1	4,947	22.9	4,114	19.0
1968	25,096	14,679	58.5	5,835	23.3	4,582	18.3
1969	28,752	16,975	59.0	6,935	24.1	4,842	16.8
1970	35,239	20,758	58.9	8,562	24.3	5,920	16.8
1971	40,258	22,505	55.9	10,192	25.3	7,561	18.8
1972	49,845	28,111	56.4	12,367	24.8	9,367	18.8
1973	62,587	34,270	54.8	16,758	26.8	11,559	18.5
1974	90,270	47,208	52.3	26,782	29.7	16,280	18.0
1975	117,693	57,132	48.5	38,831	33.0	21,730	18.5
1976	145,165	68,098	46.9	53,415	36.8	23,652	16.3
1977	168,868	76,256	45.2	65,880	39.0	26,732	15.8
1978	197,763	89,167	45.1	78,377	39.6	30,219	15.3
1979	219,832	97,743	44.5	89,817	40.9	32,272	14.7
1980	247,736	107,329	43.3	104,525	42.2	35,882	14.5
1981	275,638	115,221	41.8	120,420	43.7	39,997	14.5
1982	300,973	124,118	41.2	133,404	44.3	43,451	14.4
1983	319,733	130,983	41.0	144,108	45.1	44,642	14.0
1984	336,396	135,654	40.3	154,527	45.9	46,216	13.7
1985	356,798	142,830	40.0	168,923	47.3	45,044	12.6
1986	385,918	151,489	39.3	187,620	48.6	46,809	12.1
1987	407,337	160,001	39.3	199,874	49.1	47,462	11.7
1988	424,582	166,726	39.3	210,459	49.6	47,397	11.2
1989	448,822	175,279	39.1	225,407	50.2	48,136	10.7
1990	472,203	183,795	38.9	240,420	50.9	47,989	10.2
1991	501,346	195,056	38.9	256,145	51.1	50,145	10.0
1992	538,280	209,395	38.9	274,013	50.9	54,872	10.2
1993	568,039	218,059	38.4	290,376	51.1	59,603	10.5
1994	604,660	228,656	37.8	310,084	51.3	65,920	10.9
1995	647,243	240,520	37.2	334,986	51.8	71,738	11.1
1996	675,402	251,711	37.3	349,548	51.8	74,143	11.0
1997	694,087	252,987	36.4	363,996	52.4	77,104	11.1
1998	721,333	253,989	35.2	384,105	53.2	83,239	11.5
1999	750,338	263,863	35.2	399,112	53.2	87,363	11.6
2000	781,191	259,953	33.3	412,012	52.7	109,225	14.0
2001	813,928	266,309	32.7	425,714	52.3	121,905	15.0
2002	835,584	262,643	31.4	443,781	53.1	129,159	15.5
2003	842,582	266,048	31.6	447,845	53.2	128,689	15.3
2004	858,660	271,454	31.6	455,188	53.0	132,018	15.4
2005	877,827	281,094	32.0	462,930	52.7	133,803	15.2
2006	891,098	281,027	31.5	473,253	53.1	136,818	15.4

Note: Rounding of the numbers may cause some discrepancies.

**Table 2** Three categories of Social Security Expenditure as a percentage of National Income, fiscal years 1951-2006

(Unit:%)

Fiscal year	Social Security Expenditure				National Income Hundreds of millions of yen
	Total	Medical Care	Pensions	Welfare & Others	
1951	3.54	1.81	1.73		44,346
1952	4.21	2.20	2.01		52,159
1953	4.29	2.47	1.83		60,015
1954	5.83	2.60	3.23		65,917
1955	5.58	2.75	2.83		69,733
1956	5.05	2.56	2.49		78,962
1957	4.91	2.51	2.41		88,681
1958	5.41	2.24	3.18		93,829
1959	5.23	2.28	2.95		110,421
1960	4.86	2.18	2.68		134,967
1961	4.91	2.39	2.52		160,819
1962	5.15	2.63	2.53		178,933
1963	5.31	2.79	2.53		210,993
1964	5.60	3.05	1.27	1.29	240,514
1965	5.98	3.41	1.31	1.26	268,270
1966	5.90	3.40	1.33	1.17	316,448
1967	5.76	3.35	1.32	1.10	375,477
1968	5.74	3.36	1.33	1.05	437,209
1969	5.52	3.26	1.33	0.93	521,178
1970	5.77	3.40	1.40	0.97	610,297
1971	6.11	3.41	1.55	1.15	659,105
1972	6.40	3.61	1.59	1.20	779,369
1973	6.53	3.58	1.75	1.21	958,396
1974	8.03	4.20	2.38	1.45	1,124,716
1975	9.49	4.61	3.13	1.75	1,239,907
1976	10.34	4.85	3.80	1.68	1,403,972
1977	10.85	4.90	4.23	1.72	1,557,032
1978	11.51	5.19	4.56	1.76	1,717,785
1979	12.07	5.36	4.93	1.77	1,822,066
1980	12.19	5.28	5.14	1.77	2,032,410
1981	13.01	5.44	5.68	1.89	2,118,783
1982	13.68	5.64	6.06	1.97	2,200,091
1983	13.82	5.66	6.23	1.93	2,312,854
1984	13.83	5.58	6.36	1.90	2,431,547
1985	13.67	5.47	6.47	1.73	2,610,890
1986	14.39	5.65	7.00	1.75	2,680,934
1987	14.45	5.68	7.09	1.68	2,818,190
1988	13.97	5.48	6.92	1.56	3,039,679
1989	13.93	5.44	7.00	1.49	3,222,073
1990	13.56	5.28	6.90	1.38	3,483,454
1991	13.51	5.26	6.90	1.35	3,710,808
1992	14.57	5.67	7.42	1.49	3,693,236
1993	15.39	5.91	7.87	1.62	3,690,327
1994	16.16	6.11	8.29	1.76	3,740,795
1995	17.29	6.43	8.95	1.92	3,742,775
1996	17.74	6.61	9.18	1.95	3,806,211
1997	18.17	6.62	9.53	2.02	3,819,989
1998	19.55	6.88	10.41	2.26	3,689,215
1999	20.59	7.24	10.95	2.40	3,643,409
2000	21.01	6.99	11.08	2.94	3,718,039
2001	22.53	7.37	11.78	3.37	3,613,335
2002	23.49	7.38	12.47	3.63	3,557,610
2003	23.53	7.43	12.51	3.59	3,580,792
2004	23.60	7.46	12.51	3.63	3,638,976
2005	23.94	7.67	12.63	3.65	3,666,612
2006	23.87	7.53	12.68	3.67	3,732,466

Sources: National Income up to FY1954: Annual Report on National Income Statistics (1978); FY 1955-77: Report on National Accounts (1988); FY1978-1979: Annual Report on National Accounts (2000); FY 1980-95: Report on National Accounts (2005); FY 1996 and after: Report on National Accounts (2008). Latter two reports are compiled by the Economic and Social Research Institute, Cabinet Office.

**Table 3** Annual rates of increase in Social Security Expenditure and National Income, fiscal years 1951-2006

(Unit:%)

Fiscal year	Social Security Expenditure				National Income
	Total	Medical Care	Pensions	Welfare & Others	
1951	24.6	24.5	24.9		—
1952	39.7	42.9	36.2		17.6
1953	17.5	28.8	4.8		15.1
1954	49.0	15.7	94.3		9.8
1955	1.4	12.1	▲ 7.3		5.8
1956	2.4	5.2	▲ 0.3		13.2
1957	9.3	10.2	8.3		12.3
1958	16.6	▲ 5.6	39.8		5.8
1959	13.7	20.2	9.2		17.7
1960	13.4	16.6	10.9		22.2
1961	20.6	30.9	12.2		19.2
1962	16.7	22.1	11.6		11.3
1963	21.6	25.2	17.9		17.9
1964	20.2	24.5	15.3		14.0
1965	19.0	24.7	14.8	9.7	11.5
1966	16.4	17.8	19.7	9.2	18.0
1967	15.9	16.9	17.8	11.0	18.7
1968	15.9	16.7	18.0	11.4	16.4
1969	14.6	15.6	18.9	5.7	19.2
1970	22.6	22.3	23.4	22.2	17.1
1971	14.2	8.4	19.0	27.7	8.0
1972	23.8	24.9	21.3	23.9	18.2
1973	25.6	21.9	35.5	23.4	23.0
1974	44.2	37.8	59.8	40.8	17.4
1975	30.4	21.0	45.0	33.5	10.2
1976	23.3	19.2	37.6	8.8	13.2
1977	16.3	12.0	23.3	13.0	10.9
1978	17.1	16.9	19.0	13.0	10.3
1979	11.2	9.6	14.6	6.8	6.1
1980	12.7	9.8	16.4	11.2	11.5
1981	11.3	7.4	15.2	11.5	4.2
1982	9.2	7.7	10.8	8.6	3.8
1983	6.2	5.5	8.0	2.7	5.1
1984	5.2	3.6	7.2	3.5	5.1
1985	6.1	5.3	9.3	▲ 2.5	7.4
1986	8.2	6.1	11.1	3.9	2.7
1987	5.6	5.6	6.5	1.4	5.1
1988	4.2	4.2	5.3	▲ 0.1	7.9
1989	5.7	5.1	7.1	1.6	6.0
1990	5.2	4.9	6.7	▲ 0.3	8.1
1991	6.2	6.1	6.5	4.5	6.5
1992	7.4	7.4	7.0	9.4	▲ 0.5
1993	5.5	4.1	6.0	8.6	▲ 0.1
1994	6.4	4.9	6.8	10.6	1.4
1995	7.0	5.2	8.0	8.8	0.1
1996	4.4	4.7	4.3	3.4	1.7
1997	2.8	0.5	4.1	4.0	0.4
1998	3.9	0.4	5.5	8.0	▲ 3.4
1999	4.0	3.9	3.9	5.0	▲ 1.2
2000	4.1	▲ 1.5	3.2	25.0	2.0
2001	4.2	2.4	3.3	11.6	▲ 2.8
2002	2.7	▲ 1.4	4.2	6.0	▲ 1.5
2003	0.8	1.3	0.9	▲ 0.4	0.7
2004	1.9	2.0	1.6	2.6	1.6
2005	2.2	3.6	1.7	1.4	0.8
2006	1.5	▲ 0.0	2.2	2.3	1.8

**Table 4** Social Security Expenditure and National Income per head of population, fiscal years 1951-2006

Fiscal year	Social Security Expenditure per head		National Income per head	
	1,000yen	Index 1973=100	1,000yen	Index 1973=100
1951	1.9	3.3	52.5	6.0
1952	2.6	4.5	60.8	6.9
1953	3.0	5.2	69.0	7.8
1954	4.4	7.7	74.7	8.5
1955	4.4	7.7	78.2	8.9
1956	4.4	7.7	87.6	10.0
1957	4.8	8.4	97.6	11.1
1958	5.5	9.6	102.3	11.6
1959	6.2	10.8	119.2	13.6
1960	7.0	12.2	144.5	16.4
1961	8.4	14.6	170.6	19.4
1962	9.7	16.9	188.1	21.4
1963	11.7	20.4	219.5	25.0
1964	13.7	23.9	247.6	28.2
1965	16.2	28.2	273.2	31.1
1966	18.9	32.9	319.6	36.4
1967	21.6	37.7	375.0	42.7
1968	24.8	43.2	431.7	49.1
1969	28.0	48.9	508.7	57.9
1970	33.7	58.7	586.0	66.7
1971	37.9	66.1	621.7	70.7
1972	46.3	80.8	724.9	82.5
1973	57.4	100.0	879.1	100.0
1974	81.6	142.3	1,018.1	115.8
1975	105.1	183.3	1,108.7	126.1
1976	128.4	223.8	1,242.4	141.3
1977	147.9	257.9	1,364.7	155.2
1978	171.7	299.3	1,492.2	169.7
1979	189.3	329.9	1,569.6	178.5
1980	211.6	368.9	1,737.3	197.6
1981	233.8	407.5	1,798.1	204.5
1982	253.5	441.9	1,854.1	210.9
1983	267.5	466.3	1,935.9	220.2
1984	279.6	487.4	2,022.2	230.0
1985	294.8	513.8	2,158.3	245.5
1986	317.2	553.0	2,204.8	250.8
1987	333.2	580.9	2,306.9	262.4
1988	345.9	603.0	2,477.9	281.9
1989	364.3	635.0	2,616.7	297.6
1990	382.0	665.9	2,819.3	320.7
1991	404.2	704.6	2,991.8	340.3
1992	432.5	754.0	2,966.9	337.5
1993	455.3	793.7	2,955.7	336.2
1994	483.6	843.0	2,987.6	339.8
1995	515.4	898.5	2,982.3	339.2
1996	536.6	935.4	3,026.1	344.2
1997	550.1	959.0	3,029.3	344.6
1998	570.3	994.1	2,918.2	331.9
1999	592.3	1,032.5	2,876.7	327.2
2000	615.5	1,072.9	2,930.2	333.3
2001	639.4	1,114.7	2,841.0	323.2
2002	655.7	1,143.0	2,792.5	317.6
2003	660.2	1,150.9	2,806.0	319.2
2004	672.5	1,172.3	2,849.9	324.2
2005	687.0	1,197.7	2,869.7	326.4
2006	697.4	1,215.8	2,921.2	332.3

**Table 5** Social Security Expenditure for the elderly, fiscal years 1973-2006

Fiscal year	Pension benefits	Medical care benefits	Welfare service benefits	Subsidies for employees	Total		(A)Total		
					Annual rate of increase	% of total (A)	Social Security Expenditure	Annual rate of increase	
	Hundreds of millions of yen	%	%	Hundreds of millions of yen	%				
1973	10,757	4,289	596	—	15,642	—	25.0	62,587	—
1974	19,205	6,652	877	—	26,734	70.9	29.6	90,270	44.2
1975	28,924	8,666	1,164	—	38,754	45.0	32.9	117,693	30.4
1976	40,697	10,780	1,489	—	52,965	36.7	36.5	145,165	23.3
1977	50,942	12,872	1,798	—	65,612	23.9	38.9	168,868	16.3
1978	61,329	15,948	2,060	—	79,336	20.9	40.1	197,763	17.1
1979	70,896	18,503	2,306	—	91,706	15.6	41.7	219,832	11.2
1980	83,675	21,269	2,570	—	107,514	17.2	43.4	247,736	12.7
1981	97,903	24,280	2,822	—	125,004	16.3	45.4	275,638	11.3
1982	109,552	27,450	3,129	—	140,131	12.1	46.6	300,973	9.2
1983	120,122	32,660	3,306	—	156,088	11.4	48.8	319,733	6.2
1984	130,497	35,534	3,467	—	169,498	8.6	50.4	336,396	5.2
1985	144,549	40,070	3,668	—	188,288	11.1	52.8	356,798	6.1
1986	163,140	43,584	4,316	—	211,041	12.1	54.7	385,918	8.2
1987	175,081	46,638	4,278	—	225,997	7.1	55.5	407,337	5.6
1988	185,889	49,824	4,569	—	240,282	6.3	56.6	424,582	4.2
1989	201,126	53,730	5,106	—	259,962	8.2	57.9	448,822	5.7
1990	216,182	57,331	5,749	—	279,262	7.4	59.1	472,203	5.2
1991	231,909	61,976	6,552	—	300,437	7.6	59.9	501,346	6.2
1992	249,728	66,685	7,456	—	323,869	7.8	60.2	538,280	7.4
1993	266,199	71,394	8,171	—	345,764	6.8	60.9	568,039	5.5
1994	286,248	77,804	9,066	—	373,117	7.9	61.7	604,660	6.4
1995	311,565	84,525	10,902	117	407,109	9.1	62.9	647,243	7.0
1996	326,713	92,166	11,537	369	430,784	5.8	63.8	675,402	4.4
1997	341,699	96,392	12,743	567	451,401	4.8	65.0	694,087	2.8
1998	362,379	101,092	13,797	773	478,041	5.9	66.3	721,333	3.9
1999	378,061	109,443	13,841	954	502,299	5.1	66.9	750,338	4.0
2000	391,729	103,469	34,193	1,086	530,476	5.6	67.9	781,191	4.1
2001	406,178	107,216	43,029	1,250	557,673	5.1	68.5	813,928	4.2
2002	425,025	107,125	48,584	1,437	582,171	4.4	69.7	835,584	2.7
2003	429,959	106,343	53,099	1,489	590,890	1.5	70.1	842,582	0.8
2004	438,143	105,879	57,424	1,389	602,836	2.0	70.2	858,660	1.9
2005	446,690	106,669	58,910	1,256	613,524	1.8	69.9	877,827	2.2
2006	457,716	102,874	60,602	1,105	622,297	1.4	69.8	891,098	1.5

Note: The applicable age group for the healthcare system for the elderly was raised by five years in October 2002, from the over-70s to the over-75s; thus it is necessary to bear in mind that the above figures for elderly healthcare benefits in 2001, 2002, 2003, 2004, 2005 and 2006 differ in terms of their applicable age range. According to the "2006 National Medical Care Expenditure (Estimates) (Ministry of Health, Labour and Welfare)," the rate of increase in the national medical expenses for the over-75s rose by 0.5% in 2002, by 3.8% in 2003, by 5.7% in 2004, by 5.7% in 2005 and by 1.5% in 2006 (compared with each previous year).

**Table 6** Social Security Expenditure for child and family, fiscal years 1975-2006

Fiscal year	Total									Annual rate of increase	% of total
						Total	Maternity allowance				
	Family allowance	Child allowance	Child rearing allowance	Child welfare service	Parent leave allowance						
Hundred of millions of yen	%	%									
1975	1,829	1,444	385	3,549	—	5,378	1,229	6,608	—	5.6	
1976	2,333	1,691	642	4,258	—	6,591	915	7,505	13.6	5.2	
1977	2,509	1,695	814	4,802	—	7,311	1,702	9,013	20.1	5.3	
1978	2,834	1,719	1,114	5,243	—	8,076	1,683	9,759	8.3	4.9	
1979	3,180	1,785	1,396	5,744	—	8,924	1,668	10,591	8.5	4.8	
1980	3,560	1,778	1,782	5,998	—	9,558	1,639	11,197	5.7	4.5	
1981	3,790	1,641	2,149	6,225	—	10,014	2,149	12,163	8.6	4.4	
1982	4,109	1,660	2,449	6,386	—	10,494	2,240	12,735	4.7	4.2	
1983	4,365	1,650	2,715	6,138	—	10,503	2,260	12,763	0.2	4.0	
1984	4,544	1,637	2,908	6,408	—	10,952	2,641	13,593	6.5	4.0	
1985	4,617	1,589	3,027	6,836	—	11,453	3,060	14,513	6.8	4.1	
1986	4,604	1,605	3,000	7,635	—	12,239	3,161	15,401	6.1	4.0	
1987	4,574	1,558	3,016	7,356	—	11,931	3,150	15,080	▲ 2.1	3.7	
1988	4,500	1,488	3,012	7,555	—	12,055	3,105	15,160	0.5	3.6	
1989	4,465	1,454	3,011	8,046	—	12,511	2,990	15,501	2.3	3.5	
1990	4,449	1,391	3,059	8,532	—	12,981	3,005	15,986	3.1	3.4	
1991	4,439	1,381	3,058	9,327	—	13,766	3,104	16,870	5.5	3.4	
1992	5,267	2,173	3,094	9,691	—	14,958	3,692	18,650	10.6	3.5	
1993	5,072	1,942	3,130	10,424	6	15,502	3,775	19,277	3.4	3.4	
1994	4,928	1,710	3,218	10,768	5	15,701	4,224	19,925	3.4	3.3	
1995	5,112	1,612	3,500	11,177	327	16,616	4,497	21,113	6.0	3.3	
1996	5,201	1,536	3,666	13,312	507	19,021	4,594	23,615	11.8	3.5	
1997	5,304	1,497	3,807	12,809	559	18,672	4,586	23,259	▲ 1.5	3.4	
1998	5,370	1,486	3,885	13,336	603	19,310	4,687	23,997	3.2	3.3	
1999	5,524	1,547	3,977	14,188	643	20,355	4,617	24,972	4.1	3.3	
2000	7,116	2,917	4,199	14,963	721	22,801	4,618	27,419	9.8	3.5	
2001	8,574	4,062	4,512	15,876	1,078	25,527	4,606	30,133	9.9	3.7	
2002	8,964	4,315	4,649	16,766	1,241	26,970	4,543	31,513	4.6	3.8	
2003	9,158	4,365	4,792	16,724	1,304	27,186	4,440	31,626	0.4	3.8	
2004	11,236	5,909	5,327	17,180	1,370	29,786	4,443	34,229	8.2	4.0	
2005	11,579	6,300	5,279	18,268	1,428	31,274	4,363	35,637	4.1	4.2	
2006	13,512	8,084	5,428	15,674	1,487	30,673	4,718	35,391	▲ 0.7	4.0	

Note: Following the enforcement of the Services and Supports for Persons with Disabilities Act in 2006, it is necessary to keep in mind that some items were transferred from "Family benefits" to "Invalidity benefits." Therefore, simple data comparisons of fiscal year 2006 and before should be avoided.

**Table 7** Social Security Expenditure by institutional scheme, fiscal years 1997-2006

Fiscal Year		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Expenditure (millions of yen)	Total	69,408,687	72,133,280	75,033,754	78,119,108	81,392,831	83,558,384	84,258,195	85,866,002	87,782,748	89,109,794
	Medical insurance	14,665,248	14,360,954	14,436,281	14,572,699	14,791,576	14,439,575	14,711,798	15,276,653	16,141,036	16,534,328
	Health and Medical Services for the Aged	9,777,650	10,188,446	11,026,058	10,447,419	10,804,055	10,801,187	10,722,379	10,675,768	10,753,916	10,378,744
	Long-term care insurance	—	—	—	3,252,114	4,122,775	4,666,117	5,110,400	5,577,221	5,823,169	5,999,798
	Pension benefits	34,169,859	36,237,881	37,806,127	39,172,913	40,617,812	42,502,502	42,995,871	43,814,337	44,668,954	45,771,556
	Employment insurance etc.	2,313,828	2,703,379	2,836,289	2,664,958	2,713,358	2,619,154	2,024,562	1,528,279	1,435,313	1,336,550
	Workmen's accident compensation insurance	1,054,426	1,044,118	1,025,530	1,018,528	1,015,412	982,922	973,367	958,723	953,185	965,993
	Family allowance	530,420	537,013	552,367	711,649	857,359	896,364	915,765	1,123,641	1,157,903	1,351,217
	Public assistance	1,606,257	1,682,009	1,814,815	1,929,889	2,060,403	2,186,944	2,365,553	2,552,832	2,592,255	2,635,638
	Social welfare	2,915,792	3,082,738	3,312,714	2,186,116	2,315,038	2,460,362	2,469,305	2,539,797	2,504,698	2,600,278
	Public health	552,680	537,943	539,865	554,917	560,460	544,067	592,919	535,923	547,416	427,534
	Gratuities for retired public employees	1,599,757	1,547,077	1,486,055	1,419,745	1,350,930	1,280,425	1,204,272	1,131,933	1,058,666	984,098
	Aid for war victims	222,770	211,723	197,651	188,161	183,654	178,763	172,005	150,895	146,238	124,059
	Ratio to the total (%)	Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Medical insurance		21.1	19.9	19.2	18.7	18.2	17.3	17.5	17.8	18.4	18.6
Health and Medical Services for the Aged		14.1	14.1	14.7	13.4	13.3	12.9	12.7	12.4	12.3	11.6
Long-term care insurance		—	—	—	4	5	5.6	6.1	6.5	6.6	6.7
Pension benefits		49.2	50.2	50.4	50.1	49.9	50.9	51.0	51.0	50.9	51.4
Employment insurance etc.		3.3	3.7	3.8	3.4	3.3	3.1	2.4	1.8	1.6	1.5
Workmen's accident compensation insurance		1.5	1.4	1.4	1.3	1.2	1.2	1.2	1.1	1.1	1.1
Family allowance		0.8	0.7	0.7	0.9	1.1	1.1	1.1	1.3	1.3	1.5
Public assistance		2.3	2.3	2.4	2.5	2.5	2.6	2.8	3.0	3.0	3.0
Social welfare		4.2	4.3	4.4	2.8	2.8	2.9	2.9	3.0	2.9	2.9
Public health		0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.5
Gratuities for retired public employees		2.3	2.1	2.0	1.8	1.7	1.5	1.4	1.3	1.2	1.1
Aid for war victims		0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1

Notes: 1. Health and Medical Services for the Aged include public health measures (e.g., medical check-ups and counseling)

2. Family allowance includes income support for single parent families and for handicapped children.

3. Employment insurance, etc. includes unemployment benefits, etc. by both Employment Insurance and Seamen's Insurance.

4. The applicable age group for the healthcare system for the elderly was raised by five years in October 2002, from the over-70s to the over-75s; thus it is necessary to bear in mind that the above figures for elderly healthcare benefits in 2001, 2002, 2003, 2004, 2005 and 2006 differ in terms of their applicable age range. According to the "2006 National Medical Care Expenditure (Estimates) (Ministry of Health, Labour and Welfare)," the rate of increase in the national medical expenses for the over-75s rose by 0.5% in 2002, by 3.8% in 2003, by 5.7% in 2004, by 5.7% in 2005 and by 1.5% in 2006 (compared with each previous year).

**Table 8** Social Security Expenditure by functional category, fiscal years 2002-2006  
(Unit: Million of yen)

	2002	2003	2004	2005	2006
Social Security Expenditure	83,558,384	84,258,195	85,866,002	87,782,748	89,109,794
I Old age	41,017,410	41,779,175	42,822,083	43,604,210	44,661,789
Cash benefits	36,246,586	36,569,425	37,188,028	37,825,636	38,712,106
Normal retirement pension	35,190,854	35,987,688	36,724,189	37,614,277	38,511,593
Early retirement pension	—	—	—	—	—
Lump sum payments	—	—	—	—	—
Retirement grants	995,544	518,800	402,665	150,926	146,896
Other cash benefits	60,187	62,937	61,174	60,434	53,617
Benefits in kind	4,770,825	5,209,750	5,634,055	5,778,574	5,949,684
II Survivors	6,087,524	6,168,727	6,252,736	6,368,386	6,447,860
Cash benefits	6,086,813	6,168,104	6,252,220	6,367,958	6,447,516
Survivors' pension	5,966,577	6,048,610	6,147,198	6,261,849	6,358,906
Lump sum payments	10,299	10,378	11,431	12,228	12,443
Survivors grants	—	—	—	—	—
Other cash benefits	109,937	109,116	93,591	93,882	76,166
Benefits in kind	711	623	517	427	344
Funeral expenses	—	—	—	—	—
Other	711	623	517	427	344
III Invalidation benefits	2,159,929	2,178,040	2,238,338	2,222,655	2,561,827
Cash benefits	1,715,825	1,727,152	1,749,186	1,772,131	1,805,230
Full invalidity pension	1,669,335	1,680,606	1,702,198	1,725,255	1,758,953
Partial invalidity pension	—	—	—	—	—
Early retirement pension	—	—	—	—	—
Lump sum payments	350	386	381	355	285
Invalidity grants	—	—	—	—	—
Other cash benefits	46,140	46,161	46,607	46,521	45,992
Benefits in kind	444,103	450,887	489,152	450,525	756,597
IV Employment injury	1,001,203	991,249	976,269	970,440	982,875
Cash benefits to the insured	481,670	473,042	461,604	455,091	453,975
Temporary cash benefits	178,465	172,921	166,465	163,501	163,932
Long-term cash benefits (pensions)	235,370	233,322	230,525	227,556	224,877
Other cash benefits	67,834	66,798	64,614	64,034	65,166
Cash benefits to survivors	271,298	271,656	269,540	272,464	287,100
Periodic benefit	248,466	248,539	247,211	248,508	255,989
Other cash benefits	22,832	23,117	22,330	23,956	31,111
Benefits in kind	248,235	246,551	245,125	242,884	241,801
Medical care	246,046	244,280	242,737	240,272	238,977
Other benefits in kind	2,189	2,271	2,388	2,612	2,824
V Sickness and health	25,829,243	26,076,687	26,538,335	27,506,743	27,469,646
Cash benefits	912,661	896,714	904,681	914,097	947,089
Sickness benefits	240,733	235,582	243,371	257,934	272,317
Maternity benefits	454,080	443,724	444,084	436,038	471,535
Other cash benefits	217,849	217,409	217,227	220,124	203,237
Benefits in kind (health)	24,916,582	25,179,973	25,633,654	26,592,646	26,522,556
VI Family benefits	2,700,178	2,721,735	2,981,717	3,130,575	3,070,472
Cash benefits	1,023,623	1,049,291	1,263,761	1,303,815	1,503,028
Periodic cash payments	1,023,623	1,049,291	1,263,761	1,303,815	1,503,028
Other cash benefits	—	—	—	—	—
Benefits in kind	1,676,555	1,672,444	1,717,956	1,826,760	1,567,444
VII Unemployment	2,547,179	1,947,088	1,444,236	1,344,429	1,239,581
Cash benefits	2,547,179	1,947,088	1,444,236	1,344,429	1,239,581
Regular Unemployment benefits	2,152,741	1,631,601	1,212,014	1,093,731	999,361
Special periodic payments	242,050	166,847	149,852	182,914	175,511
Severance/redundancy payments	—	—	—	—	—
Other cash benefits	152,388	148,640	82,370	67,784	64,709
Benefits in kind	—	—	—	—	—
VIII Housing	250,321	279,623	313,019	330,472	341,646
Cash benefits	250,321	279,623	313,019	330,472	341,646
Rent subsidy	250,321	279,623	313,019	330,472	341,646
Benefits in kind	—	—	—	—	—
Rent support	—	—	—	—	—
Subsidies to home owners	—	—	—	—	—
Other benefits in kind	—	—	—	—	—
IX Social assistance and others	1,965,398	2,115,873	2,299,270	2,304,838	2,334,097
Cash benefits	765,015	823,449	879,120	880,915	887,669
Periodic cash payments	759,912	817,534	869,296	872,926	880,911
Other cash payments	5,103	5,916	9,825	7,988	6,758
Benefits in kind	1,200,383	1,292,424	1,420,150	1,423,923	1,446,428

Note: Following the enforcement of the Services and Supports for Persons with Disabilities Act, it is necessary to keep in mind that the expenditures and their functional classifications have changed in 2006. Some items were transferred from "V Sickness and health" or "VI Family benefits" to "III Invalidation benefits." In addition, the extraordinary subsidy for the Services and Supports for Persons with Disabilities Act greatly increased the expense on "Invalidity benefits." Therefore, simple data comparisons of fiscal year 2006 and before should be avoided.

**Table 9** Cost of Social Security in fiscal year 2006 according to the ILO standards  
(Unit: Million of yen)

Social Security Schemes	Receipts					
	Contributions		Social security special tax	State participation	Other public authorities	Income from capital
	Insured persons	Employers				
<b>Social Insurance:</b>						
1. Health Insurance						
(A)Government-managed	3,321,768	3,322,741	—	937,127	—	335
(B)Society-managed	2,917,866	3,552,656	—	7,996	—	64,660
2. National Health Insurance	4,210,293	—	—	3,641,430	2,383,103	—
Medical Care Service Program for Retired Employees(republished)	832,375	—	—	—	—	—
3. Health and Medical Services for the Aged	—	—	—	3,045,795	1,520,767	—
4. Long-term Care Insurance	1,262,074	—	—	1,458,267	1,889,373	206
5. Employees' Pension Insurance	10,491,730	10,491,730	—	4,870,145	—	4,278,975
6. Employees' Pension Funds, etc.	455,914	1,119,918	—	480	—	1,832,335
7. National Pension	1,903,806	—	—	1,888,979	—	299,404
8. Farmers' Pension Fund, etc.	160,145	—	—	153,458	—	163,785
9. Seamen's Insurance	18,999	43,115	—	4,193	—	1,323
10. Agricultural, Forestry and Fishery Organization, Employees' Mutual Aid Association	—	22,946	—	1,791	—	4,411
11. Promotion and Mutual Aid Corporation for Private Schools of Japan	252,695	247,343	—	56,101	7,431	123,946
12. Employment Insurance	1,226,381	1,765,778	—	398,132	—	13,072
13. Workmen's Accident Compensation Insurance	—	1,032,229	—	1,242	—	105,419
<b>Family Allowance:</b>						
14. Child Allowance	—	210,108	—	227,047	470,535	—
<b>Public Employees:</b>						
15. National and Related Public Service Mutual Aid Association	766,699	1,221,209	—	162,935	—	262,569
16. Existing Associations, etc.	—	456,129	—	636	—	14,973
17. Local Government Employees' Mutual Aid Association	2,228,482	3,368,747	—	3,493	401,994	1,555,127
18. Yahata Mutual Aid Association, etc.	—	230	—	11,293	—	195
19. Government Employees' Accident Compensation	—	13,515	—	—	—	—
20. Local Government Employees' Accident Compensation	0	27,344	—	—	—	1,460
21. Public Corporation Staffs' Accident Compensation	—	6,745	—	—	—	—
22. National Public Employees' Pensions	—	34,335	—	129	—	—
23. Local Public Employees' Pensions (gratuity)	—	47,904	—	—	—	—
<b>Public Health Service:</b>						
24. Public Health	—	—	—	434,088	136,960	—
<b>Public Assistance &amp; Social Welfare:</b>						
25. Public Assistance	—	—	—	2,006,227	668,009	—
26. Social Welfare	—	—	—	1,526,745	1,726,617	—
<b>War Victims:</b>						
27. Aid for War Victims	—	—	—	1,032,522	—	—
<b>Total</b>	<b>29,216,854</b>	<b>26,984,723</b>	<b>—</b>	<b>21,870,251</b>	<b>9,204,788</b>	<b>8,722,196</b>

continued (No. 2)

(Unit: Million of yen)

Social Security Schemes	Receipts				Expenditures	
	Other receipts	Subtotal	Transfer from other schemes	Total receipts	Benefits	
					Sickness & Childbirth	
					Medical care	Cash benefits
<b>Social Insurance:</b>						
1. Health Insurance						
(A)Government-managed	24,850	7,606,821	290	7,607,110	3,715,199	322,104
(B)Society-managed	415,333	6,958,512	—	6,958,512	2,863,248	278,991
2. National Health Insurance	421,337	10,656,163	2,343,183	12,999,346	8,100,850	100,882
Medical Care Service Program for Retired Employees(republished)	—	832,375	2,343,183	3,175,558	2,675,154	—
3. Health and Medical Services for the Aged	—	4,566,562	5,707,810	10,274,371	10,287,416	—
4. Long-term Care Insurance	142,513	4,752,432	1,823,885	6,576,317	—	—
5. Employees' Pension Insurance	4,543,601	34,676,181	2,582,710	37,258,892	—	—
6. Employees' Pension Funds, etc.	6,229	3,414,877	86,717	3,501,594	—	—
7. National Pension	1,732,937	5,825,127	13,619,195	19,444,322	—	—
8. Farmers' Pension Fund, etc.	19,913	497,301	—	497,301	—	—
9. Seamen's Insurance	1,275	68,904	—	68,904	17,011	2,043
10. Agricultural, Forestry and Fishery Organization, Employees' Mutual Aid Association	745,037	774,185	—	774,185	—	—
11. Promotion and Mutual Aid Corporation for Private Schools of Japan	981	688,498	15,694	704,192	92,135	8,956
12. Employment Insurance	13,161	3,416,525	—	3,416,525	—	95,507
13. Workmen's Accident Compensation Insurance	238,859	1,377,750	—	1,377,750	—	—
<b>Family Allowance:</b>						
14. Child Allowance	3,175	910,865	—	910,865	—	—
<b>Public Employees:</b>						
15. National and Related Public Service Mutual Aid Association	45,863	2,459,275	235,992	2,695,267	214,505	21,146
16. Existing Associations, etc.	386	472,124	—	472,124	—	—
17. Local Government Employees' Mutual Aid Association	14,826	7,572,670	340,802	7,913,472	629,598	86,277
18. Yahata Mutual Aid Association, etc.	—	11,718	—	11,718	44	1,611
19. Government Employees' Accident Compensation	—	13,515	—	13,515	—	—
20. Local Government Employees' Accident Compensation	2,255	31,060	—	31,060	—	—
21. Public Corporation Staffs' Accident Compensation	—	6,745	—	6,745	—	—
22. National Public Employees' Pensions	—	34,464	—	34,464	—	—
23. Local Public Employees' Pensions (gratuity)	—	47,904	—	47,904	—	—
<b>Public Health Service:</b>						
24. Public Health	—	571,047	—	571,047	399,798	104,040
<b>Public Assistance &amp; Social Welfare:</b>						
25. Public Assistance	—	2,674,236	—	2,674,236	1,352,118	239
26. Social Welfare	—	3,253,362	—	3,253,362	190,930	—
<b>War Victims:</b>						
27. Aid for War Victims	—	1,032,522	—	1,032,522	896	—
<b>Total</b>	<b>8,372,531</b>	<b>104,371,344</b>	<b>26,756,278</b>	<b>131,127,621</b>	<b>27,863,748</b>	<b>1,021,797</b>

continued (No. 3)

(Unit: Million of yen)

Social Security Schemes	Expenditure						
	Benefits						
	Work-related accidents				Pensions	Unemployment labor market measures	Family benefits
	Medical care	Other than medical care	Cash benefits				
Pensions			Cash benefits other than pensions				
Social Insurance:							
1. Health Insurance							
(A)Government-managed	—	—	—	—	—	—	—
(B)Society-managed	—	—	—	—	—	—	—
2. National Health Insurance	—	—	—	—	—	—	—
Medical Care Service Program for Retired Employees(republished)	—	—	—	—	—	—	—
3. Health and Medical Services for the Aged	—	—	—	—	—	—	—
4. Long-term Care Insurance	—	—	—	—	—	—	—
5. Employees' Pension Insurance	—	—	—	—	22,254,094	—	—
6. Employees' Pension Funds, etc.	—	—	—	—	1,595,335	—	—
7. National Pension	—	—	—	—	15,320,757	—	—
8. Farmers' Pension Fund, etc.	—	—	—	—	207,413	—	—
9. Seamen's Insurance	4,095	—	6,100	2,079	—	2,330	—
10. Agricultural, Forestry and Fishery Organization, Employees' Mutual Aid Association	—	—	—	—	45,701	—	—
11. Promotion and Mutual Aid Corporation for Private Schools of Japan	—	—	—	—	237,462	—	—
12. Employment Insurance	—	—	—	—	—	1,237,252	—
13. Workmen's Accident Compensation Insurance	223,388	2,777	484,757	195,786	—	—	—
Family Allowance:							
14. Child Allowance	—	—	—	—	—	—	808,401
Public Employees:							
15. National and Related Public Service Mutual Aid Association	—	—	3,973	—	1,664,665	—	—
16. Existing Associations, etc.	—	—	4,288	—	42,294	—	—
17. Local Government Employees' Mutual Aid Association	—	—	6,542	—	4,385,236	—	—
18. Yahata Mutual Aid Association, etc.	—	—	—	—	3,796	—	—
19. Government Employees' Accident Compensation	3,975	19	6,673	2,847	—	—	—
20. Local Government Employees' Accident Compensation	7,442	28	17,105	4,317	—	—	—
21. Public Corporation Staffs' Accident Compensation	78	—	6,532	74	—	—	—
22. National Public Employees' Pensions	—	—	—	—	34,335	—	—
23. Local Public Employees' Pensions (gratuity)	—	—	—	—	47,904	—	—
Public Health Service:							
24. Public Health	—	—	—	—	1,781	—	—
Public Assistance & Social Welfare:							
25. Public Assistance	—	—	—	—	—	—	—
26. Social Welfare	—	—	—	—	—	—	542,816
War Victims:							
27. Aid for War Victims	—	—	—	—	948,511	—	—
Total	238,977	2,824	535,971	205,104	46,789,284	1,239,581	1,351,217

continued (No. 4)

(Unit: Million of yen)

Social Security Schemes	Expenditure						
	Benefits				Total	Administrative costs	Operating loss
	Long-term care		Others				
	Benefit in kind	Cash benefits	Other than medical care	Cash benefits			
Social Insurance:							
1. Health Insurance							
(A) Government-managed	—	—	—	13,846	4,051,150	40,304	—
(B) Society-managed	—	—	—	10,570	3,152,809	123,461	—
2. National Health Insurance	—	—	—	37,667	8,239,398	223,037	—
Medical Care Service Program for Retired Employees(republished)	—	—	—	—	2,675,154	—	—
3. Health and Medical Services for the Aged	—	—	—	—	10,287,416	—	—
4. Long-term Care Insurance	5,947,241	52,556	—	—	5,999,798	207,592	—
5. Employees' Pension Insurance	—	—	—	—	22,254,094	51,229	—
6. Employees' Pension Funds, etc.	—	—	—	—	1,595,335	139,738	—
7. National Pension	—	—	—	—	15,320,757	129,229	—
8. Farmers' Pension Fund, etc.	—	—	—	—	207,413	10,472	—
9. Seamen's Insurance	—	1	—	564	34,223	1,552	—
10. Agricultural, Forestry and Fishery Organization, Employees' Mutual Aid Association	—	—	—	—	45,701	2,161	—
11. Promotion and Mutual Aid Corporation for Private Schools of Japan	—	—	—	1,872	340,425	3,766	—
12. Employment Insurance	—	1,462	—	—	1,334,220	114,956	—
13. Workmen's Accident Compensation Insurance	—	—	—	—	906,708	46,161	—
Family Allowance:							
14. Child Allowance	—	—	67,410	—	875,811	1,988	—
Public Employees:							
15. National and Related Public Service Mutual Aid Association	—	70	—	4,052	1,908,411	6,448	—
16. Existing Associations, etc.	—	—	—	—	46,582	974	—
17. Local Government Employees' Mutual Aid Association	—	836	—	8,170	5,116,660	35,588	—
18. Yahata Mutual Aid Association, etc.	—	—	—	—	5,451	259	—
19. Government Employees' Accident Compensation	—	—	—	—	13,515	—	—
20. Local Government Employees' Accident Compensation	—	—	—	—	28,892	1,747	—
21. Public Corporation Staffs' Accident Compensation	—	—	—	—	6,684	—	—
22. National Public Employees' Pensions	—	—	—	—	34,335	129	—
23. Local Public Employees' Pensions (gratuity)	—	—	—	—	47,904	—	—
Public Health Service:							
24. Public Health	2,317	—	10,926	1	518,863	2,038	—
Public Assistance & Social Welfare:							
25. Public Assistance	55,585	—	—	1,227,696	2,635,638	38,598	—
26. Social Welfare	—	—	2,295,482	46,457	3,075,684	17,294	—
War Victims:							
27. Aid for War Victims	—	—	344	76,166	1,025,917	6,605	—
Total	6,005,144	54,925	2,374,161	1,427,059	89,109,794	1,205,325	—

continued (No. 5)

Social Security Schemes	Expenditure				Difference between receipts and expenditures (balance of payments)
	Others	Subtotal	Transfer to other schemes	Total expenditures	
(Unit: Million of yen)					
Social Insurance:					
1. Health Insurance					
(A) Government-managed	135,847	4,227,301	3,253,497	7,480,798	126,313
(B) Society-managed	526,814	3,803,084	2,584,216	6,387,301	571,211
2. National Health Insurance	1,097,447	9,559,882	3,225,493	12,785,375	213,971
Medical Care Service Program for Retired Employees (republished)	—	2,675,154	—	2,675,154	500,404
3. Health and Medical Services for the Aged	46,606	10,334,022	—	10,334,022	▲ 59,651
4. Long-term Care Insurance	207,936	6,415,325	609	6,415,934	160,383
5. Employees' Pension Insurance	81,289	22,386,612	12,017,404	34,404,017	2,854,875
6. Employees' Pension Funds, etc.	15,872	1,750,945	—	1,750,945	1,750,649
7. National Pension	51,493	15,501,479	2,504,052	18,005,531	1,438,791
8. Farmers' Pension Fund, etc.	9,838	227,723	—	227,723	269,578
9. Seamen's Insurance	1,739	37,514	25,935	63,450	5,454
10. Agricultural, Forestry and Fishery Organization, Employees' Mutual Aid Association	726,323	774,185	—	774,185	0
11. Promotion and Mutual Aid Corporation for Private Schools of Japan	1,194	345,386	251,754	597,140	107,051
12. Employment Insurance	429,019	1,878,195	—	1,878,195	1,538,330
13. Workmen's Accident Compensation Insurance	166,284	1,119,153	—	1,119,153	258,597
Family Allowance:					
14. Child Allowance	6,454	884,254	—	884,254	26,611
Public Employees:					
15. National and Related Public Service Mutual Aid Association	2,060	1,916,918	650,540	2,567,458	127,809
16. Existing Associations, etc.	4	47,560	532,845	580,405	▲ 108,281
17. Local Government Employees' Mutual Aid Association	1,395	5,153,643	1,825,661	6,979,304	934,168
18. Yahata Mutual Aid Association, etc.	6,009	11,719	—	11,719	0
19. Government Employees' Accident Compensation	—	13,515	—	13,515	0
20. Local Government Employees' Accident Compensation	399	31,037	—	31,037	23
21. Public Corporation Staffs' Accident Compensation	62	6,745	—	6,745	0
22. National Public Employees' Pensions	—	34,464	—	34,464	0
23. Local Public Employees' Pensions (gratuity)	—	47,904	—	47,904	0
Public Health Service:					
24. Public Health	50,147	571,047	—	571,047	0
Public Assistance & Social Welfare:					
25. Public Assistance	—	2,674,236	—	2,674,236	0
26. Social Welfare	160,383	3,253,362	—	3,253,362	0
War Victims:					
27. Aid for War Victims	—	1,032,522	—	1,032,522	0
Total	3,724,615	94,039,734	26,872,007	120,911,741	10,215,880

- Notes: 1. Table 9 has been calculated in accordance with the standards of the ILO's "The Cost of Social Security 18th International Inquiry." The estimates were made through the annual settlement of each scheme's accounts for fiscal year 2006.
2. "Health and Medical Services for the Aged" includes only medical care benefits and grants for nursing homes and excludes other health services such as medical check-ups and counseling, which are included in "Public health."
  3. "National Pension" includes the welfare pension and the universal basic pensions.
  4. The income from capital of Employees' Pension Insurance and National Pension is estimated with reference to the Annual Report of Capital Gain of Pensions' Funds for fiscal year 2006. The estimated sum includes an inherited gain and loss from the previous scheme.
  5. "Employees' Pension Fund, etc." includes the Load Mining Pension Fund.
  6. "Farmers' Pension Fund, etc." includes the National Pension Fund.
  7. "Agricultural, Forestry and Fishery Organization, Employees' Mutual Aid Association" was amalgamated into Employees' Pension Insurance on April 1, 2002; however, the third tier of the original pension scheme remained in the former organization.
  8. "Public health" includes public grants for the treatment of tuberculosis, etc.
  9. "Family benefits" include not only child allowances but also income support for single parent families and handicapped children.
  10. As of April 1997, short-term benefits (i.e., medical benefits) of "Public Corporations Staff Mutual Aid Associations" have been transferred to society-managed health insurance, and long-term benefits (i.e., pension benefits) have been integrated into employees' pensions. Further, part of the pension benefits have also been transferred to "16. Existing Associations, etc."
  11. Rounding of the numbers may cause some discrepancies. After the rounding of numbers, zero represents up to one million.
  12. "Unemployment and labor market measures" include subsidies for elderly employees.

#### Explanatory notes on items from "Cost of Social Security"

##### 1. Explanatory notes on receipts items

- (i) Income from capital includes interest, dividends, rents, capital gains, profits from redemption, etc.
- (ii) Transfers from other schemes include the following: contributions to special schemes for persons employed on a daily-wage basis in Government-managed Health Insurance and National Health Insurance; transfer payments from all health insurance schemes to the Medical Care Service Program for Retired Employees in National Health Insurance; transfer payments from all health insurance schemes to Health and Medical Services for the Aged; transfer payments from all schemes to the National Pension for contribution to universal basic pensions; transfer payments from the National Pension to other schemes for the payment of universal Basic Pensions, transfer payments from all health insurance schemes to Long-term care insurance, etc.
- (iii) Other receipts include fees, cost-sharing, indemnities for damage, etc.

##### 2. Explanatory notes on expenditure items

- (i) Administrative costs include various costs for running offices, membership fees, transportation costs for business trips, etc.
- (ii) Operating loss in capital market; Evaluated loss of funds at the end of the accounting year.
- (iii) Transfers to other schemes include transfer payments from the other health insurance schemes to special schemes for persons employed on a daily-wage basis, for Retired Employees, and for Health and Medical Services for the Aged; transfer payments from Other pension schemes to the National Pension for universal Basic Pensions; transfer payments paid by the National Pension to the other schemes for the universal Basic Pension, transfer payments from all health insurance schemes to Long-term care contributions, etc.
- (iv) Other expenditures include administrative costs for the Social Insurance Medical Fee Payment Fund, grants for constructing medical care and welfare service facilities, Maintenance fees for the facilities, etc.

**Table 10** Social Security Revenue by source, fiscal years 1951-2006

(Units: Hundreds of millions of yen, %)

Fiscal year	Contribution from insured persons		Contribution from employers		Public authorities' participation		State participation		Other public authorities' participation	
		%		%		%		%		%
1951	568	28.1	578	28.6	738	36.5	478	23.6	260	12.9
1954	1,047	23.7	912	20.7	2,238	50.7	1,768	40.0	470	10.6
1957	1,383	23.7	2,649	45.4	1,415	24.2	1,068	18.3	346	5.9
1960	2,430	26.2	3,860	41.7	2,288	24.7	1,897	20.5	391	4.2
1961	3,038	26.3	3,514	30.4	4,053	35.1	3,629	31.4	423	3.7
1962	3,633	26.7	4,227	31.0	4,521	33.2	4,019	29.5	502	3.7
1963	4,282	26.2	5,119	31.3	5,439	33.3	4,815	29.4	624	3.8
1964	5,031	26.3	5,921	30.9	6,415	33.5	5,570	29.1	845	4.4
1965	6,475	27.0	7,293	30.4	7,792	32.5	6,798	28.3	994	4.1
1966	7,750	26.9	8,680	30.1	8,946	31.0	7,801	27.0	1,145	4.0
1967	8,814	26.1	10,213	30.2	10,303	30.5	9,023	26.7	1,280	3.8
1968	10,580	26.5	11,854	29.7	12,065	30.2	10,607	26.6	1,457	3.6
1969	13,205	29.2	13,992	30.9	13,588	30.0	11,964	26.4	1,624	3.6
1970	15,558	28.5	17,043	31.2	16,420	30.0	14,425	26.4	1,995	3.6
1971	18,638	28.7	20,743	31.9	18,481	28.4	16,285	25.1	2,196	3.4
1972	21,779	28.0	24,242	31.1	23,097	29.7	20,041	25.7	3,055	3.9
1973	26,906	27.4	30,131	30.7	30,933	31.5	26,701	27.2	4,232	4.3
1974	37,219	27.6	41,415	30.7	42,939	31.8	37,238	27.6	5,701	4.2
1975	44,238	26.4	50,826	30.4	55,421	33.1	48,519	29.0	6,903	4.1
1976	52,368	26.1	60,324	30.1	66,306	33.1	58,334	29.1	7,972	4.0
1977	62,801	26.7	70,687	30.1	77,090	32.8	68,003	28.9	9,086	3.9
1978	71,177	26.4	79,081	29.3	90,384	33.5	80,040	29.7	10,344	3.8
1979	78,591	26.4	86,247	28.9	100,626	33.7	89,031	29.9	11,595	3.9
1980	88,844	26.5	97,394	29.1	110,409	32.9	97,936	29.2	12,473	3.7
1981	100,214	26.8	109,937	29.4	119,044	31.8	105,794	28.3	13,250	3.5
1982	107,434	26.8	117,678	29.4	125,474	31.3	111,839	27.9	13,635	3.4
1983	112,755	26.9	124,646	29.7	125,644	29.9	111,057	26.5	14,587	3.5
1984	118,918	26.7	132,208	29.7	131,142	29.4	115,417	25.9	15,725	3.5
1985	131,583	27.1	144,363	29.7	138,059	28.4	117,880	24.3	20,179	4.2
1986	136,729	26.7	155,063	30.3	142,984	27.9	119,920	23.4	23,064	4.5
1987	143,348	26.9	161,273	30.2	145,322	27.2	121,474	22.8	23,848	4.5
1988	151,122	26.4	171,707	30.0	162,899	28.4	137,404	24.0	25,495	4.4
1989	163,037	27.0	188,134	31.2	153,186	25.4	127,420	21.1	25,766	4.3
1990	184,985	27.9	210,206	31.7	161,974	24.4	134,559	20.3	27,416	4.1
1991	200,343	28.3	224,342	31.7	170,286	24.1	141,106	19.9	29,180	4.1
1992	208,474	28.2	234,789	31.8	180,766	24.5	147,363	19.9	33,403	4.5
1993	216,892	28.2	242,599	31.6	188,316	24.5	153,403	20.0	34,913	4.5
1994	225,468	28.3	249,454	31.3	194,766	24.5	156,934	19.7	37,831	4.8
1995	244,146	28.7	268,075	31.5	207,901	24.4	165,683	19.5	42,219	5.0
1996	252,511	29.0	274,649	31.5	213,323	24.5	168,348	19.3	44,975	5.2
1997	262,394	29.1	285,840	31.7	217,552	24.1	171,127	19.0	46,425	5.2
1998	263,358	29.5	286,449	32.1	219,898	24.6	171,697	19.2	48,201	5.4
1999	261,087	26.9	284,271	29.3	246,626	25.4	195,064	20.1	51,562	5.3
2000	266,589	29.6	283,106	31.4	252,184	28.0	197,066	21.9	55,118	6.1
2001	274,720	30.4	286,537	31.7	266,922	29.5	207,075	22.9	59,847	6.6
2002	274,731	31.1	284,054	32.2	267,141	30.3	205,520	23.3	61,620	7.0
2003	273,797	26.1	272,505	26.0	277,854	26.5	211,416	20.2	66,439	6.3
2004	275,285	27.9	262,256	26.6	288,642	29.3	216,488	21.9	72,154	7.3
2005	283,469	24.1	263,603	22.5	299,525	25.5	219,857	18.7	79,668	6.8
2006	292,169	28.0	269,847	25.9	310,750	29.8	218,703	21.0	92,048	8.8

**Table 10** continued

(Units: Hundreds of millions of yen, %)

Income from capital	%	Others	%	Total
22	1.1	117	5.8	2,023
96	2.2	124	2.8	4,417
148	2.5	245	4.2	5,839
458	4.9	224	2.4	9,260
621	5.4	319	2.8	11,545
787	5.8	448	3.3	13,616
965	5.9	549	3.4	16,353
1,203	6.3	567	3.0	19,137
1,516	6.3	921	3.8	23,996
1,938	6.7	1,536	5.3	28,850
2,459	7.3	2,030	6.0	33,820
3,087	7.7	2,349	5.9	39,933
3,925	8.7	536	1.2	45,247
4,796	8.8	864	1.6	54,681
6,158	9.5	957	1.5	64,978
7,535	9.7	1,226	1.6	77,877
9,137	9.3	1,095	1.1	98,202
11,737	8.7	1,678	1.2	134,988
14,641	8.7	2,249	1.3	167,375
17,391	8.7	4,094	2.0	200,483
20,894	8.9	3,515	1.5	234,987
23,815	8.8	5,114	1.9	269,571
27,284	9.1	5,502	1.8	298,251
32,682	9.7	5,929	1.8	335,258
38,830	10.4	6,098	1.6	374,123
44,366	11.1	5,841	1.5	400,793
49,943	11.9	6,654	1.6	419,642
55,581	12.5	7,535	1.7	445,384
62,020	12.8	9,748	2.0	485,773
68,872	13.4	8,793	1.7	512,442
71,981	13.5	11,713	2.2	533,637
74,309	13.0	13,025	2.3	573,062
77,015	12.8	21,796	3.6	603,167
83,580	12.6	22,932	3.5	663,678
89,374	12.6	23,395	3.3	707,739
90,810	12.3	24,368	3.3	739,207
95,171	12.4	25,428	3.3	768,405
93,630	11.8	32,389	4.1	795,707
98,118	11.5	33,028	3.9	851,268
96,594	11.1	34,146	3.9	871,223
104,424	11.6	31,169	3.5	901,380
89,989	10.1	32,928	3.7	892,622
144,381	14.9	34,669	3.6	971,035
64,976	7.2	34,731	3.9	901,585
43,464	4.8	32,283	3.6	903,926
16,124	1.8	40,170	4.6	882,219
152,229	14.5	71,107	6.8	1,047,492
70,005	7.1	90,145	9.1	986,333
188,465	16.1	138,835	11.8	1,173,897
87,222	8.4	83,725	8.0	1,043,713

Notes: 1. Table 10 has been calculated in accordance with the standards of the ILO's "The Cost of Social Security 18<sup>th</sup> International Inquiry." However, a "Social Security special tax" does not exist in Japan, and therefore is not indicated in this chart.

2. "Public authorities' participation" is the total of "State participation" and "Other public authorities' participation." "Other public authorities' participation" means local governments' participation.

**Table 11** Social Security Revenue by source, fiscal years 2002-2006

(Unit: Million of yen)

	2002	2003	2004	2005	2006
<b>Total</b>	88,221,872	104,749,205	98,633,283	117,389,728	104,371,344
<b>I Social contributions</b>	55,878,434	54,630,178	53,754,121	54,707,181	56,201,578
Employers' contributions	28,405,372	27,250,489	26,225,584	26,360,251	26,984,723
Social insurance contributions from private employers	23,334,507	22,275,300	21,323,333	21,515,951	22,199,162
Social insurance contributions from government	5,070,865	4,975,189	4,902,251	4,844,301	4,785,562
Contribution by protected persons	27,473,062	27,379,688	27,528,537	28,346,929	29,216,854
Contributions by employees	20,707,898	20,389,369	20,456,230	21,148,942	21,680,537
Contributions by self-employed and pensioners	6,765,163	6,990,319	7,072,308	7,197,987	7,536,317
<b>II Taxes</b>	26,714,085	27,785,418	28,864,229	29,952,544	31,075,039
General revenues	26,714,085	27,785,418	28,864,229	29,952,544	31,075,039
Central government	20,552,036	21,141,553	21,648,791	21,985,706	21,870,251
Other government	6,162,049	6,643,865	7,215,438	7,966,838	9,204,788
Earmarked taxes	—	—	—	—	—
Central government	—	—	—	—	—
Other government	—	—	—	—	—
<b>III Other receipts</b>	4,770,927	22,044,737	15,794,945	25,807,898	13,194,522
Income from investments	1,612,356	15,222,875	7,000,469	18,846,485	8,722,196
Other	3,158,571	6,821,862	8,794,476	6,961,412	4,472,325
<b>IV Transfers from reserves</b>	858,426	288,872	219,988	6,922,106	3,900,205

## Compared with the previous year (%)

	2002	2003	2004	2005	2006
<b>Total</b>	▲ 2.40	18.73	▲ 5.84	19.02	▲ 11.09
<b>I Social contributions</b>	▲ 0.44	▲ 2.23	▲ 1.60	1.77	2.73
Employers' contributions	▲ 0.87	▲ 4.07	▲ 3.76	0.51	2.37
Social insurance contributions from private employers	▲ 0.75	▲ 4.54	▲ 4.27	0.90	3.18
Social insurance contributions from government	▲ 1.39	▲ 1.89	▲ 1.47	▲ 1.18	▲ 1.21
Contribution by protected persons	0.00	▲ 0.34	0.54	2.97	3.07
Contributions by employees	▲ 1.08	▲ 1.54	0.33	3.39	2.51
Contributions by self-employed and pensioners	3.47	3.33	1.17	1.78	4.70
<b>II Taxes</b>	0.08	4.01	3.88	3.77	3.75
General revenues	0.08	4.01	3.88	3.77	3.75
Central government	▲ 0.75	2.87	2.40	1.56	▲ 0.53
Other government	2.96	7.82	8.60	10.41	15.54
Earmarked taxes	—	—	—	—	—
Central government	—	—	—	—	—
Other government	—	—	—	—	—
<b>III Other receipts</b>	▲ 29.17	362.06	▲ 28.35	63.39	▲ 48.87
Income from investments	▲ 62.90	844.14	▲ 54.01	169.22	▲ 53.72
Other	32.20	115.98	28.92	▲ 20.84	▲ 35.76
<b>IV Transfers from reserves</b>	2.31	▲ 66.35	▲ 23.85	3,046.59	▲ 43.66

Note: Table 11 has been calculated in accordance with the standards of the ILO's "The Cost of Social Security 19<sup>th</sup> International Inquiry" (excluding transfers from other schemes). "General revenues" includes revenues except tax.

## Reference: Description of functional categories in Social Security Expenditure

Social Security Expenditure	ILO Definitions	Japan
Old age	This function covers all benefits paid to persons who have withdrawn from the labor market due to retirement.	Employee's Pension Insurance: Old-age pension National Pension: Old-age pension, Old-age welfare pension Employee's Pension Fund, Farmer's Pension Fund: Old-age pension, etc. Mutual Aid Associations: Retirement mutual aid pension Various gratuities for retired public employees Long-term care insurance benefit, welfare service for the elderly in social welfare, etc. (Note) Medical expenses for elderly are included in the "Sickness and health" category. (Note) Medical aid in public assistance is included in "Other Public Assistance".
Survivors	This function covers benefits arising from the death of a protected person.	Employee's Pension Insurance: Survivors' pension National Pension: Survivors' pension and lump sum payments Mutual Aid Associations: Survivors' pension and lump sum payments War Victims: Survivors' pension, etc. (Note) Of pensions paid to survivors, expenditures provided from the accident compensation scheme are included in the "Employment injury" category.
Invalidity benefits	Benefit paid to protected persons due to partial or total inability to participate in gainful employment due to a chronic condition.	Employee's Pension Insurance: Full invalidity pension and lump sum payments National Pension: Full invalidity pension Mutual Aid Associations: Full invalidity pension and lump sum payments Public Health: Aid for vaccination complication Social Welfare: Special allowance for Persons with Disabilities, Expenses for the Services and Supports for Persons with Disabilities Act
Employment injury	Benefit paid by a work injury program for work-related injury, disease, incapacity or death of a protected person.	Workmen's accident compensation insurance, Seamen's insurance, Public corporation Staff's accident compensations
Sickness and health	Benefit provided with a view to maintaining, restoring, or improving the health of the person protected - due to disease or injury, or maternity. (Also provides income replacement during periods of inability to work.)	Nursing and maternity benefits and invalidity benefit in health insurance schemes (Society-managed health insurance, Government-managed health insurance, and National health insurance). Mutual Aid Associations: Temporary (medical) benefit, maternity benefit, leave benefit Public Health: Aid for vaccination complication/cash benefit, etc. Social Welfare: Medical support for Persons with Disabilities (Note) Expenditures provided from the workmen's accident compensation scheme are included in the "Employment injury" category. (Note) Medical aid for social assistance is included in the "Social assistance and others" category.

Social Security Expenditure	ILO Definitions	Japan
Family benefits	Benefits provided to assist families with children and other dependents.	Maternity leave benefit and family-care leave benefit in employment insurance, etc. Child allowance Public Sanitation: Family-care allowance, supplemental benefit for long-term care. Social Welfare: Child rearing allowance, Special allowance for child rearing, Child welfare service (child protection allowance and business for the sound fosterage of children)
Unemployment	Benefits provided to protected persons due to the loss of gainful employment.	Employment Insurance, Seamen's Insurance: Jobseeker allowance, allowance for employment maintenance, employment stabilization business. (Note) Maternity leave benefit and family-care leave benefit in continuous employment benefit is included in "Family". (Note) Employment stabilization businesses include benefits paid for the incumbent and employers, as well as for the unemployed.
Housing	Benefits provided (on a means-tested basis) to assist with the cost of housing.	Social Assistance Scheme: Housing aid
Social assistance and others	Benefits in cash or in kind provided to individuals or certain targeted groups who require specific assistance in order to obtain a defined minimum level of income and to meet minimum subsistence requirements.	Social Assistance: Various aids Mutual Aid Associations: Special payment for disasters. (Note) Housing aid in social assistance is included in the "Housing" category.

Note: ILO Definitions are the criteria used in "The Cost of Social Security, 19<sup>th</sup> International Inquiry."

## Estimation of Japan's Social Expenditure by OECD standards

The Social Expenditures were previously put together according to International Labor Organization (ILO) standards, and were an important indicator of changes from the past situation; however, data for this standard from the various countries has not been updated since 1996, and there are no indications that it will be updated in the future.

On the other hand, although its scope is somewhat different, the Social Security Expenditure for the OECD standard makes public relatively up-to-date annual data from the various countries, and therefore this report has since last year contained the OECD's estimations.

The scope of the OECD standard of Social Expenditure is broader than that of the ILO, and it includes the figures for expenditure not directly spent on individuals, such as expenditure on equipping facilities.

### Japan's Social Expenditure by OECD standards

According to the OECD standards, Japan's Social Expenditure in 2005 was 96.2 trillion yen. Looking at the different policy areas, expenditure on "Old age" was the greatest at 45.1 trillion yen (46.9%), followed by, in order, "Health" at 31.8 trillion yen (33.1%) and "Survivors" at 6.5 trillion yen (6.7%).

Social Expenditure grew by 2.4% in comparison with the previous year, to 19.1% of GDP.

**Reference Table 1** Trends in Japanese social expenditure

(Units: 100 million yen)

	1999	2000	2001	2002	2003	2004	2005	Rate of increase compared with the previous year (%)
Old age	339,127 (40.6)	373,521 (43.2)	396,816 (43.9)	419,982 (45.7)	429,076 (46.3)	438,909 (46.7)	451,194 (46.9)	2.8
Survivors	58,423 (7.0)	59,814 (6.9)	61,129 (6.8)	61,947 (6.7)	62,780 (6.8)	63,634 (6.8)	64,817 (6.7)	1.9
Incapacity-related benefits	46,951 (5.6)	46,773 (5.4)	48,625 (5.4)	46,184 (5.0)	47,612 (5.1)	46,540 (5.0)	44,376 (4.6)	▲ 4.6
Health	304,066 (36.4)	297,657 (34.4)	305,676 (33.8)	299,071 (32.6)	302,338 (32.6)	306,138 (32.6)	317,950 (33.1)	3.9
Family	31,634 (3.8)	32,418 (3.7)	35,060 (3.9)	36,443 (4.0)	36,585 (3.9)	39,136 (4.2)	40,735 (4.2)	4.1
Active labor market programmes	14,732 (1.8)	14,653 (1.7)	14,416 (1.6)	14,400 (1.6)	14,888 (1.6)	13,655 (1.5)	12,775 (1.3)	▲ 6.4
Unemployment	31,651 (3.8)	30,648 (3.5)	31,217 (3.5)	28,926 (3.1)	22,201 (2.4)	17,664 (1.9)	16,859 (1.8)	▲ 4.6
Housing	— (—)	—						
Other social policy areas	9,512 (1.1)	9,788 (1.1)	10,368 (1.1)	11,346 (1.2)	12,199 (1.3)	13,341 (1.4)	13,285 (1.4)	▲ 0.4
Total	836,096 (100.0)	865,271 (100.0)	903,307 (100.0)	918,300 (100.0)	927,680 (100.0)	939,018 (100.0)	961,991 (100.0)	2.4
Percentage of NI	22.9%	23.3%	25.0%	25.8%	25.9%	25.8%	26.2%	0.43
Percentage of GDP	16.7%	17.2%	18.3%	18.7%	18.8%	18.8%	19.1%	0.26

Notes: 1. Figures within brackets, ( ), represent the percentage of total expenditure.

2. The column showing "Rate of increase compared with the previous year" for percentage of national income and GDP, shows the rate at which these areas have increased in comparison with the previous year (Unit: percentage points).

Source: OECD Social Expenditure Database 2008 ed.

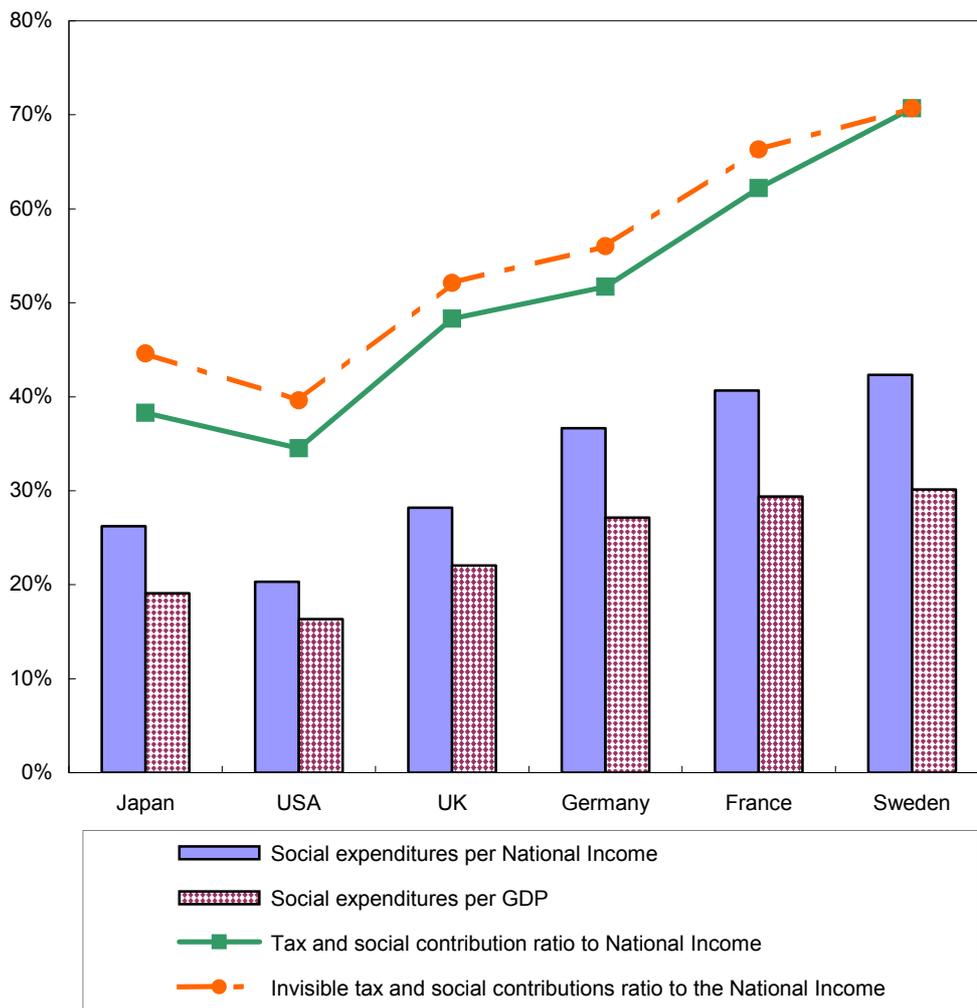
*International Comparison according to OECD Social Expenditure database*

When the Social Security Expenditure of various countries is compared against their Gross Domestic Product (GDP), that of Japan is higher than the United States but lower than Europe.

We see a similar trend in terms of the burden, as well as invisible burden of tax and social contribution to the National Income in Japan. (Reference Figure 1)

In addition, looking at the structural makeup of the Social Expenditure, the share of areas such as family, active labor market policies and unemployment expenses is low in Japan compared with that in European countries (Reference Figure 2)

**Reference Figure 1** International comparison of social expenditures and visible and invisible tax and social contributions ratio to the National Income in FY 2005



**Reference Table 2** International comparison of social expenditures and visible and invisible tax and social contributions ratio to the National Income in FY 2005

	Japan	USA	UK	Germany	France	Sweden
Social expenditures per National Income	26.24%	20.31%	28.20%	36.65%	40.65%	42.34%
Social expenditures per GDP	19.09%	16.33%	22.03%	27.14%	29.40%	30.12%
Tax and social contribution ratio to National Income	38.3%	34.5%	48.3%	51.7%	62.2%	70.7%
Invisible tax and social contributions ratio to the National Income	44.6%	39.6%	52.1%	56.0%	66.3%	70.7%

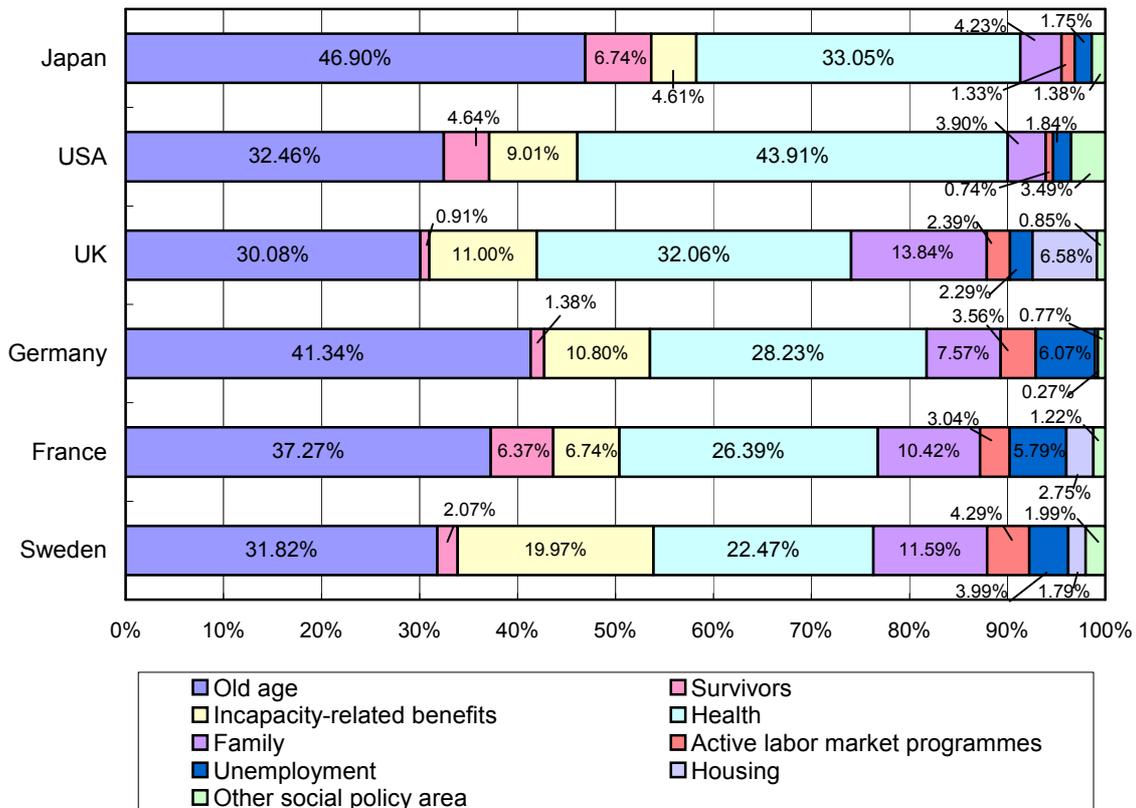
Note: Taxes include social security costs as well as other expenses.

Source: OECD Social Expenditure Database 2008 ed.

The national income and GDP of Japan are from the "System of National Accounts 2008" Cabinet Economic and Social Research Institute (as are all listed below).

The (invisible) tax and social contributions to national income are presented by the Ministry of Finance, Japanese Government.

**Reference Figure 2** International Comparison of Social Expenditure by Policy Area in FY 2005



**Reference Table 3-1** International Comparison of Social Expenditure relative to National Income in FY 2005

	Old age	Survivors	Incapacity-related benefits	Health	Family	Active labor market programmes	Unemployment	Housing	Other social policy area	Total
Japan	12.31%	1.77%	1.21%	8.67%	1.11%	0.35%	0.46%	-	0.36%	26.24%
USA	6.59%	0.94%	1.83%	8.92%	0.79%	0.15%	0.37%	-	0.71%	20.31%
UK	8.48%	0.26%	3.10%	9.04%	3.90%	0.67%	0.65%	1.85%	0.24%	28.20%
Germany	15.15%	0.51%	3.96%	10.35%	2.78%	1.31%	2.23%	0.10%	0.28%	36.65%
France	15.15%	2.59%	2.74%	10.73%	4.24%	1.24%	2.36%	1.12%	0.50%	40.65%
Sweden	13.47%	0.88%	8.46%	9.51%	4.91%	1.82%	1.69%	0.76%	0.84%	42.34%

**Reference Table 3-2** International Comparison of Social Expenditure relative to GDP in FY2005

	Old age	Survivors	Incapacity-related benefits	Health	Family	Active labor market programmes	Unemployment	Housing	Other social policy area	Total
Japan	8.96%	1.29%	0.88%	6.31%	0.81%	0.25%	0.33%	-	0.26%	19.09%
USA	5.30%	0.76%	1.47%	7.17%	0.64%	0.12%	0.30%	-	0.57%	16.33%
UK	6.63%	0.20%	2.42%	7.06%	3.05%	0.53%	0.51%	1.45%	0.19%	22.03%
Germany	11.22%	0.38%	2.93%	7.66%	2.06%	0.97%	1.65%	0.07%	0.21%	27.14%
France	10.96%	1.87%	1.98%	7.76%	3.06%	0.89%	1.70%	0.81%	0.36%	29.40%
Sweden	9.59%	0.62%	6.02%	6.77%	3.49%	1.29%	1.20%	0.54%	0.60%	30.12%

Note: The OECD Social Expenditure Database has no estimates of revenue data.

**Reference Chart 4** Definitions of OECD of Social Expenditure by policy area

Social Security Expenditure	Definitions by OECD 1)	Examples in Japan
1. Old age	<p>Old-age comprises all cash expenditures (including lump-sum payments) on old-age pensions within the public sphere. Old-age cash benefits provide an income for persons retired from the labour market or guarantee incomes when a person has reached a 'standard' pensionable age or fulfilled the necessary contributory requirements. This category also includes early retirement pensions: pensions paid before the beneficiary has reached the 'standard' pensionable age relevant to the programme. Excluded are programmes concerning early retirement for labour market reasons which are classified under unemployment.</p> <p>The Social Expenditure Database includes supplements for dependants paid to old-age pensioners with dependants under old-age cash benefits. Old age also includes social expenditure on services for the elderly people, services such as day care and rehabilitation services, home-help services and other benefits in kind. It also includes expenditure on the provision of residential care in an institution (e.g., the cost of operating homes for the elderly).</p>	<p>Employees' Pension Insurance: Old age pension, Retirement pension  National Pension: Old age pension, Old age Welfare pension, Retirement pension paid under the mutual aid associations, Lump sum payment for temporary foreigner residents  Employee's Pension Fund, etc.: Old age pension  Seamen's Insurance: Old age pension, non contributory pension paid under the former gratuity schemes  Long-term care insurance: Old age care services, etc.  Social Welfare: Old age welfare services</p>
2. Survivors	<p>Many countries have social expenditure programmes in the public sphere which provide the spouse or dependent of a deceased person with a benefit (either in cash or in kind). Expenditure in this policy area has been grouped under survivors. Allowances and supplements for dependent children of the recipient of a survivors' benefit are also recorded here.</p>	<p>Employees' Pension Insurance: Survivors' pension  National Pension: Survivors' pension, lump-sum payment for survivors  Seamen's Insurance: Survivors' pension, support for funeral, Survivors' pension paid under the mutual aid associations, lump-sum payment for survivors, support for funeral, Survivors' pension under the aid for war victims, Support of funeral expenses under the scheme of health insurance  Note: Survivors' pension paid under the scheme of workmen's Accident Compensation Insurance is allocated into 3.Incapacity-related benefits</p>

continued (No. 2)

Social Security Expenditure	Definitions by OECD 1)	Examples in Japan
3. Incapacity-related benefits	<p>Disability cash benefits are comprised of cash payments on account of complete or partial inability to participate gainfully in the labour market due to disability. The disability may be congenital, or the result of an accident or illness during the victim's lifetime.</p> <p>Spending on Occupational injury and disease records all cash payments such as paid sick leave, special allowances and disability related payments such as pensions, if they are related to prescribed occupational injuries and diseases.</p> <p>Sickness cash benefits related to loss of earning because of the temporary inability to work due to illness are also recorded. This excludes paid leave related to sickness or injury of a dependent child which is recorded under family cash benefits. All expenditure regarding the public provision of health care is recorded under health. Social expenditure on services for the disabled people encompasses services such as day care and rehabilitation services, home-help services and other benefits in kind.</p>	<p>Disability pension paid under the public pension scheme including Employee's pension Insurance, National Pension, mutual aid associations, Sickness leave payments are also included. Services provided under disability welfare scheme, Cash benefits for households of children with disabilities, Old age services under a scheme of public assistance</p> <p>Payment under the Workmen's Accident Compensation Insurance, Government Employees' Accident Compensation, Local Government Employees' Accident Compensation, etc. are allocated under this category.</p> <p>Protection measures for sickness such as AIDS and leprosy</p>
4. Health	<p>Social expenditure data in the health policy area is taken from the OECD Health datafile (OECD, 2008). All public expenditure on health is included (not total health expenditure): current expenditure on health (personal and collective services (HC.1 to HC.7 in the ICHA) and investment (HC.R.1). Expenditure in this category encompasses, among other things, expenditure on in-patient care, ambulatory medical services and pharmaceutical goods. Individual health expenditure, insofar as it is not reimbursed by a public institution, is not included. As already noted, cash benefits related to sickness are recorded under sickness benefits.</p>	<p>The costs of care service financed by long-term care insurance for the elderly and prosthetic equipment (for injuries, workmens' accident compensation, illnesses) have been deducted from the total public health expenditure, OECD Health datafile 2008 in order to avoid double accounting. The deducted costs are estimated by the Institute for Health Economic and Policy.</p>
5. Family	<p>Family includes expenditure which supports families (i.e., excluding one-person households). This expenditure is often related to the costs associated with raising children or with the support of other dependants. Expenditure related to maternity and parental leave is grouped under the family cash benefits sub-category. The public expenditures for pre-primary education are included in this policy area from 2007 edition.</p>	<p>Child allowance, child allowances for single parent family, child allowance for households having handicapped children, Lump-sum payment for maternity leave, Leave compensation during parental leave and care leave. The public expenditure data for pre-primary education is taken from the OECD education at a glance 2008.</p>

continued (No. 3)

Social Security Expenditure	Definitions by OECD 1)	Examples in Japan
6. Active labor market programmes	The category active labour market programmes (ALMP) contains all social expenditure (other than education) which is aimed at the improvement of the beneficiaries' prospect of finding gainful employment or to otherwise increase their earning capacity. This category includes spending on public employment services and administration, labour market training, special programmes for youth when in transition from school to work, labour market programmes to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programmes for the disabled. For more detailed information regarding the categorization of expenditure on ALMP, see the Employment Outlook, OECD, 2008 <a href="http://www.oecd.org/els/employmentoutlook">www.oecd.org/els/employmentoutlook</a> .	The costs financed by both of the employment insurance scheme and the general government revenue are included. The three policy measures are services for the stabilization of employment, services for development capacities, and services for the welfare of employments.
7. Unemployment	The category unemployment includes all cash expenditure to people compensating for unemployment. This includes redundancy payments out of public resources as well as pensions to beneficiaries before they reach the 'standard' pensionable age if these payments are made because they are out of work or otherwise for reasons of labor market policy.	Unemployment benefits paid under the scheme of employment insurance. In addition to it, unemployment benefits paid by the Seamen's Insurance are included. The parental leave and care leave under the employment insurance are categorized as "5.Family." The training subsidies are categorized as "6. Active labor market programmes."
8. Housing	Rent subsidies and other cash benefits to the individual to help with housing costs.	An appropriate data is not available regarding Japanese data, so it is not listed.
9. Other social policy areas	This category includes social expenditure (both in cash and in kind) for those people who for various reasons fall outside the scope of the relevant programme covering a particular contingency, or if this other benefit is insufficient to meet their needs. Social expenditure related to immigrants/refugees and indigenous people are separately recorded in this category. Finally, any social expenditure which is not attributable to other categories is included in the sub-category other.	Public assistance; education assistance, maternity assistance, livelihood assistance, funeral assistance, health assistance, housing assistance, and long-term care assistance. Support for victims of natural disasters, Atomic bomb victims aid, etc.

Notes: 1. OECD Definitions are followed by the OECD Social Expenditure.

2. The Japanese translation of "9. Other social policy areas" are "Social Assistance and others" with a reference to the included major schemes.