



FFTC Agricultural Policy Platform (FFTC-AP)

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Farmer's Pension System in Japan (Final)

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Preferential tax treatment

In the case of income tax or inhabitant tax, the rates of taxes are determined depending on the amount of taxable income without several deductions. Farmers can deduce all the contributions for the FPS as well as those for the National Pension System. Not only the contributions for farmers themselves but also those for their spouses and children can be deduced.

The Farmer's Pension Fund, which is an incorporated administrative agency, manages all the assets including the contributions paid by farmers. The profits from managing the assets are tax-free.

The pension farmers receive can also be deduced from their income. The total amount of public pension up to ¥1,200,000 is tax-free.

Eligibility to receive benefits

Farmers can receive benefits basically from 65 years old to death. They can also advance the inception of benefits to 60 years old. Even if they die before the age of 80, the present value of the benefits which they would be able to receive by 80 years old is paid to the bereaved as a lump-sum death benefit.

In the case of Special Additional Pension, the succession of their farm management is required to receive the benefits. By delaying the time of succession, they can receive only the benefits of Farmers Old-age Pension while postponing the inception of benefits of the Special Additional Pension. The succession of farm management includes transferring the rights of farmlands and facilities to successors and retiring from management work.

Amount of benefits

The amount of pension benefits depends on the total of contributions, subsidies and

investment profits. Therefore, farmers cannot be promised the amount of benefits in advance.

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