

Pensions, Benefits and Social Security  
**4TH PBSS Colloquium**

**Tokyo, Japan**  
**October 4 (Sun) - 6 (Tue), 2009**

# Consideration of Converting to Company-Group DB Pension Plans

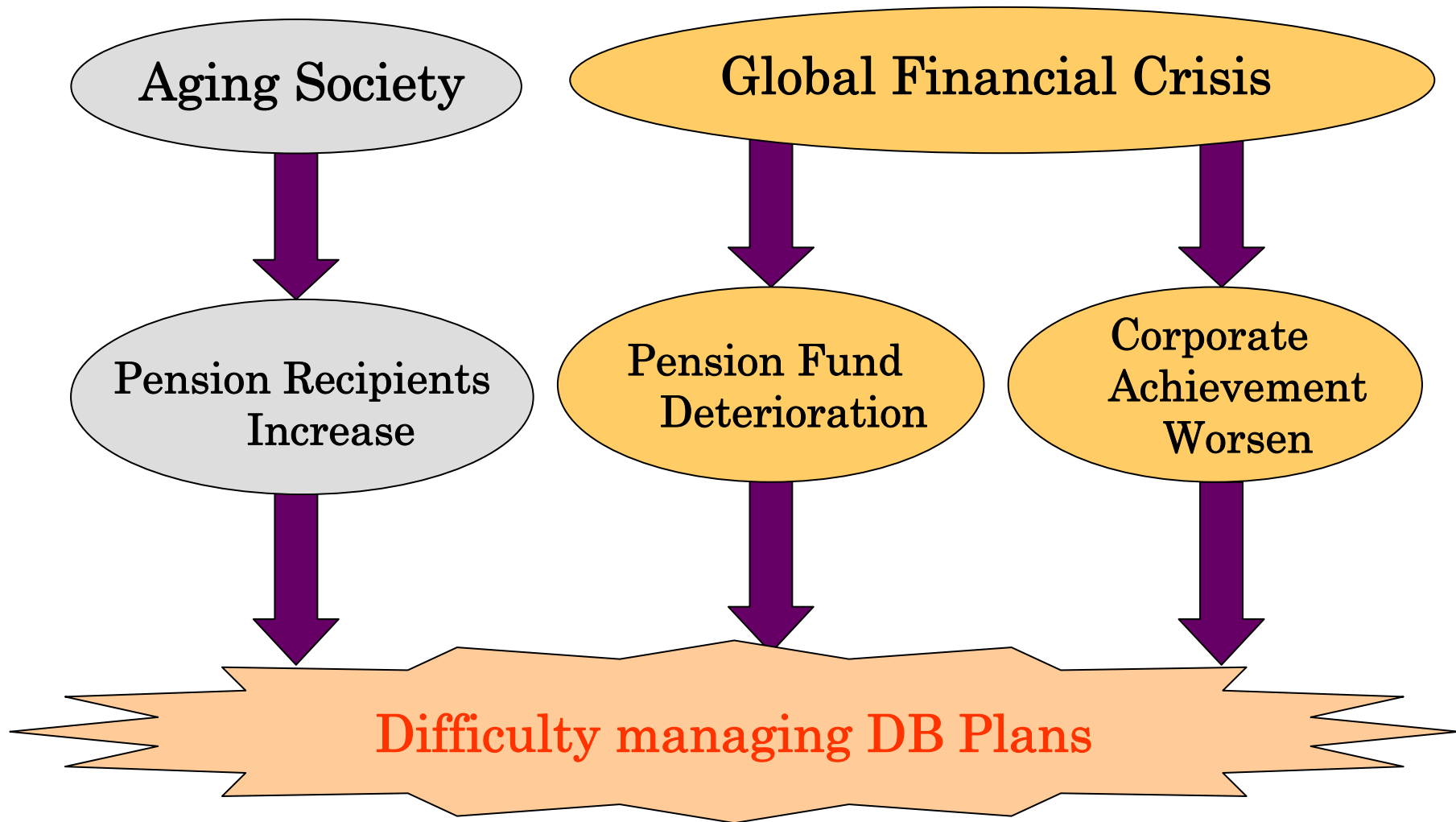
Katsuhiko Yagura

Mitsubishi UFJ Trust & Banking Corporation



# Introduction

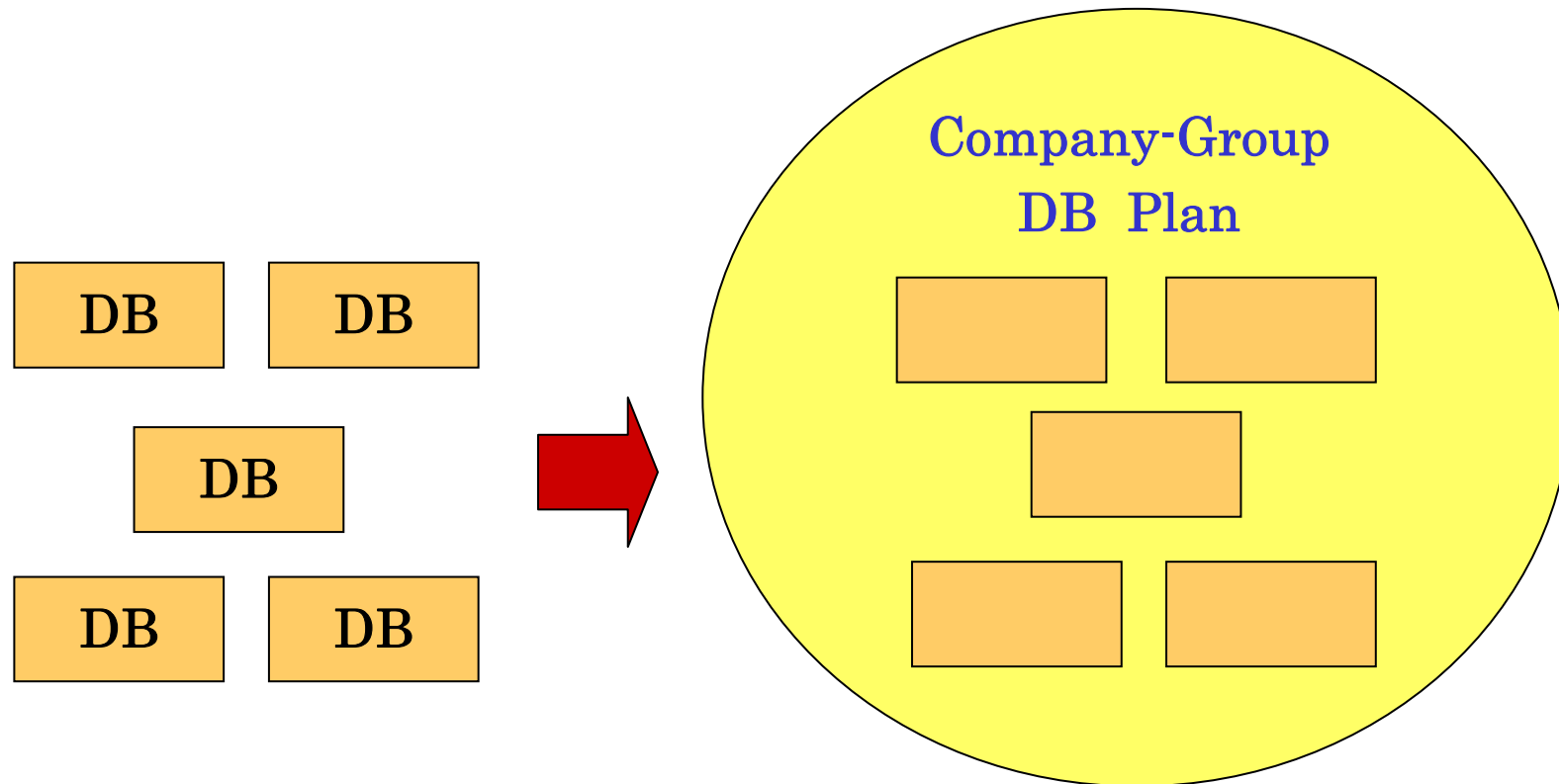
# How can DB plans survive?



# Company-Group DB Plan works well

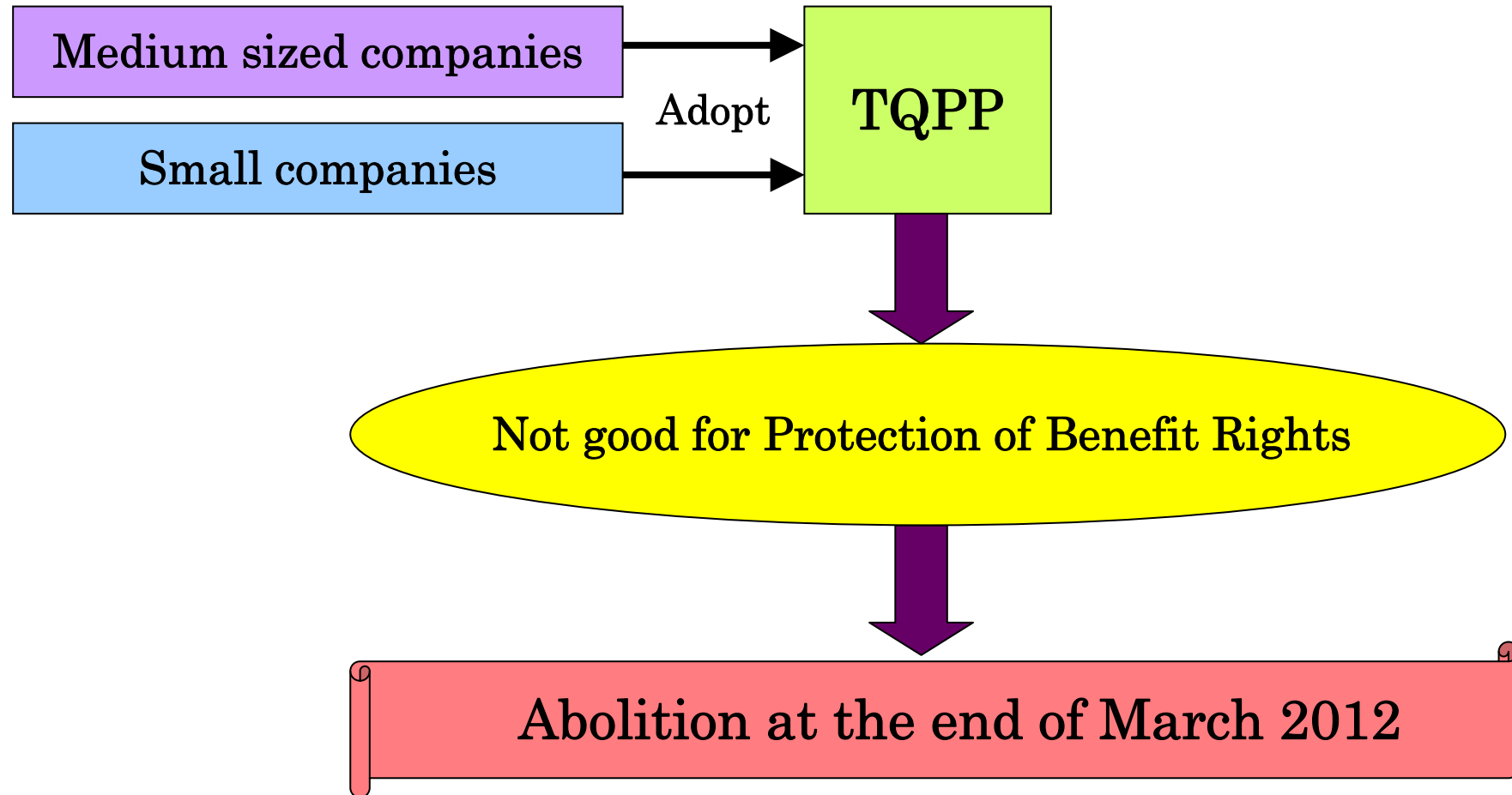
The advantage of unity; as long as these sticks are in alliance they are invincible, but observe how feeble they are individually.

< Aesop's Fables "The Old Man and His Sons" >

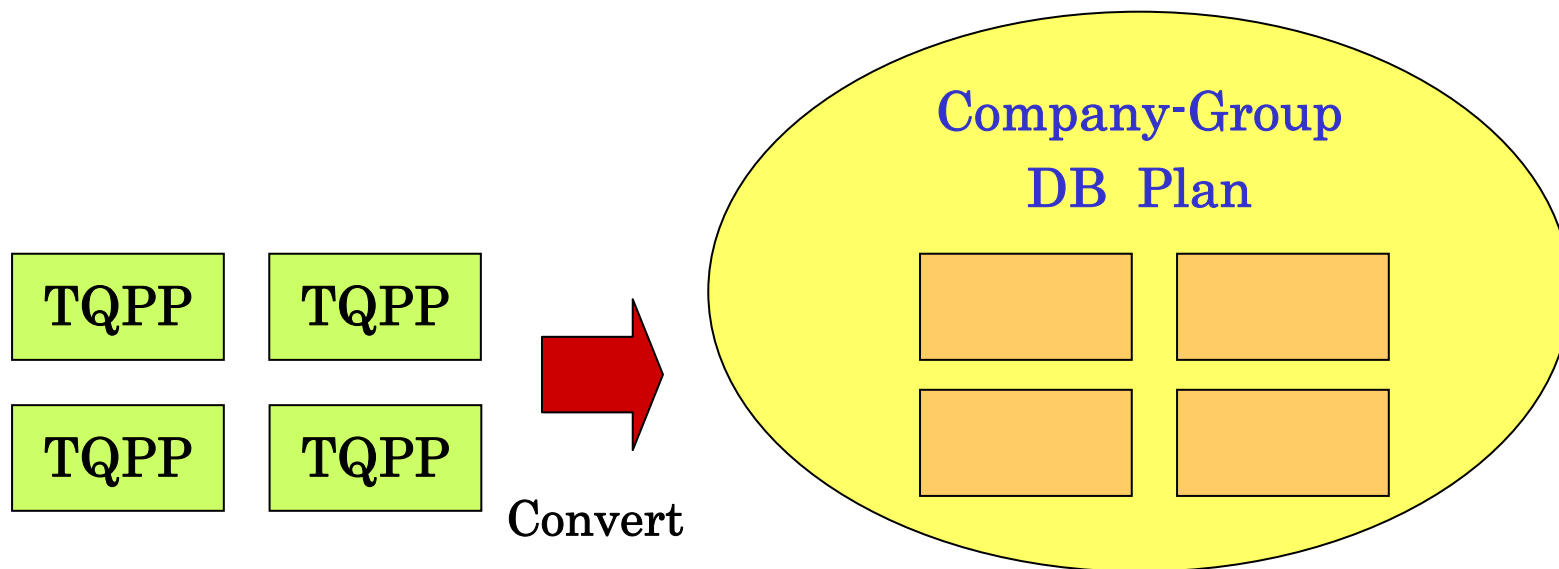
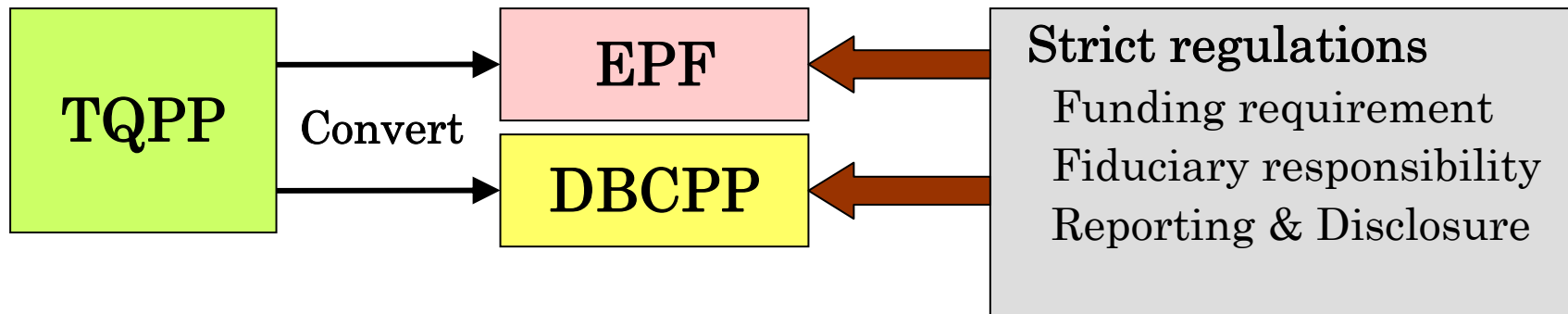


# Case in Japan

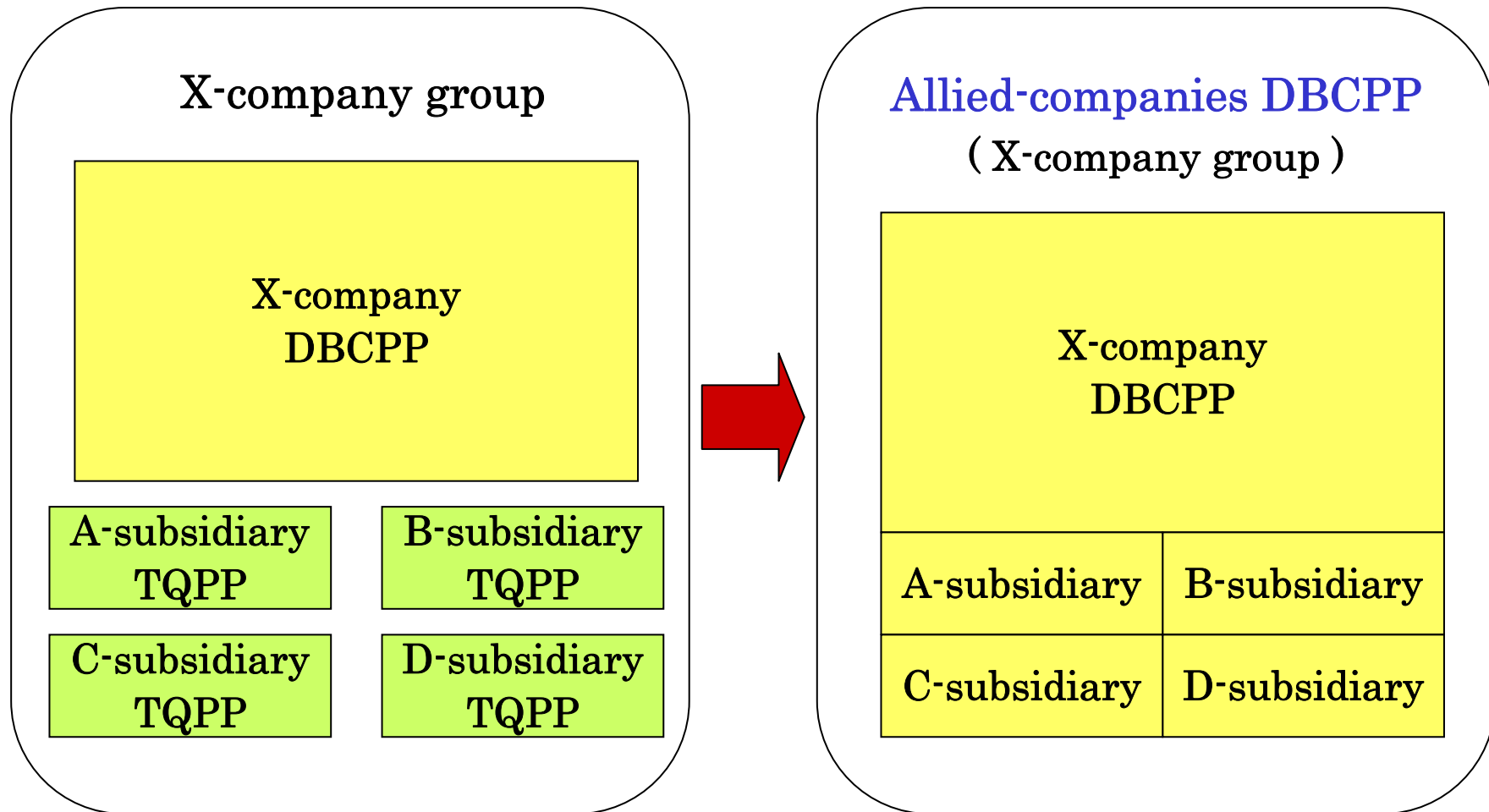
## Problem about TQPP Abolition



# Converting TQPP to Company-Group DB Plan

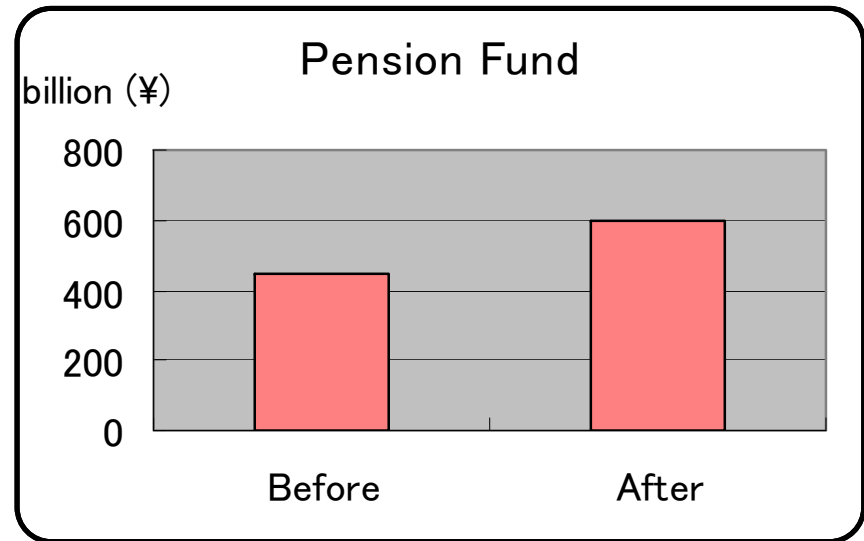
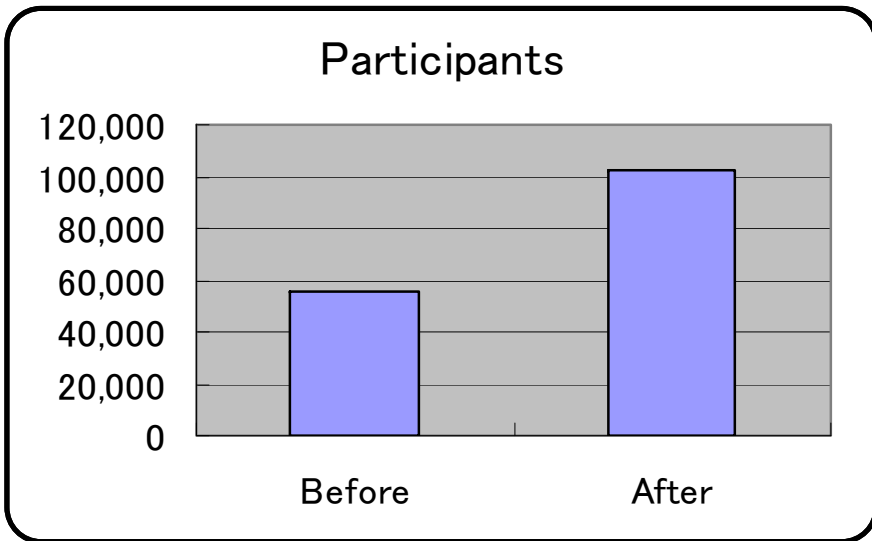


# Example 1 : Allied-companies DBCPP

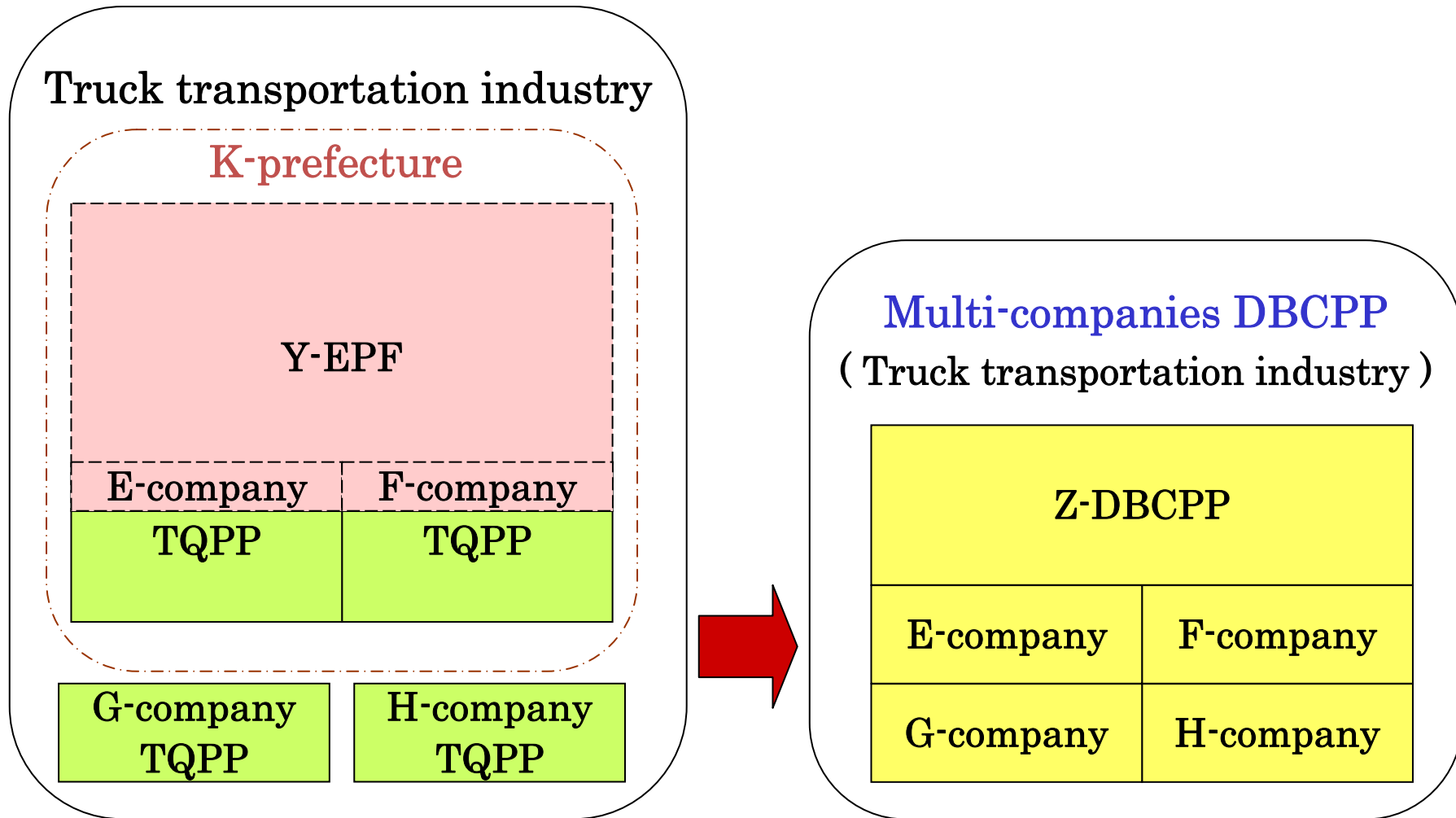




X-company has unified 120 TQPPs within only 2 years

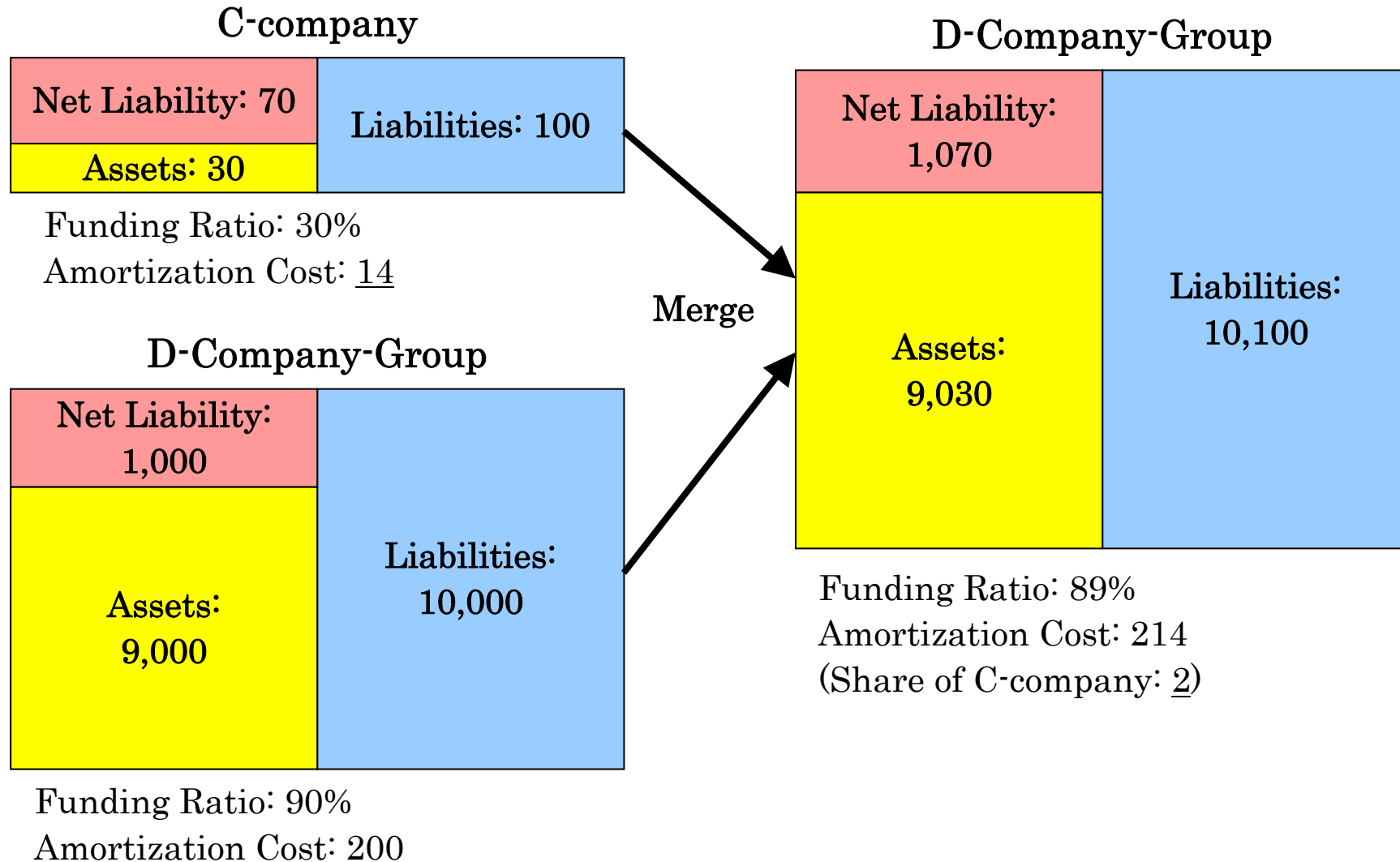


## Example 2 : Multi-companies DBCPP

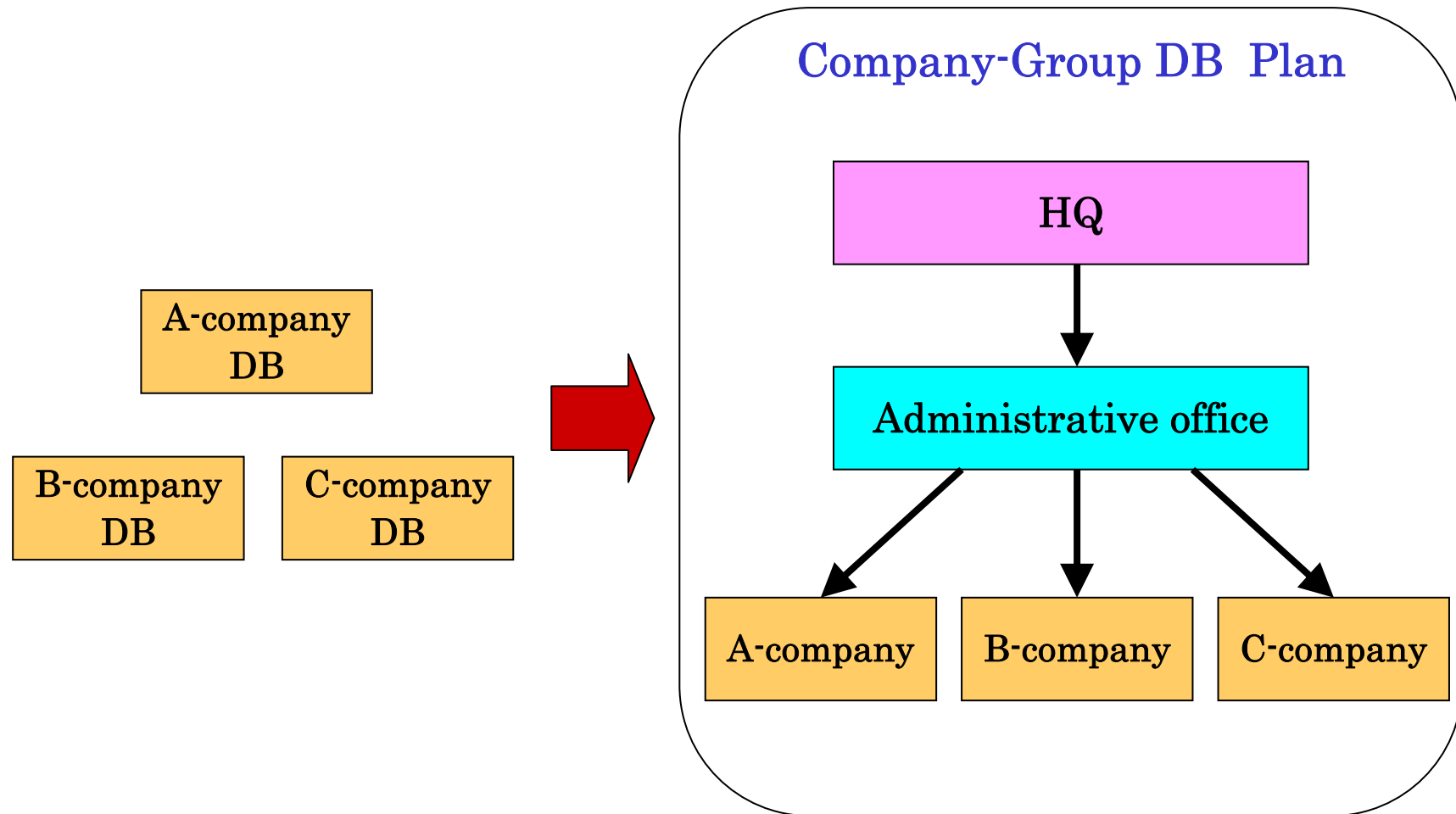


# Advantages of Company-Group DB Pension Plan

# Advantage 1 : Scale merit stabilizing finance

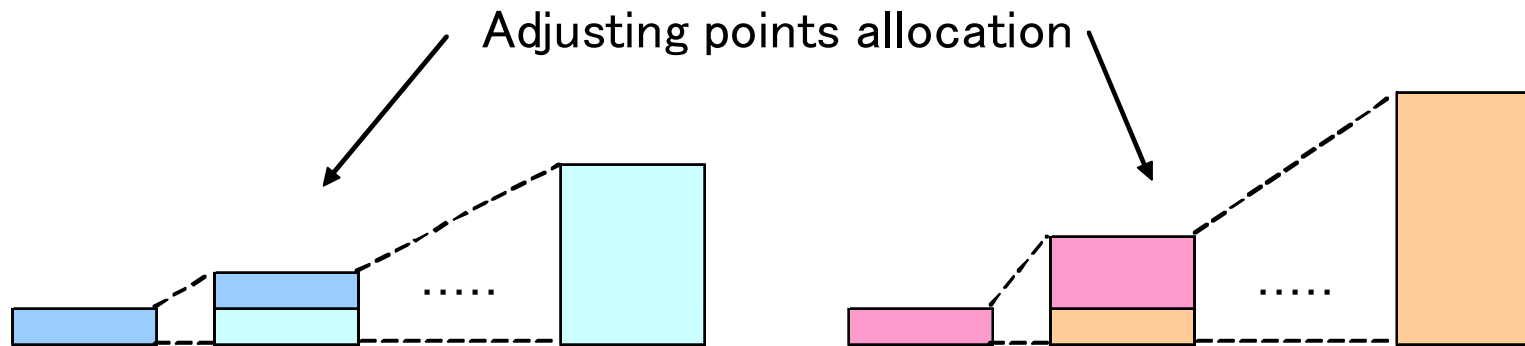


## Advantage 2 : System unification making simplicity



# How to conform to desirable benefit for each member company

## 1. Points basis benefit formula

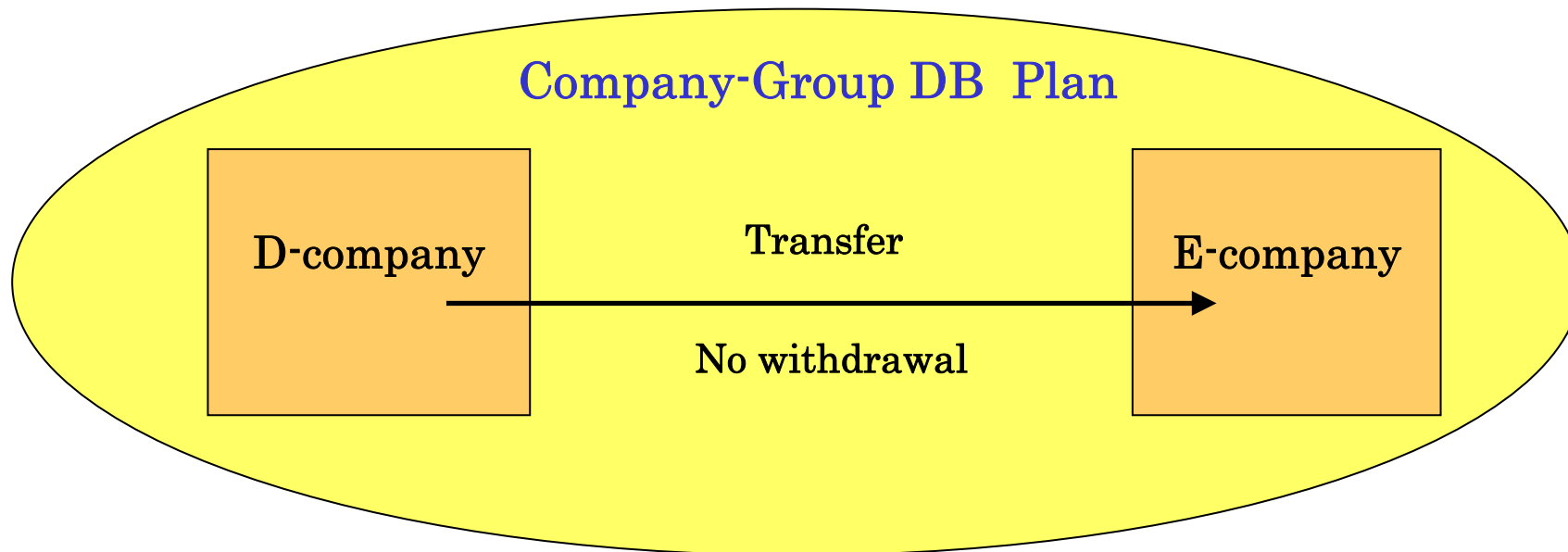
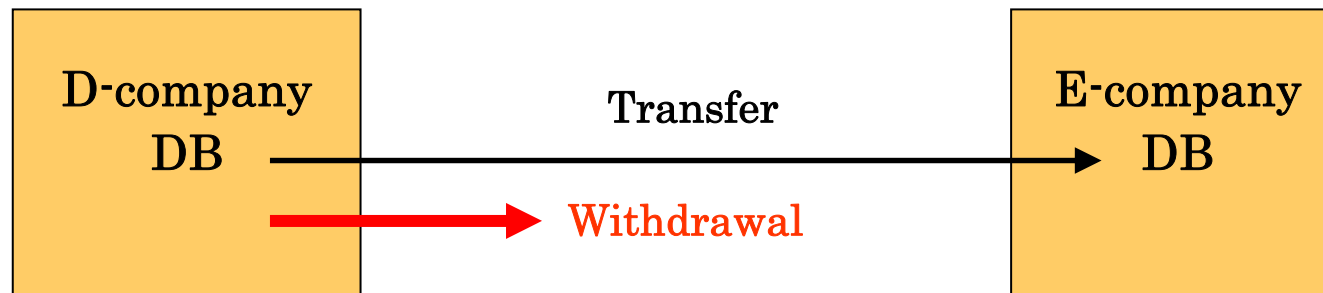


## 2. Cash balance plan with fixed pay credit

### Choice of fixed pay credits

Retirement benefit	3,000,000	6,000,000	9,000,000
Pay credit/Month	3,263	6,526	9,788

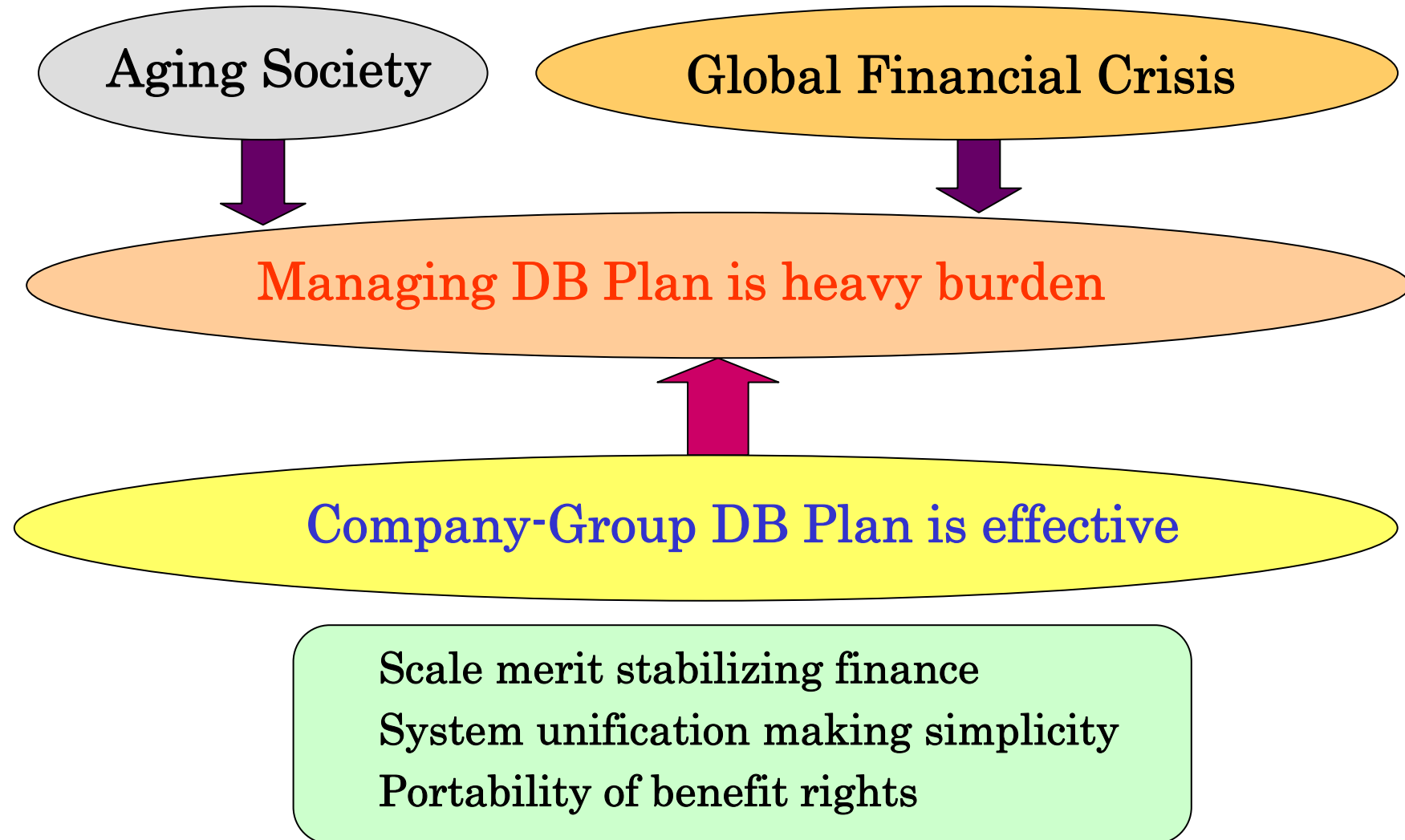
## Advantage 3 : Portability of benefit rights



# Conclusion



## Company-Group scheme helps DB plans survive



\*The opinion in this paper all belongs to the author.  
It does not represent the official view of Mitsubishi UFJ  
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