

# **Preferences Regarding Public Pension Characteristics in Japan: An Analysis Using Choice Experiments<sup>1</sup>**

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## Abstract

We investigate individuals' preferences regarding the characteristics of Japanese public pensions using choice experiments conducted via the Internet. We explore the behavior of three groups of respondents: those participating in an employee pension program, those participating in a national pension program, and those who are intentional non-payers of the national pension premium. We find that the premium non-payers have the most severe price preference in terms of the relation between pension premium and benefits. Second, we find that respondents are willing to pay a higher premium to the national pension fund given an increase in the marginal benefit. Third, regarding the subjective value of the life annuity benefit, we find only a small difference between premium non-payers and other respondents.

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Key words: Public pension, Premium and benefits, Premium non-payers, Life annuity, Choice experiment

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