

An Investigation of Policy Incentives for Delaying Public Pension Benefit Claims*

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Abstract

This paper examines the feasibility and costs of policy incentives aimed at deferring claims for public pension in Japan. Delaying benefit claims can help manage longevity risk and increase the yield of future benefits. Using a series of decision-making experiments administered in Internet surveys, we compare three tax incentives aimed at deferring claims for public pension. We also test whether providing retirement planning information influences respondent behavior. We find that a tax incentive applied to private term pension benefits, as well as the provision of retirement planning information, show promise in promoting the decision to delay claims for public pension.

Key words: Public pension benefits; Retirement income; Claiming behavior; Policy incentives

JEL Codes: D14, G41, H31, H55

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