

1 **Delaying Pension Claims: Assessing the Impact of Raising Normal Pension Age,**
2 **Financial Incentives, and Work Opportunities¹**

3
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5 **Abstract**

6 This study examines the effectiveness of financial incentives and labor opportunities in
7 influencing the decision to delay public pension claims in Japan, a country facing
8 significant demographic shifts toward an aging population. We explore three types of
9 financial incentives: actuarially fair lump-sum payments, increased public pension
10 benefits, and tax incentives for delayed retirement. In addition, we assess the impact of
11 extending labor opportunities beyond the current normal pension age (NPA) of 65,
12 alongside the effect of raising the NPA to 67. Our method includes Internet-based
13 survey experiments targeting a diverse cohort of Japanese workers aged 40-59. Results
14 indicate that raising the NPA has the most substantial effect, delaying pension claims by
15 an average of 1.2 years. Labor opportunities contribute to a lesser delay of 0.5 years,
16 while financial incentives show less impact compared to the increase in NPA and labor
17 opportunities. These findings suggest that a combination of policy measures, prioritizing
18 NPA adjustments and labor opportunities, is essential to effectively manage the pension
19 system's sustainability and support for an aging workforce. Our research highlights the
20 need for comprehensive policy strategies that address both financial stability and
21 employment opportunities for older individuals (JEL: J26, H55, J14, D91).

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23 **Keywords:** Public pension, retirement, pension claiming age, financial incentive, labor
24 opportunities, pension policy

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