

EDITORIAL

The benefits of delayed divorce

On April 1, a system that allows divorced couples to divide retirement pensions went into effect. It has been reported that many housewives had postponed divorce in order to benefit from the new system. But they should be aware that the amount they will receive will be smaller than they had probably expected and that they have to wait until they reach the eligible age to start getting the money. Their maximum share is 50 percent.

The new system has two phases. In the first phase, which took effect on April 1, either party of a divorced couple can ask for a division of pension within two years of their divorce. But the two parties must reach an agreement on the division percentage. The division does not apply to the base portion of the pension. It applies only to the *kosei nenkin* portion (for salaried workers) or the *kyosai nenkin* portion (for teachers and public servants). If the period of marriage is short, the amount the housewife will receive will decrease accordingly.

To receive a share of her former husband's pension, the housewife needs to have been regarded under the pension law as having paid into the pension scheme for at least 25 years (either by working herself or by being the wife of a salaried worker). In principle, she must also wait until she turns 65 before collecting her share of the pension.

The second phase starts April 1, 2008. A housewife will automatically receive half the *kosei nenkin* or *kyosai nenkin* portion that accumulates from that date until her divorce. However, division of either *nenkin* money that accumulated before April 1, 2008, must be negotiated with her ex-husband.

The number of divorces peaked at about 290,000 in 2002, and then started declining the next year. The figure was about 260,000 in 2006. It is speculated that many housewives have been awaiting the introduction of the new pension-division system. But since the system is so complicated and may contain

pitfalls, those who are considering divorce would do well to first consult with social-insurance offices. Some women may find it financially advantageous to remain married.

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