

## **Remuneration**

### (1) Upgrade (not accompanied with promotion)

Result made on competency and performance of overall duty assignments for a period of 2 years before the supposed date of the upgrade, should be utilized.

When the Administrator of each Agency desires to give upgrades to employees, he/she should determine an appropriate employee who should be promoted among employees who meet the below stated requirements, and in the light of work performance of such employees, the time frame from the day after the last day of the most recent evaluation period till the day the promotion should be given.

Regarding the utilization of evaluation results for the upgrade, transitional measures are taken during the 3-year period from the date of enforcement (April 1, 2009) from the perspective that it should be conducted step-by-step according to the levels of skills and experience of both evaluator and the evaluated. The conditions for promotion to be considered in each period of time are as follows:

#### **[Transitional Measures: Applied to the 3-year period from the date of enforcement (till March 31, 2012.)]**

- 1) Results on performance of overall duty assignments made for the most recent Competency and Performance Evaluations have been 'high level' or 'average level' (level B or above).
- 2) Disciplinary action or other punishment has not been given during the year prior to the date the upgrade is to be given

#### **[Applied 3 years after the date of enforcement (from April 1, 2012.)]**

- 1) Results on performance of overall duty assignments made for the most recent Competency and Performance Evaluations have been 'high level' or 'average level' (level B or above).
- 2) Of the results on performance of overall duty assignments made for the most recent 2 successive Competency Evaluations and most recent 4 successive Performance Evaluations, the results made for one of those evaluations were 'high level' (levels S or A) and results made for the other evaluations were 'average level' (level B or above) or equivalent(See the table on the next page).

\*In the case of an upgrade for the third grade in the Administrative Service (I) Salary Schedule, it is also required that: results on performance of overall duty assignment made for the most recent 2 successive Competency Evaluations and the most recent 4 successive Performance Evaluations have been 'average level' (level B); work performance has been excellent during the most recent evaluation period in view of evaluation items; and, the work performance of the

evaluated is, in general, in the average level (B).

\*In the case of an upgrade for the second grade in the service of the Administrative Service (I) Salary Schedule, it is also required that both the results on performance of overall duty assignment made for the most recent 2 successive Competency Evaluations and most recent 4 successive Performance Evaluations have been 'average level' (level B) or equivalent.

3) Disciplinary action or other punishment has not been given one year prior to the date the upgrade is to be given.

**\*1 Special provisions for the case that all or a part of the evaluation results are missing because of circumstances, for instance, the evaluated has been dispatched to an international organization or a private company:**

In case that all or a part of the evaluation results, 2) as stated above, are missing because of circumstances such as the evaluated having been dispatched to an international organization or a private company, the upgrade may be still given to an employee who is considered to meet the requirements 1) to 3) stated above, through the judgment based on the comprehensive consideration of such elements as the evaluation results or work performance verified at the time of upgrade.

[Note] These special provisions will be applied for the period of time after the implementation of the Personnel Evaluation system until when the evaluation results are available. In particular, in cases of officials employed at organizations other than Ministries, these special provisions will be applied even after the specified period of time stated above, until the necessary evaluation results are available, for in such organizations, utilization of evaluation results will start one year after it has started in the Ministries, in principle.

**\*2 How to Determine the Pay Scale when the upgrade is given**

The Pay Scale is determined according to the "Correspondence Table for Pay Scales and the Upgrade" when the upgrade is given to an official.

**(2) Pay Raise**

Results on performance on overall duty assignment made for the most recent Competency Evaluation and the most recent 2 successive Performance Evaluations before the date of pay raise (January 1) are utilized.
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Regarding an official whose most recent competence evaluation result and most recent 2 performance evaluation results are available, results on performance of overall duty assignment made for those evaluations should be utilized to determine the pay scale as shown below:

**[How to Determine Pay Scales]**

1) Among officials who have received the marks ‘High’ or ‘Average’ (mark B or above) by the Results on Remuneration Raise, those who are excellent in work performance should be classified as Pay Scale A and B, in sequence, according to the ranks of the combinations of results (see the ranking classification shown in the figure below). The pay scales are classified as A, B, C (average), D and E, in descending order. (Regarding officials who have received only B marks in all the results, this rule should be applied to only those who are considered to have made outstanding contributions in the public service, including accepting transfers to remote places.)

2) For officials who have received ‘Low’ marks (mark C or D) in any of the Results on Remuneration Raise, or officials who have received disciplinary action or other punishment by the day prior to the day of remuneration raise, either the Pay Scale D or E should be applied.

3) Officials who are not categorized in either 1) or 2) above should be classified in the Pay Scale C.

**\*1 Special provisions for cases where all or a part of the evaluation results are missing because of circumstances such as the evaluated having been dispatched to an international organization or a private company:**

In the case that all or a part of the evaluation results are missing because of circumstances such as the evaluated having been dispatched to an international organization or a private company, the Pay Scale may be applied for the employees who are considered to meet the requirements 1) to 3) stated above, through the judgment based on the comprehensive consideration of such elements as the evaluation results or work performance verified at the time of remuneration raise.

[Note] These special provisions will be applied for the period of time after the implementation of the Personnel Evaluation system until when the evaluation results are available. In particular, in cases of officials employed at organizations other than Ministries, these special provisions will be applied even after the specified period of time stated above, until the necessary evaluation results are available, for in such organizations, utilization of evaluation results will start one year after it has started in the Ministries, in principle.

**\*2 Remuneration raise for officials who received the upgrade after the date of**

### **remuneration raise in the previous year**

Officials who received the upgrade after the date of remuneration raise in the previous year should be classified in the pay scale equivalent to or below the pay scale according to Classification C for the Remuneration Raise (even in the case if he/she was classified in Classification B for the Remuneration Raise, the pay scale should be in the case of Classification C or below), in consideration of the balance with other officials in the same work section.

### **\*3 Classification for the top ranked pay scales**

As the number of officials to be classified into pay scales A or B is fixed in each level of officials, the officials who belong to the groups shown by an enclosed thick line in the figure above, are not necessarily classified in the Classification A or B for the Remuneration Raise.

### **(3) Diligence Allowance**

Results on performance of overall duty assignment made for the most recent Performance Evaluation before the reference dates (June 1 and December 1) should be utilized.

Performance rate and classification are determined based on the most recent performance evaluation; i.e., the officials who have received higher marks by results are classified into higher Performance Rate Groups, in principle, and others should be classified in sequence in descending order, according to the marks by the results.

### **[How to determine the performance classification of the Diligence Allowance]**

Officials who have received the mark 'High' (mark S or A) in the results on performance of overall duty assignments in the most recent Performance Evaluation should be classified as Performance Classifications 'particularly excellent,' 'excellent' or 'satisfactory (average)' according to the marks of the results. Accordingly, officials who have received the mark 'Average (mark B)' should be classified as Performance Classification 'satisfactory (average)' and those who have received the mark 'Low (mark C or D)', as Performance Classification 'not satisfactory.'

In case that, among the officials who have received the mark 'High (mark S or A)' or the mark 'Low (mark C or D)', those who received the mark of the same level are to be classified in different levels of Performance Classification or Rate, and informative facts or circumstances

such as the bases for the results on performance of overall duty assignments, on each duty assignment or specific duty assignments should be considered.

(Regarding the results on performance of overall duty assignments made for the Performance Evaluation of officials to whom the Designated Service Salary is applied, 'the first grade (kou)' represents the mark 'High' and 'the second grade (otsu)' represents the mark 'Low' in the case of officials of the Vice Minister level and the mark 'A' represents the mark 'High,' 'B' represents the mark 'Average' and 'C' represents the mark 'Low.')

Officials who have incurred given disciplinary action or other punishment during a period of six months before the reference date should be classified as 'Not satisfactory.'

**\* Performance Classification of Diligence Allowance and related matters**

Performance Classification of Diligence Allowance is classified into 4 categories: 'Particularly excellent,' 'Excellent,' 'Satisfactory (Average)' and 'Not Satisfactory' (3 categories, 'Excellent,' 'Satisfactory (Average)' and 'Not Satisfactory' for officials to whom the Designated Service Salary is applied and officials who have been reappointed.) As for officials other than those who are reappointed, the ratio of the number of officials to whom the classifications 'Particularly excellent' and 'Excellent' are applied is fixed.

**(4) Reduction in pay (Downgrade or Lowering in Pay Scale)**

In cases where the results on performance of overall duty assignments in competency or performance evaluations was marked 'Lowest', it may be utilized as grounds for Reduction in Pay.
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In order to make it possible to give officials a reduction of pay based on the Article 75-2 of National Public Service Act, the item 11-10 was newly added to the NPA Rules (enforced on April 1, 2009).

There are 2 cases in the Reduction in Pay. In the case of downgrade, the grade or position of an official is reduced, contrary to his/her will, to a grade lower in the same salary scale as the current grade he/she belongs to. (in the case that it is considered to be difficult for the official to perform the duty he/she is expected to perform as an employee of the class he/she belongs to.) In the case of Lowering in Pay Scale, the pay scale is lowered, contrary to his/her will, to a level lower in the same class of duty than the current pay scale he/she is applied to. (in the case that, although it is considered to be possible for the official to perform the duty he/she is expected to perform as an employee of the class he/she belongs to, the work performance is not considered satisfactory.)

Fall in Status or Lowering in Pay Scale are given in cases 1) and 2) as stated below, which are the cases where the official's bad working performance has not been improved in spite of taking measures provided by the NPA (i to iv shown below), including giving reprimands or guidance.

**[Conditions that may be utilized as grounds for reduction in pay]**

**1) In cases where the results on performance of overall duty assignments in competency or performance evaluation was marked 'D'**

When the results on an official's performance of overall duty assignments in competency or performance evaluation were marked 'D', the Administrator of each Agency must disclose the evaluation results or give him/her guidance or advice and when his/her performance still does not improve, the Administrator must notify him/her that there is fear that he/she has to accept a Fall in Status or lowering in Pay Scale.

**2) In cases where an official's work performance is recognized as unsatisfactory in light of his/her general work conditions, other than the case stated 1) above**

**[Measures provided by the NPA]**

- i. A supervisor of the official or someone who is in an appropriate position should repeatedly reprimand or give guidance to the official.
- ii. The duty the official is engaged in, including transfer, should be reviewed.
- iii. The official should be required to join training aimed to reform him/her.
- iv. Any other measures that are considered to be necessary to reform the official should be taken.

**[To issue a warning letter and to give the official an opportunity to make excuses]**

On giving the official a Fall in Status or Lowering in Pay Scale, a warning letter must be issued and then an opportunity should be given to the official to make excuses (except in such cases where there is a necessity to take disciplinary measures swiftly in consideration of the degree of the official's inefficiency and/or the fear for negative effects on overall job performance).

The warning letter must cover such points as 1) concrete facts that can be considered as bad work performance and requirements to the official to improve the situation, and 2) a warning that there is the danger that the official may suffer a fall in status or lowering in pay scale if his/her work performance should not improve.

\*1 Other possible reasons for downgrade

Other than the cases stated above, there are cases where an official may suffer a Fall in Status for such reasons as: it is apparent that the official has difficulty performing his/her duties, due to trouble in physical and psychological health after accepting Demotion or he/she lacks eligibility in performing his/her duties.

\*2 How to determine Pay Scale in the case of downgrade

The Pay Scale is determined according to the “Correspondence Table for Pay Scales and the Downgrade” when the Downgrade is given to an official.

\*3 The Pay Scale in case the fall in status is given

In principle, the pay scale 2 or below should be applied when an official is given a fall in status.