

● Types of retirement pension plans

- DB(Defined Benefit)

Defined retirement benefits for employees; Asset management profits for employers

Under the DB plan, the amount of pension benefit payable to the workers is predetermined. The contribution to be made by the employer vary depending on the outcome of the fund management which is the responsibility of financial institution. The amount of pension benefit under the DB program is the same as retirement pay, which is average wage of 30 days for one year of service

-DC(Defined Contribution)

Investment opportunity for employees; Predictable corporate operation for employers

Under the DC plan, an employer contributes predetermined money, which is 1/12 of the annual total wage of workers to the individual accounts of workers at the financial institutions chosen as pension providers by labor and management. It is up to workers to manage the fund based on advice by the financial institutions. Upon termination of the employment relations, the financial institution pays pension as annuity or lump-sum to workers

-IRP(Individual Retirement Pension)

A company with under 10 people can adopt a retirement pension plan

Under the IRP plan, a company with under 10 regular employees can adopt a retirement pension plan through simplified procedures such as the omission of pension rules. Its operation structure is the same as that of the defined contribution(DC) system.