

# Notification

To USFJ Employees

Labor Management Division, Bureau of Local  
Cooperation, Ministry of Defense

- **Regarding abolishment of USFJ differential, etc, modifications to the Contracts/Agreement has been concluded as follows:**

- USFJ Differential
- Language Allowance
- Extended Step Increase System
- Retirement Allowance



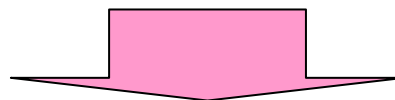
Abolishment



**Revised  
according to  
those for NPS  
personnel**

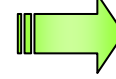


**Measures will be taken to avoid drastic change on payment for the employees who are continuously employed after 31 March 2008.**



**From 1 April 2008**

# 1. USFJ Differential and Language Allowance

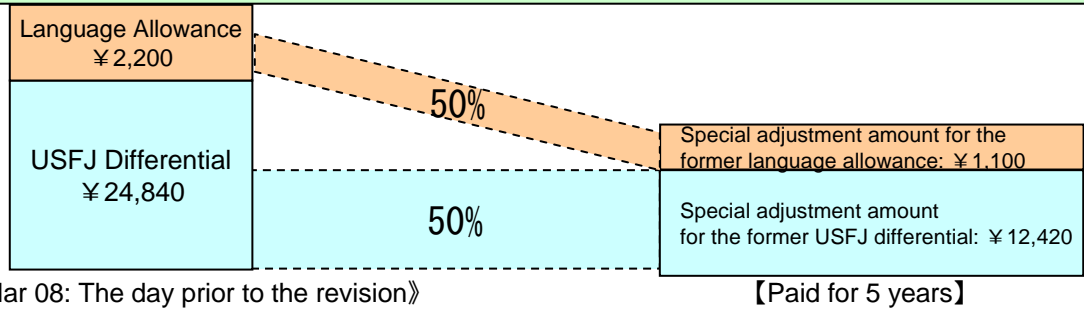


# Abolishment

Measures to avoid drastic change on payment for the incumbent employees

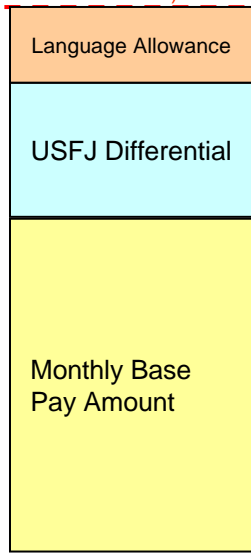
Measures to avoid drastic change on payment are taken, considering that these allowances have been incorporated in employees' income for living and living plan for a long time .

① One half of the amount of USFJ differential and language allowance authorized is paid for 5 years in consideration employees' living plan. It will be reviewed 5 years later.

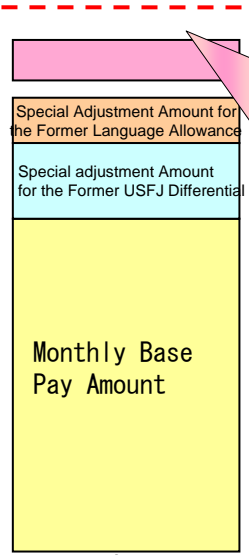


② The sum of the amount of base pay, USFJ differential and language allowance authorized on the day prior to the revision is saved (until the sum of the monthly base pay amount and ① exceeds this sum.)

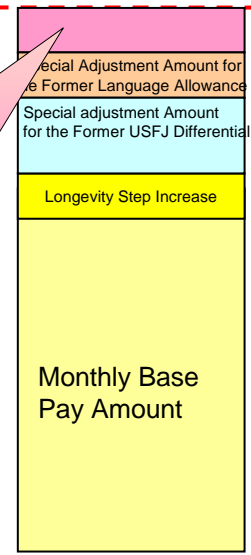
(Level of the current payment to be saved)



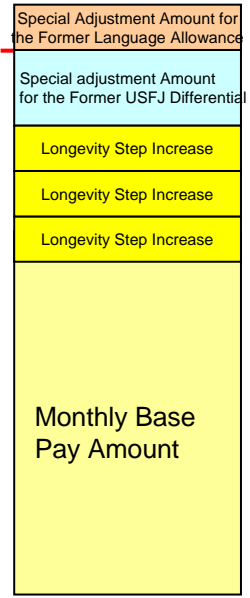
31 Mar 08  
The day prior to the revision



1 Apr 08  
The day of the revision

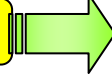


1 Jan 09  
The day of longevity step increase



1 Jan XX  
The day of longevity step increase

※ The amount of make up for the portion below the level of the current payment to be saved.



The system is abolished because that for NPS personnel was abolished on 1 April 2006.

① The current payment is saved for the employees who are authorized for payment of base pay of extended steps on the day prior to the revision.

② Considering uniqueness of employees' work

a. 2 key steps are added in Grade 3 of Basic Wage Table 1.

b. When an employee is changed to a lower grade due to realignment of USFJ, etc. and the monthly base pay amount exceeds the amount of the maximum step after the change, the current payment is saved.

### 3. Retirement Allowance

Retirement allowance has been revised according to the retirement allowance for NPS personnel.

Item	Contents
Base Amount	Monthly base pay amount
Formula	<b>Basic amount + Adjustment amount</b>
Basic Amount	(Monthly base pay amount x each rate according to reason of retirement and each part of creditable service period)
Exception of Basic Amount	<p><b>《Special measure for early retirement before advanced age》</b>                      When an employee with 25 years or more of continuous service retires within 10 years before advanced age due to special separation, etc., the basic amount is computed by increasing the monthly base pay amount on the retirement day by 2% per year before the advanced age.</p>
	<p><b>《Exception in case of reduction in monthly base pay amount》</b>                      When an employee's monthly base pay amount is reduced for reasons other than downward revision of the monthly base pay amount (change to a lower grade, change to the different BWT, etc.) during the basic on-the-payroll period and the pre-reduction specific monthly base pay amount (the largest amount among the monthly base pay amounts on the assumption that the reduction for the reasons did not occur) is larger than the monthly base pay amount on the day of termination of employment, the following exceptional formula is used.</p>
	<p><b>《Formula》</b>                      (Pre-reduction specific monthly base pay amount) x (Rate according to creditable service period until the day prior to the reduction) + ((the monthly base pay amount on the day of termination of employment) x (Rate according to creditable service period until the day of termination of employment) - (Rate according to creditable service period until the day prior to the reduction) )</p>
	<p>(Note 1) The basic on-the-payroll period is a period from hire to retirement which is a basis of payment of retirement allowance.                      (Note 2) An employee eligible for the special measure for early retirement before advanced age is authorized for increase of payment in both "the pre-reduction specific monthly base pay amount" and "the monthly base pay amount on the day of termination of employment".</p>

Item	Contents					
Adjustment Amount	All the months of his/her on-the-payroll period, starting from the month which the first day of the period belongs to until that which the last day belongs to divided into the appropriate categories, below to each of which an amount set forth, below, is assigned (hereinafter referred to as "monthly adjustment amount"), then the top sixty months of the highest monthly adjustment amounts shall be picked up and those amounts shall be added up.					
		BWT1	BWT2	BWT3	BWT5	BWT6
	Category No. 1	10				
	Category No. 2	9				
	Category No. 3	8				
	Category No. 4					4
	Category No. 5	7			5	
	Category No. 6	6, 5	10, 9, 8, 7, 6		7, 6	4
Category No. 7	4, 3, 2, 1	8, 7, 6, 5, 4, 3, 2, 1	5, 4, 3, 2, 1	3, 2, 1		2, 1
	<p>(Note 1) The monthly adjustment amount in Category No.6 is considered only for retiring employees with 25 years or more of continuous service.                      (Note 2) The adjustment amount will not be paid for employees who retire at their request with 9 years or less of continuous service. One half of the adjustment amount will be paid for employees who retire with 4 years or less of continuous service (except for those who retire at their request) and those who retire at their request with 10 years or more but 24 years or less.</p>					
	<p><u>(Example)</u>                      An retiring employee with 24 months at BWT 1-8 and 36 months at BWT 1-7                      ¥33,350 x 24 months + ¥20,850 x 36 months = ¥1,551,400 (The employee's adjustment amount for retirement allowance)</p>					

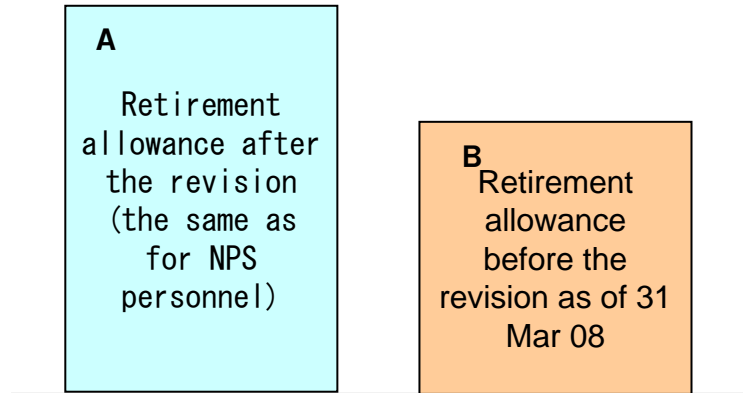
# Measures to avoid drastic change on payment for the incumbent employees

Considering employees' living plan after retirement, whichever is larger is paid. Retirement allowance for advanced age and reduction in force will be reviewed 5 years later.

## Resignation

Whichever is larger will be paid.

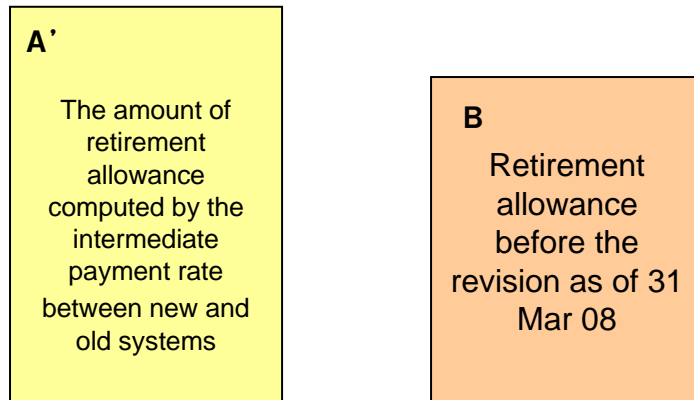
$$A > B$$



## Reduction In Force

Whichever is larger will be paid

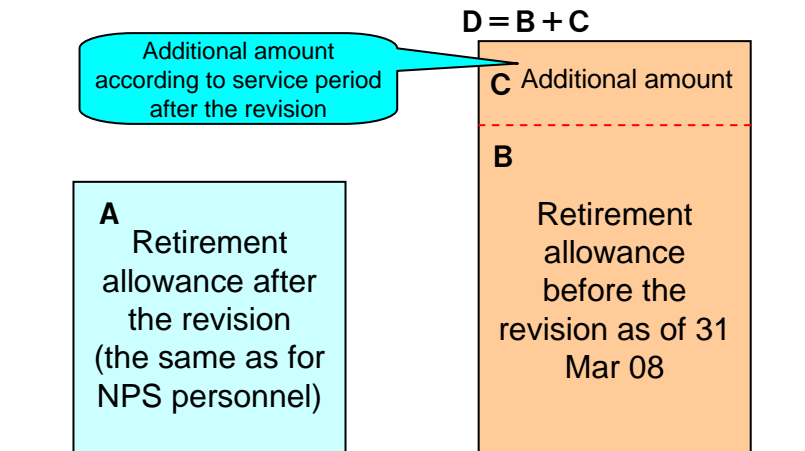
$$A' > B$$



## Advanced Age

Whichever is larger will be paid.

$$A < D$$



(Point of Contact)  
 Wage Administration Section (I),  
 Wage Administration and Welfare Office,  
 Labor Management Division,  
 Bureau of Local Cooperation, Ministry of Defense  
 Tel: 03-5227-2443  
 Yokota Defense Office, North Kanto Defense Bureau,  
 Ministry of Defense  
 Tel: 042-551-6722  
 Labor Management Organization for USFJ Employees, IAA  
 Yokota Branch  
 Tel: 042-542-7663/7881~2