

# **Financial Incentive, Work Opportunity, and Increase Normal Pension Age in Delaying Public Pension Claims<sup>1</sup>**

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## **Abstract**

Aging populations worldwide have raised concerns about the financial stability of elderly households. We investigate whether financial incentives, labor opportunities for senior workers, and the increase of normal pension age induce to delay public pension claiming age in Japan. We consider three types of financial incentives: providing an actuarially fair lump-sum payment, increasing public pension benefits beyond the actuarial adjustments, and reducing retirement tax benefits. We also investigate the effect of the working opportunity in addition to these financial incentives and four types of the increase in normal pension age. Using internet-based original survey experiments, we find that the increase of the normal retirement age from 65 to 67 induces to delay of 1.2 years to claim public pension benefits. Labor opportunity delays 0.5 years of retirement. Financial incentives have less impact compared with the increase of normal pension age and labor opportunity, indicating that combined policies are required if the increase of normal pension age has a less priority. (JEL: G50, D14, H55, H31, J26)

**Keywords:** Public pension, retirement, pension claiming age, financial incentive, labor opportunities for senior workers, the increase of normal pension age

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