

Rules of Employee Retirement Allowance Payment

Revised on April 1, 2013

Article 1. General Provisions

The severance benefits of Permanent Employees (employees who have an employment contract for indefinite period of time, except for tenured faculty members: the same shall apply hereinafter) of the School Corporation Okinawa Institute of Science and Technology (hereinafter, the "Corporation") shall comprise of Retirement Allowances and Condolence Money, and be paid in accordance with the provisions of these Regulations.

Article 2. Retirement Allowance Payment Standards

Retirement Allowances shall be paid to Permanent Employees when they retire and to an Employee's Surviving Family when they die. However, Retirement Allowances shall not be paid under any of the following conditions:

- (1) Working less than six months for the Corporation
- (2) Dismissal resulting from disciplinary actions
- (3) Retirement resulting from sentencing or imprisonment, or other legal punishment

Article 3. Retirement Allowance Amounts

When a Permanent Employee retires or dies, the Corporation shall pay a Retirement Allowance equal to 87% of the total of the product of the Employee's monthly Regular Salary (as of the date the Employee retired or died) multiplied by stipulated ratios. However, in cases when the total exceeds 55x the Employee's monthly Regular Salary, the Retirement Allowance shall be 87% of 55x of the Employee's monthly Regular Salary.

- (1) For the first 5 years of service: ratio of 100/100 per year of service
- (2) For the 6th - 10th years of service: ratio of 140/100 per year of service
- (3) For the 11th - 20th years of service: ratio of 180/100 per year of service
- (4) For the 21st - 30th years of service: ratio of 200/100 per year of service
- (5) For the 31st and subsequent years of service: ratio of 100/100 per year of service

Article 4. Retirement Allowance Increases

In addition to the Retirement Allowance calculated under the provisions of Article 3, the Corporation may pay to Permanent Employees an additional Retirement Allowance of 87% of no more than 5x the Employee's monthly Regular Salary as of the date the Employees retired and classified by the following conditions:

- (1) Retirement resulting from an inability to perform the work duties due to illness / injury / death, and Employees who retire under personnel reduction plans or reassignment of an Employee under organizational restructuring
- (2) Minimum of 10 years of service and reached the retirement age, or a minimum of 15



- years of service with meritorious work performance
- (3) For those specified by the above Items (1) and (2) and retire for special reasons, when an Additional Retirement Allowance is deemed necessary

Article 5. Retirement Allowance Reduction

Under the provisions of Article 3, the Corporation may reduce, by no more than 50/100 of the allowance calculated, the Retirement Allowance of the Permanent Employees categorized under any of the following conditions:

- (1) Excluding Employees giving birth, marrying or who retire under the provisions of Article 4, employees who voluntarily resign
- (2) Resignation resulting from poor work performance
- (3) Equivalent reasons to those stipulated under Article 2.2

Article 6. Retirement Allowances of Employees under Indictment

The Corporation shall not pay Retirement Allowances to the Permanent Employees who resign while they are under criminal indictment before any rulings are issued. Following said rulings, under the provisions of Article 3, Article 4 and Article 5, the Corporation shall pay Retirement Allowances to such Employees, if they are not incarcerated or facing other severe legal punishment.

Article 7. Calculation of Terms of Service

The terms of service used as a basis for calculating Retirement Allowances shall be counted as the number of years and months from the month of the date of hiring as a Permanent Employee to the month of the date on which the Employee retires or dies. However, the periods stipulated by the following items shall be divided by a ratio of 50/100:

- (1) Leave of absence related to criminal indictment
- (2) Period of absence related to work suspension
- (3) Period of absence stemming from personal accident or injury
- (4) Period of Childcare Leave or Family Care Leave
- (5) Other special periods as separately stipulated

Article 8. Exceptions Regarding the Employees seconded to the National Government etc.

1. Notwithstanding the provision of Article 2, no Retirement Allowance shall be paid when an Permanent Employee, at the request of the Chief Executive Officer (CEO) or someone consigned by the CEO, retires so he or she can then work for one of the following institutions (hereinafter, "Organ of the National Government Etc.") as its employee (hereinafter, "National Government Employee Etc."), and does then serve as a National Government Employee Etc.
 - (1) the national government,
 - (2) specified independent administrative institutions (as stipulated by Article 2.2 of the General Principle Act for Independent Administrative Institutions [Act No. 103 of 1999]),
 - (3) a local government bodies (limited to those local government bodies whose regulations regarding retirement allowances stipulate that when an Permanent Employee at the

request of the CEO or someone consigned by the CEO becomes an employee of the concerned local government body, his or her Term of Service as a Permanent Employee is added to his or her term of service as an employee of the concerned local government body), and

- (4) public corporations etc. as stipulated by Article 7.2.1 of the National Government Employees Etc. Retirement Allowance Law (Law No. 182 of 1953)
2. When a Permanent Employee retires under the provision of the preceding paragraph, and does then serve as a National Government Employee Etc. (including cases when the individual next serves as a National Government Employee Etc. at another Organ of the National Government Etc. after serving as a National Government Employee Etc. at said Organ of the National Government Etc.), and then becomes a Permanent Employee once again, the individual's Term of Service as a Permanent Employee shall be viewed as running from the beginning of his first Term of Service as a Permanent Employee through the end of his last Term of Service as a Permanent Employee.

Article 9. Exceptions Regarding the Employees seconded by the National Government etc.

1. When a National Government Employee Etc., at the request of an Organ of the National Government Etc., retires so he or she can then serve as a Permanent Employee and does then serve as a Permanent Employee, the term under which that individual served as a Permanent Employee shall include the term under which that individual served as a National Government Employee Etc.
2. Notwithstanding the provisions of Article 2, no Retirement Allowance shall be paid when a Permanent Employee stipulated by the preceding paragraph retires and then becomes a National Government Employee Etc.
3. The Corporation shall view Permanent Employees as having no Term of Service as Permanent Employees when employees of an Organ of the National Government Etc. become Permanent Employees but retain their status as National Government Employee Etc.

Article 10. Condolence Money

When a Permanent Employee dies, the Corporation shall pay the product of 400/100 multiplied by the monthly amount of the Employee's Regular Salary as of the date the Employee died to the Employee's Surviving Family as Condolence Money.

Article 11. Payment of Retirement Allowances

Unless there are special circumstances, Retirement Allowances shall be paid within one month from the date the reason for payment occurs, after deducting all amounts that are to be deducted from the recipient's Retirement Allowance by law and under compensation deduction agreements concluded between the Corporation and the concerned labor union or employees' representative.

Article 12. Range and Order of Surviving Family

1. The scope and order of precedence of Surviving Family stipulated in Article 2 and Article

10 shall be as follows:

- (1) Spouse (including partners whose marriages were never registered but had de facto spousal relations with the Employee when the Employee died)
 - (2) Children, parents, grandchildren, grandparents, siblings and other relatives whose livelihoods primarily sustained by the Employee's income or who shared means of living with the Employee at the time of the Employee's death
 - (3) Children, parents, grandchildren, grandparents and siblings other than those stipulated under Item (2) above
2. The order of precedence for individuals stipulated within Items (2) and (3) shall be the order in which they are listed; in this case as parents adopted parents shall have precedence over birth parents, and as grandparents the parents of adopted parents shall have precedence over the parents of birth parents, and the adopted parents of parents shall have precedence over the birth parents of parents; and the precedence of other relatives shall be in accordance with the closeness of the degree of consanguinity with the Employee.
 3. When two or more Surviving Family individuals have the same precedence for receiving an Employee's Retirement Allowance, the Retirement Allowance shall be equally divided by the number of such individuals.

Article 13. Handling of Fractions

In the calculation of Retirement Allowances under the provisions of these Regulations, fractions of less than ¥100 shall be rounded up and counted as ¥100.

Supplementary Provisions

Article 1.

These rules shall come into effect from November 1, 2011.

Article 2.

The continued period of during which the persons whose employment status as a Permanent Employee has been transferred from the Independent Administrative Institution Okinawa Institute of Science and Technology Promotion Corporation (hereinafter referred to as OIST PC) to the Corporation pursuant to the provision of the Article 3, paragraph 1 of the supplementary provisions of the OIST SC Act (Act No, 76 of 2009) served the OIST PC shall be regarded as the period of during which they served the Corporation.

Article 3.

These rules shall apply mutatis mutandis, for the time being, to the employees in the cases that a National Government Employee Etc., at the request of an Organ of the National Government Etc., retires so that he or she can serve as an employee of the Corporation and then becomes a fixed-term employee of the Corporation. In such cases, the term "the monthly amount of the Employee's Regular Salary" shall be deemed to be replaced with "the amount

corresponding to the monthly amount of the Employee's Regular Salary which is obtained by multiplying the employee's monthly Annual Salary with the rate set individually by the CEO by taking into consideration the calculation method of the Permanent Employees' End-of-term Allowances stipulated by the Article 24, paragraph 2 and 3 of the Compensation Rules of Permanent Employees.

Article 4.

In case of an Employee whose salary is paid as an annual amount from April 1, 2012, the term "the monthly amount of an Employee's Regular Salary" in the Rules shall be deemed to be replaced with "1/16 of the annual amount".

Supplementary Provisions <April 1st, 2013>

Article 1.

These rules shall be in force as of April 1st, 2013.

Article 2.

In applying the provisions of revised Articles 3 and 4, the term "87%" in those Articles shall be "98%" from the effective date (Article 1) to September 30, 2013, and shall be "92%" from October 1, 2013 to June 30, 2014.