

# Issues of Using the Pension System in Uzbekistan from the Experience of Developed Countries: Practice, Analysis and Prospects

Ubaydullo V. Gafurov

D.Sc. professor, Tashkent State University of Economics

Tashkent

Republic of Uzbekistan

ORCID: <https://orcid.org/0000-0002-3829-4556>

Shuhratjon Z. Davronov

Ph.D., Pension Fund of the Republic of Uzbekistan

Tashkent

Republic of Uzbekistan

ORCID: <https://orcid.org/0000-0003-3686-8533>

**Abstract-**This article analyzes the current state of pension systems in industrialized countries. Based on the research, the authors developed scientific proposals for further development of the pension system. The state pension system formed in Uzbekistan is analyzed. The main problems and factors determining the need to reform the pension system are listed. The analysis of the provision of conditions of mutual parity in the payment of social benefits between the employer and the employee in foreign countries, as well as the establishment of maximum and minimum limits of social benefits. The reasons for the negative discrepancy between the revenues and expenditures of the Extrabudgetary Pension Fund under the Ministry of Finance have been investigated. Mechanisms have been developed to cover the economically active population, including self-employed citizens, with pension insurance on the basis of their voluntary social security contributions to the state pension system.

**Keywords:** Pensions, savings, employment, income, wages, social insurance.

## I. INTRODUCTION

Improving pension provision is now one of the most global challenges in the world. International discussions on improving pension systems began with a 1994 report by the World Bank on the aging pension crisis. According to the report, the aggravation of the demographic situation in the world, including significant changes in the age structure of the population, such as an increase in the proportion of elderly people in the age structure, increasing life expectancy, leads to increased spending on pensions. According to the data, in 2017, 962 million people aged 60 and over worldwide. per capita, an increase of 152 per cent over the 1980s. This figure is expected to reach 1.4 billion by 2030 and 2.1 billion by 2050. per capita, which is 2 times higher than in 2017. [2]

At present, in most countries, due to the increase in life expectancy of retirees, special attention is paid to solving the problem of shortages in pension systems based on the principles of "generational solidarity" of the strict distribution of funds. The scientific and conceptual framework for reforming pension systems is being improved, including the introduction of a minimum pension that can support the living standards of retirees, a direct link between contributions paid during employment and the amount of pensions, stratification of sources of funding for pension payments.

Implementation of measures outlined in the Action Strategy for the five priority areas of development of the country in Uzbekistan for 2017-2021 and "strengthening social protection of the needy, including the elderly, people with disabilities and the bereaved, social protection of other vulnerable groups further improvement of the provision"[1] is one of the important goals of the pension system. Also, based on the experience of developed countries, improving the regulatory framework of the state pension system, abandoning the practice of using the minimum wage in determining the amount of pensions in the country, the use of other important macroeconomic indicators, ensuring the financial stability of the state pension fund, the implementation of measures such as increasing its transparency through the transfer of processes to a fully electronic form is becoming increasingly important. All this necessitates the study of science-based ways to improve the state pension system in Uzbekistan.

## **II. LITERATURE REVIEW**

A number of studies have been conducted on the theoretical and methodological basis of the state pension system. In particular, some theoretical and methodological aspects of the organization of the pension system Jun Peng [3], N.Yu. Borisenko [4], B.R. Valentin [5], V.V. Karchevskiy [6], A.V. Skurova [7], L.V. Fedorov [8], A.R. Ijaeva [9], A.A. It has been studied by foreign economists such as Talykova [10].

Scientific views on solving existing problems related to the state pension system Q.X. Abdurahmonov [11], Sh. Allayarov, D.Q. Ahmedov [12], A.A. Botirov, A.V. Vahobov [13], M.J. Ziyadullaev, N.M. Majidov, T.S. Malikov [14], B.S. Mamatov, B.X. Umurzakov [15], A.A. Xaitov, G.A. It is reflected in the scientific works of Kasimova [16] and other scientists. Including D.R. Rustamov's doctoral dissertation [17] explores the scientific and theoretical basis for ensuring the financial stability of the Pension Fund in Uzbekistan, the income and expenditures of the Pension Fund and the prospects for ensuring the financial stability of the Pension Fund, formulates important scientific conclusions and recommendations. Sh.U. Rajabov's dissertation studies the theoretical and economic bases of the formation of non-state pension funds and the issues of increasing investment activity. [18] The issues of development of the textile industry in the Republic of Uzbekistan and the use of the experience of developed countries in Uzbekistan were discussed by economists B.Yu.Khodiev, Sh.I.Mustafakulov [20], Tursunov B.O. [21]. However, the ways to improve the state pension system in Uzbekistan have not been comprehensively studied as a separate, independent scientific direction, taking into account foreign experience.

Although the issues related to the pension system have been studied relatively extensively in the above studies, however, the issue of improving the pension system has not been studied as a separate research object. This situation determines the relevance of scientific research in this area.

## **III. RESEARCH METHODS**

The dissertation uses methods of analysis and synthesis, economic-statistical, econometric, comparative and hierarchical analysis, abstract-logical thinking, modeling, forecasting.

## **IV. RELIABILITY OF RESEARCH RESULTS**

The reliability of the survey results was obtained from official sources, including the Ministry of Finance, the State Statistics Committee, the Extrabudgetary Pension Fund. explained by the fact that the results have been approved by the competent authorities.

## **V. THE CURRENT STATE OF PENSION SYSTEMS IN INDUSTRIALIZED COUNTRIES**

The financial crisis has had a negative impact on the state budgets of developed European countries. The annual pension deficit of the European Union is 1.9 trillion. euro, which in 2011 accounted for about 19-20 percent of GDP. [19] This situation has been observed in pension systems that are specific to the private pension system.

"Redistribution" of funds accumulated through social payments, ie systems based on "solid" (solidarity of generations) pensions, is in force in many countries today, especially in Europe and the Organization for Economic Cooperation and Development.

Important principles of proper organization of the system of redistributive pensions in the national economies of the countries include the following conditions and requirements:

- The pension system should cover as many different segments of the population as possible;
- It is necessary to distribute the burden of social payments between the subjects of the pension system (employer, employee and the state) on a mutually agreed basis and on favorable terms;
- All persons who are elderly and have lost their ability to work or have a disability must be provided with a certain part of their previously received income in connection with retirement;
- Social protection of those who do not have the required length of service on the basis of social security programs and have lost a breadwinner;
- Regular indexation of pensions, taking into account inflation, wage growth and improving the quality of life.

The organization of the social (pension) insurance mechanism of the redistributive pension system requires the employer, the employee and the state, which are its subjects, to impose mandatory payments and make its payments on a specific purpose and on mutually beneficial terms. This pension system provides for parity participation in the financing of the pension system to ensure the regularity of social payments.

The creation of favorable, economic, organizational and legal conditions in national economies for the development of mandatory and voluntary institutions in the redistribution and accumulation systems of pension insurance plays an important role.

In a redistributive pension system, it is very difficult to bring the amount of insurance paid by an employee to the Pension Fund at the expense of social payments to the period of the employee's retirement. In this case, it is

necessary to take into account the duration of the period of payment of social benefits, the amount of insurance compensation, the insurance rate and the duration of payments after retirement and bring it to the period of payment of pensions.

It should be noted that in solving this problem, it is difficult to predict the flow of funds, while the term of social payments is from 30 to 50 years, while the term of pension payments includes the period from 20 to 30 years, ie life expectancy should be taken into account. Over a long period of time (50-80 years), a number of factors can influence the figures, including changes in the wage bill and inflation rates, as well as the absolute number and proportion of retirees to workers.

Hence, maintaining a balance between employers and workers in the redistributive pension system plays an important role. But this indicator is also constantly changing in different countries over different periods, such as demographic factors, the number of economically active population. For example, the ratio of the economically active population to pensioners varies from 2000/2015 to an average of 3/4 to 1/4 in Finland and Spain, and 1/2 in Germany and Switzerland. [23]

Table 1: Distribution of the insurance burden between employers and employees in the system of compulsory pension insurance in developed countries and the limit of insured income, as of 2017 [22]

Countries	Insurance rate, in relation to salary (in percent)			Insurance income boundaries
	By the developer	By the employer	Total	
Austria	10,25	12,55	22,8	maximum per month € 3 450
Finland	4,6	22,75	27,35	minimum for a month € 229,3
France	6,65	9,8	16,45	maximum per month € 2 476
Germany	9,75	9,75	19,5	maximum per year € 61 800 minimum for a month € 400
Greece	6,67	13,33	20	maximum per day € 78,4, or for a month € 1 960,2
Italy	8,89	23,81	32,7	minimum per day € 39,16, maximum per year € 8 440
Holland	19,15	8,9	28,05	minimum per year € 13 160, maximum per year € 29 543
Poland	16,26	16,26	32,52	30 times the maximum annual average monthly
Spain	4,7	23,6	28,3	maximum per month € 2 731,5
Switzerland	11,9	11,9	23,8	maximum 75,960 francs per year
United Kingdom	11	12,8	23,8	minimum per week £ 89
United States	6,2	6,2	12,4	maximum per year \$ 90 000
Canada	4,95	4,95	9,9	a minimum of \$ 3,500 per year, a maximum of \$ 41,100 per year

It should be noted that the evolution of pension systems depends on their social and labor relations, the development of the national labor market and wage systems, demographic changes, and these indicators have a direct impact on the pension system. Another important factor influencing the development of the redistributive pension system is the presence of lower and upper limits on the payment of social benefits (Table 1). This is because in almost all countries where the redistributive pension system is in place, there are restrictions on the calculation of pensions with upper limits on average earnings.

In order to ensure maximum coverage of the population with the pension system and to ensure the maximum social needs of the state, the countries of the world community, including developed countries, form national pension institutions based on universally recognized approaches to pension provision. (Table 2).

Table 2: Types of pension systems for which pension payments are mandatory (age pensions) [24]

Types of systems	Formula type	Accumulation	Form of management	Countries
Social insurance	Fixed fees	Solidarity or partial accumulation	Mass	Canada, Germany
Personal account	Fixed fees	Fund	Private	Chile, Latin American countries
Provident funds	Fixed fees	Fund	Mass	India, Kenya
Conditional - funds	Fixed fees	Fund	State	Russia, Poland, France, Sweden
Non-governmental	Fixed fees or fixed fees	Fund	Private	Great Britain, Russia, Colombia, USA, Japan
Pension funds	Fixed fees or fixed fees	Fund	Private	Australia, Sweden
Mandatory pensions of employers	Fixed fees or fixed fees	Non-accumulative	Private	Holland, Sweden

The specifics of the development of the national pension system of the country also play an important role in creating conditions for individuals, ie those who make social payments, to freely transfer their contributions to the state voluntary pension or professional pension system. For example, in the UK, individual pension programs created by employers or under a professional pension system have the potential to partially 'exit' their provision from the public system. But at the same time, most developed countries make payments with a guarantee of pension payments.

- the national pension systems of developed countries consist of mechanisms that meet the following classifiers and create favorable conditions for citizens with their diversity:

- a system based on fixed payments of pensions or state social benefits;
- pension system related to the amount of wages or the minimum wage of workers;
- system of state organizations or corporate pension funds;
- pension system based on various pension benefits.

Almost all developed countries are improving their state pension systems to provide their citizens with adequate pensions to meet their material needs. In the Netherlands and Ireland, for example, the state provides a fixed amount of basic pensions for its retirees, which ensures their standard of living. In addition, in the Netherlands, in addition to the basic pension, all employees are required to be covered by an additional pension program, according to which the necessary regulatory framework is formed, the amount of pensions of retirees is 65-175% (Table 3).

Table 3: Characteristic indicators of the state pension system in economically developed countries

Country	Retirement age (male / female)	Period of payment of social benefits (years)	The period to be taken into account in the calculation of pensions	Remaining coefficient (relative to salary)	Pension indexation mechanism
United States	65/65	35	All years in which social benefits are paid	41 percent	Consumer price index
Japan	65/65	40	All years in which social benefits are paid	30 percent	Monthly salary

Germany	65/65	40	All years in which social benefits are paid	60 percent	Monthly salary
France	60/60	41	The best 25 years	50 percent	Consumer price index
Italy	62/57	40	Last 5 years	80 percent	Consumer price index
United Kingdom	65/60	50	All years in which social benefits are paid	20 percent	Consumer price index
Sweden	65/65	30	The best 15 years	60 percent	Consumer price index

*Source: Developed by the author based on data from foreign countries pension and social funds.*

In the United Kingdom, Canada, and the United States, state pensions based on a distribution mechanism cover an average of 50-60 percent of retirees' income, while in Germany, Luxembourg, Finland, France, and Norway, the figure is 60-75 percent of monthly wages.

Thus, in almost all developed countries, the main pension system is the state pension system (solid system), which is based on a distribution mechanism and is supplemented by pension contributions accrued by employers for their employees.

Also, the mechanism of accumulative pension payments for employees by employers is carried out mainly as a measure to encourage highly qualified employees, simultaneously with the transfer of payments to private pension funds.

In order to encourage and develop these mechanisms, most developed countries apply tax breaks to employers' pension payments. In Germany, Japan, the Netherlands, the United Kingdom and the United States, more than 40 percent of workers make savings through workplace pension programs.

The third element of the pension system of developed countries is the implementation of savings by workers on the basis of individual voluntary pension programs. These systems operate on the basis of a full financing system, which requires employees to make clearly defined payments (deductions). At the same time, it should be noted that in this system, employees and retirees are responsible for their savings and investment risks.

In developed countries, the amount of funds accumulated in private pension systems varies from country to country, accounting for more than 70 per cent of GDP in the Netherlands, while in the UK, France and Germany these countries account for no more than 5 per cent of GDP. That is, in countries where the necessary organizational, legal and economic opportunities and conditions for the development of a private pension system are created, the accumulation of funds in this system is relatively large.

In developed countries, the existence of three pension systems, i.e., redistributive, accumulative and private pension systems of the state, does not mean that all three pension benefits for the citizens of these countries are used simultaneously. In most developed countries, pensioners receive up to 40 percent of their income from one of the above-mentioned pension systems. The remaining income is covered by their deposits and other income.

In almost all developed countries, the above-mentioned systems can be implemented in different proportions, which is characterized by the fact that for those who work and make social payments, they can insure their future pensions with a choice of systems.

## **VI. ANALYSIS OF THE CURRENT STATE OF THE PENSION SYSTEM IN THE REPUBLIC OF UZBEKISTAN AND ITS TRENDS**

The financial indicators of the Extrabudgetary Pension Fund under the Ministry of Finance of the Republic of Uzbekistan show that over the past 5 years, its revenues have increased by 1.81 times and expenditures by 1.83 times, respectively. In 2018, the revenues of the Extrabudgetary Pension Fund under the Ministry of Finance will reach 24.0 trillion soums. soums, and expenditures - 20.5 trillion. soums, while the balance of the off-budget Pension Fund under the Ministry of Finance amounted to 7.0 trillion soums. soums.

In 2008, there was a deficit between the Pension Fund's revenues (2551.6 billion soums) and expenditures (2,986.5 billion soums) (-434.9 billion soums), which accounted for 1.12% of GDP, or the Fund's own income. only 85.4 percent made up for retirement expenses.

However, at the end of 2009, the deficit between the Pension Fund's revenues (3,343.4 billion soums) and expenditures (4,016.5 billion soums) increased (-673.1 billion soums) and amounted to 1.37% of GDP. or the fund's own income made up only 83.2 percent to cover retirement expenses. [19]

The main share in the expenditures of the Extrabudgetary Pension Fund under the Ministry of Finance is a

single social payment from the employers' salary fund (57.8% of total income), insurance premiums from employees (21.6% of total income), sales of goods and services by enterprises and organizations. receipts (11.6% of total income), deductions from the single tax payment to the Pension Fund (6.2% of total income). (Figure 1).

The results of the analysis show that in 2009 the number of pensioners was 11.9% of the population, and by 2015 it was declining, reaching 9.7% at the beginning of the reporting year. From 2011 to 2015, the decline in the number of pensioners relative to the total population was included in the Law of the Republic of Uzbekistan "On state pensions" for "mothers with many children", "certain categories of agricultural workers" and others entitled to retire 5 years earlier. cancellation under the amendments can be explained by the fact that during this period, citizens who have reached the actual retirement age are entitled to a pension.

At the same time, the Law of the Republic of Uzbekistan "On State Pension Provision of Citizens", adopted in 1993, was amended in 2011 to improve the mechanisms for calculating the length of service of certain benefits and certain periods of employment that have lost their significance. According to him, the lower limit of length of service has been set in the appointment of old-age pensions. [19]

From 2016, the share of total pensioners in the total population at the expense of the Extrabudgetary Pension Fund increased from 8.7% to 9.6% or 414.4 thousand people (Table 4).

Table 4: Data on the number of pensioners in 2009-2019 (per year)

Years	Population, (thousand people)	Number of retirees	Percentage of population, in percent	Average pension amount, in soums
2009	27 533,4	2 825 682	11,9	99 198,9
2010	28 001,4	2 829 719	11,6	132 578,3
2011	29 123,4	2 807 717	11,0	166 912,1
2012	29 555,4	2 725 773	10,5	211 785,0
2013	29 993,5	2 685 270	9,9	265 142,0
2014	30 488,6	2 697 325	9,8	320 198,5
2015	31 022,5	2 713 929	9,7	389 964,8
2016	31 518,6	2 751 618	8,7	422 953,9
2017	31 956,9	2 882 087	9,0	471 419,8
2018	32 300,4	3 007 621	9,3	532 912,3
2019	32 941,4	3 163 051	9,6	612 146,8

Source: Formed by the author on the basis of data from the Extrabudgetary Pension Fund under the Ministry of Finance

The ratio of total pensions and benefits to the able-bodied population increased from 22.2% in 2013 to 23.0% at the end of 2017. But the working-age population is only 4.8 million. or 33.3% pay compulsory social insurance contributions to the Extrabudgetary Pension Fund under the Ministry of Finance.

In Uzbekistan, as in other countries, the aggravation of the demographic situation, including significant changes in the age structure of the population, such as an increase in the share of older people in the age structure, increasing life expectancy, leads to increased spending on pensions.

Worldwide, according to a World Bank report

In 2017, 962 million people aged 60 and over. 383 million more than in 1980. per person or 1.5 times. This figure is expected to reach 1.4 billion by 2030 and 2 times compared to 2017, or 2.1 billion by 2050. Today, life expectancy averages 71.9 years worldwide. This is 7.3 years more than in 1990-1995. By 2030, life expectancy is projected to average 73.8 years, and by 2050 this figure is projected to be 82.6 years. It should be noted that in all countries where the average life expectancy is over 75 years, the average retirement age is 65 years.

In Uzbekistan, the general retirement age is maintained at the level established by the legislation of the former Soviet Union in 1956 (55 years for women, 60 years for men). If we look at the statistics of that period, it is worth noting that the average life expectancy was 47 years. Life expectancy has been growing in recent years, including 66.4 years in 1991, 70.8 years in 2000, 73.0 years in 2010, and 73.8 years in 2017 (women - 76 years). , 2 years, in men - 71.4 years).

According to Article 26 of the ILO Convention No. 102 on Minimum Welfare Standards, "the prescribed

retirement age should not exceed 65 years or the working age of the elderly in the country should be taken into account by the competent authorities when determining the retirement age." Thus, according to the requirements of the International Labor Organization, it is desirable that the retirement age in the world should not exceed 65 years, but in this case, depending on the working capacity of the elderly, this age can be increased. Today, the average retirement age in the world is 62 years. [19]

By conducting an econometric analysis of the factors affecting the number of pensioners and pensioners in our country, it was possible to determine whether today each type of pension causes an increase in the total number of pensioners. In the econometric analysis, we will analyze the factors influencing the growth of pensions and benefits on the basis of data from the Extrabudgetary Pension Fund under the Ministry of Finance and the State Statistics Committee. The statistics selected for the econometric analysis were compiled on the basis of monthly data for the period 2013-2018.

The statistics selected for the study are data in the form of balanced time series. The monthly data selected for the analysis were the number of old-age pensioners, the number of disability pension recipients, the number of pensioners appointed for the loss of a breadwinner, and the number of social pensioners assigned at the expense of incomplete work experience. Here, all the indicators selected for analysis are data with the same level. However, to make it easier to interpret the impact of the number of retirees on the growth rate, we can bring all the indicators to the growth rate.

Decisions to reduce the number of financial resources and rates have a significant impact on the formation of the income of the pension system. At the same time, from January 1, 2019, two sources of income of the Extrabudgetary Pension Fund under the Ministry of Finance were optimized, ie mandatory contributions of citizens to the Extrabudgetary Pension Fund under the Ministry of Finance from the volume of sales of products (services) were abolished. In addition, the single social payment rate for micro-firms to the Extrabudgetary Pension Fund under the Ministry of Finance has been reduced from 15% to 12%.

In accordance with the Decree of the President of the Republic of Uzbekistan No. PF-5468 "On the Concept of Improving Tax Policy of the Republic of Uzbekistan" dated June 29, 2018, from January 1, 2019, insurance contributions to the Extrabudgetary Pension Fund under the Ministry of Finance will be abolished. In order to ensure the stability of the pension system, budgetary organizations and state enterprises, legal entities with a state share of 50% or more in the authorized fund (capital), legal entities with a state share of 50% or more in the authorized fund (capital) the establishment of a single social payment for legal entities and their subsidiaries in the amount of 25 percent, as well as the rate of this payment for other legal entities was reduced from 15 percent to 12 percent.

Mandatory deductions from the turnover (income) of legal entities to state trust funds have also been abolished. As a result of these changes in the budget and tax system in 2019, the Extrabudgetary Pension Fund under the Ministry of Finance will receive 8 trillion soums. soums.

Table 5: On December 26, 2018, the President of the Republic of Uzbekistan signed a decree "On the forecast of key macroeconomic indicators and parameters of the state budget of the Republic of Uzbekistan for 2019 and On budget targets for 2020-2021 Pension Fund according to the decision No. PQ-4086 change in sources of income

№	Type of mandatory payments	2018 year	2019 year	Change
1.	Single social payment			
1.1.	Budget organizations and state enterprises, legal entities with a state share of 50% or more in the authorized fund (authorized capital)	25 percent	25 percent	-
1.2.	Other payers	15 percent	12 percent	- 3 percent
2.	Insurance premiums of individuals	8 percent	-	- 8 percent
3.	Mandatory deductions from the volume of sales of products (services)	1,6 percent	-	- 1,6 percent

Expected Deficit in the Extrabudgetary Pension Fund under the Ministry of Finance in 2019 mln. It is planned to cover those who are engaged in informal work by organizing the payment of insurance premiums (Table 5).

The Government of the Republic of Uzbekistan has taken measures to reduce the tax burden on businesses and the population, legalize the number of employees and wages, revise and optimize existing fiscal benefits, simplify the mechanism of payment of taxes and other measures to increase incomes and pensions of individuals. guarantees their social insurance by covering them with a welfare system.

When analyzing the sectoral structure of social payers, 54% of the total payers account for the share of employees working in the private sector. After the tax reforms, the average rate of the Single Social Payments to the Extrabudgetary Pension Fund under the Ministry of Finance was 17.7% for total employers. In 2040, according to the forecast, the share of those working in the private sector is expected to increase to 63% and, accordingly, the average rate of the single social payments for general employers will decrease by 16.6%.

## **VII. CONCLUSIONS**

As a result of scientific research and studies, the following main conclusions have been drawn:

1. The study of the pension system in developed countries shows that in almost all countries there is a system of redistribution - "solid" pension. At the same time, the main principle of this system is the proportionality of the number of employees - payers of social benefits in relation to the number of pensioners, and the introduction of social payment rates on a parity basis between employees, employers and the state. The advantage of the redistributive system over the accumulative pension system is that it not only provides social protection to the elderly and the disabled, but also provides material support to the disabled, the bereaved and other categories.

2. The number of pensioners and pensioners in the state pension system of the Republic of Uzbekistan is growing in line with population growth, but the number of payers of social payments to the Extrabudgetary Pension Fund under the Ministry of Finance has not changed over the past decade, reaching 4.8 million. 5.0 million people up to At the same time, according to the forecast of the state pension system, the pension system may become a system that will not be able to cover its costs by revenues in the medium and long term, which in turn indicates the need for conceptual reforms in this system.

3. The share of people of retirement age in the total population of the country is growing rapidly. In recent years, the average annual number of newly appointed old-age pensions has exceeded 220,000, which is 2.5 times more than in the last 10 years. At present, the retirement age in Uzbekistan remains the lowest in the world. However, research shows that the retirement age is relatively high in foreign countries, including developed countries.

4. As a result of reduced interest in the continuous and long-term payment of social insurance contributions by citizens in the state pension system, the number of pensions awarded with incomplete work experience has increased almost 10 times over the past 10 years. Accordingly, it is expedient to introduce modern methods in the state pension system that allow to pay social benefits to the pension system for family members who do not work at the expense of the income of citizens in the form of voluntary wages.

5. For citizens who have reached the age required for the appointment of state pensions, but do not have the required length of service, to introduce a procedure for granting the right to a pension by a lump sum payment of social contributions to the Pension Fund for the period of missing internships; Allows additional funds to flow into the pension fund's income.

6. For insurance in the pension system by ensuring voluntary payment of social benefits to the self-employed population of the Republic (including members of farms, cattle breeders, landowners, poultry keepers) and citizens working abroad on a voluntary basis it is advisable to expand the capacity.

7. It is necessary to abolish the system of assignment of incomplete pensions, to determine the right to assign pensions based on the age of citizens and their contribution to the Pension Fund in proportion to the period of social payments during their employment. It is also advisable to determine the retirement age in relation to these indicators. The introduction of this procedure will further strengthen the relationship between the amount of pensions and length of service, increase the interest of citizens in the formation of pension rights and increase the average amount of pensions in the country.

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