

ORGANIZATIONAL AND COLLECTIVE BASIS FOR THE FORMATION OF INCOME IN PENSION PROVISION IN UZBEKISTAN

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ABSTRACT

The article discusses the organizational and legal basis for the formation of pension income in Uzbekistan. It examines the historic reforms of the pension system, the creation of the Pension Fund Administration and the Social Insurance Fund, as well as subsequent changes, including the transformation of the off-budget Pension Fund into the structure of the Ministry of Finance.

Keywords: organizational and legal framework, income, pensions, reforms, pension system, management of the Pension Fund, Social Insurance Fund, efficient use of funds, public policy, social protection.

АННОТАЦИЯ

Мақолада Ўзбекистонда пенсия таъминотида даромадларни шакллантиришнинг ташкилий-ҳуқуқий асослари кўриб чиқилади. Унда пенсия таъминоти тизимидаги тарихий ислоҳотлар, Пенсия жамғармаси Бошқаруви ва Ижтимоий суғурта жамғармасининг ташкил этилиши, шунингдек, кейинги ўзгаришлар, жумладан, бюджетдан ташқари Пенсия жамғармасини Молия вазирлиги тизимидаги тузилмага айлантириш масалалари қамраб олинган.

Калит сўзлар: ташкилий-ҳуқуқий асос, даромадлар, пенсиялар, ислоҳотлар, пенсия тизими, Пенсия жамғармаси бошқармаси, Ижтимоий суғурта жамғармаси, маблағлардан самарали фойдаланиш, давлат сиёсати, ижтимоий ҳимоя.

INTRODUCTION

It is known to all of us that in our country there have been long-standing historical reforms on the formation of the pension provision system and its profitability. In particular, through the decision of the Cabinet of Ministers under the president of the first Maratha Uzbek SSR in our republic by No. 9 of January 14, 1991, the Department of the Republic of Uzbekistan of the pension fund of the USSR was established.

After that, further strengthening control over the effective, targeted and proper use of the social insurance funds collection established in the formation of pension fund revenues in accordance with the legislation, in order to ensure the guarantee mechanism provided by the state in the field of the existing social security system through the pension system, the Social Insurance Fund under the Cabinet of Ministers of the Republic of Uzbekistan was established on the basis of the Uzbek branch of the former USSR pension fund through the Decree No. 391 of the Republican Council of the Cabinet of Ministers The Council of the Federation of Trade Unions of Uzbekistan also directs state social insurance funds aimed at the payment of social benefits for temporary incapacity for work, childbirth, pregnancy and at the time of birth of a child, for funerals. Of course, it was through this period that the source and content of the formation of

the income of the Social Insurance Fund, established in the function of the pension fund, acquired a new meaning.

As a consistent continuation of the work in ensuring the stability of income from pension provision in the country, further improving the social protection of the population of the Republic, ensuring the financial stability of the existing system, financing the expenses carried out by the state in the direction of social insurance for pensions and payments of benefits in their term, in order to further increase the responsibility of social security organizations in the actual collection of mandatory contributions established in the pension provision system, the pension fund was established under the Ministry of social security of the Republic of Uzbekistan on the basis of the Social Insurance Fund under the Cabinet of Ministers of the Republic of Uzbekistan through Resolution No. 459 dated December 27, 1996. Also, in the above-mentioned decision, it was established that the foundation will also establish territorial departments and units under the Ministry of social security of the Republic of Karakolpagstan and social security bodies under local state authorities.

2000 by the Cabinet of Ministers of the Republic of Uzbekistan

Through Resolution No. 444 of November 15, the pension fund under the Ministry of social security of the Republic of Uzbekistan was changed in its turn to the extra-budgetary pension fund of the Republic of Uzbekistan. As a result of this institutional organizational change, the Republic aimed to further increase the efficiency of the existing system in the use of financial resources allocated for the payment of pensions and appointed benefits. The Ministry of Labor and social protection of the Republic of Uzbekistan has been appointed in charge of the main tasks in this regard, namely financing expenses for the purpose of payment of pensions and benefits in the field of state social insurance, calculating pensions and benefits in their term, carrying out their payment in the established manner, implementing the state policy in this direction.

At the next stage of reforms, the government of the Republic of Uzbekistan in order to ensure the effective use of financial resources as income of the pension fund and in the content strictly related to its direction in the manner established by the legislation, to improve the control activities of this sector from the TEB 2004 Resolution 490 of October 21 was passed. As a result of this decision On January 1, 2005, the extra-budgetary pension fund of the Republic of Uzbekistan was reorganized as an extra-budgetary pension fund under the Ministry of Finance. "In accordance with the law of the Republic of Uzbekistan "on state pension provision of citizens", as well as further improvement of the structure of the pension provision system, In order to carry out full-scale financing and payment of payments for pensions and social benefits by the extra-budgetary pension fund under the Ministry of Finance of the Republic of Uzbekistan and to strengthen control over the targeted expenditure of funds directed to the pension provision of citizens of the Republic by the decree of the president of the Republic of the Republic, it was established that the accounting of compensation and other payments and monitoring of this surface will be carried out by the territorial units of the extra-budgetary pension fund. With this, the organization of territorial units of the extra-budgetary pension fund under the Ministry of Finance of the Republic of Uzbekistan was carried out, the transfer of service functions of structures in accordance with the system of the Ministry of Labor and

social protection of the Republic of Uzbekistan, which is responsible for all complex issues of medical labor-expertise and pension provision of citizens to ”.

Institutional changes in the formation of pension provision, income can be classified as follows:

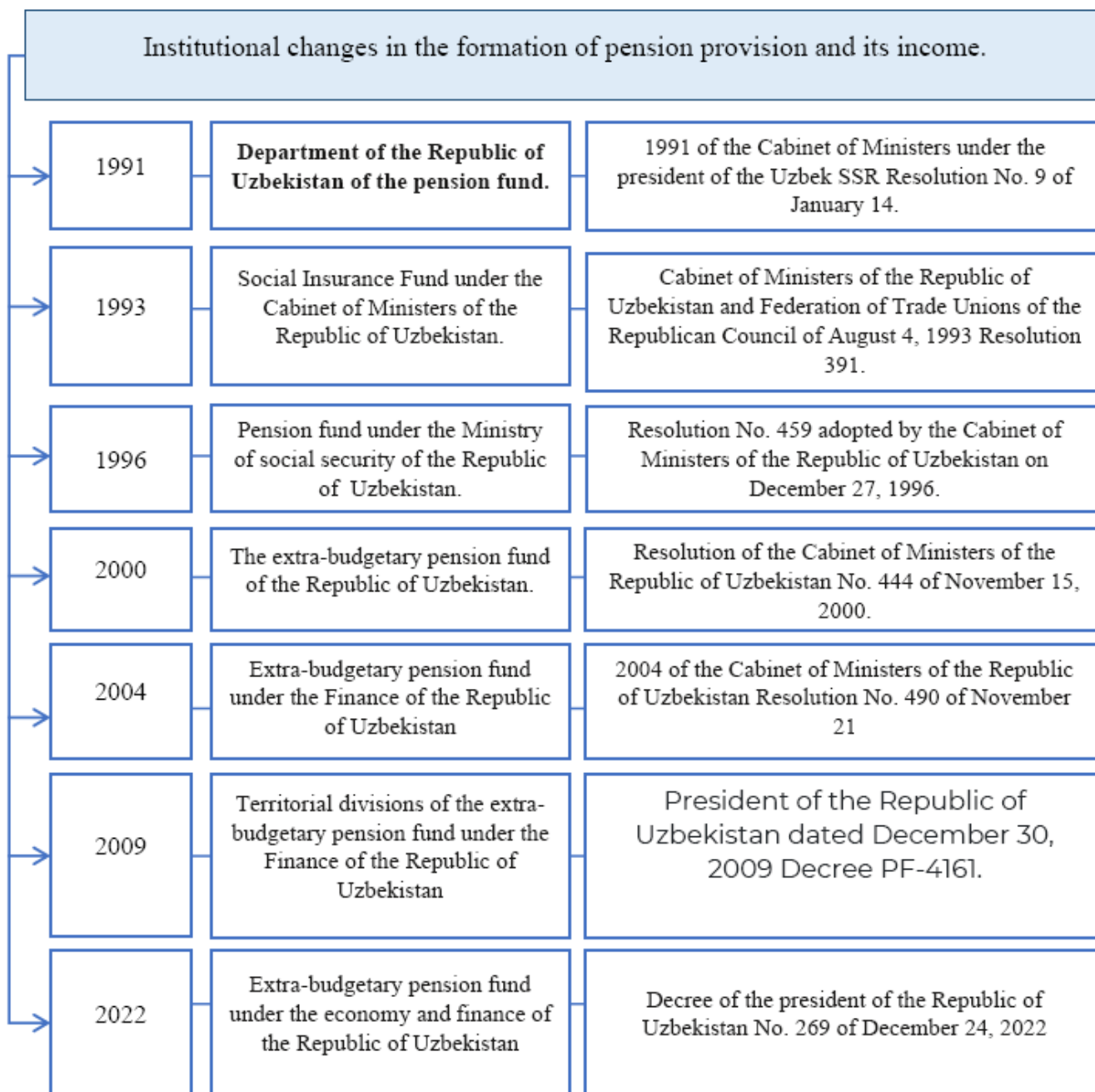


Figure 2. Institutional changes in pension provision and the formation of its income

It can be seen that there are also a number of changes in the content of the above institutional changes. In particular, in the decree of the Cabinet of Ministers No. 490 of October 21, 2004 and the decree of the president of the Republic of Uzbekistan No. 4161 of December 30, 2009, the functions of the pension fund are distinguished in content. Their comparative classification is as follows:

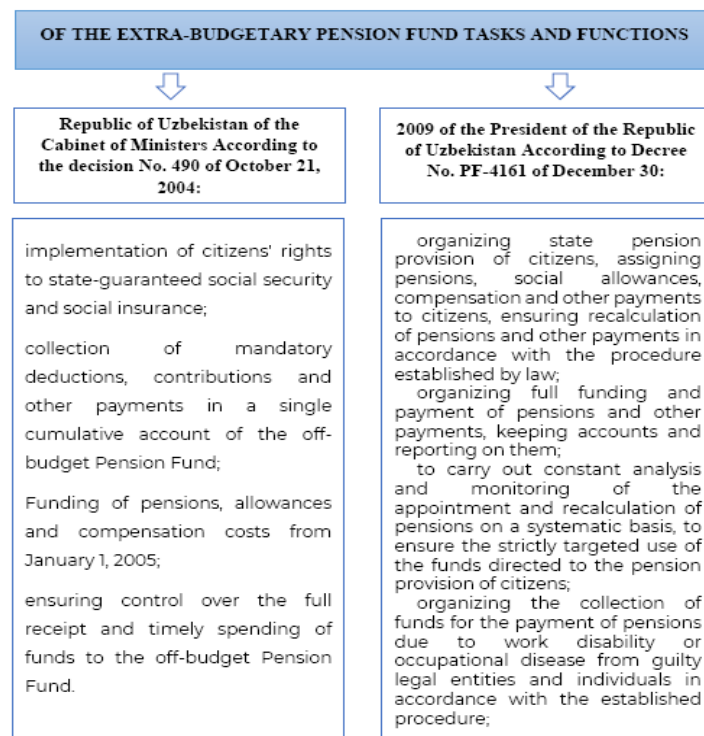


Figure 3. Mission, functions of the off-budget pension fund.

According to the above-mentioned regulatory framework, the following are established as the main sources of the formation of income of the extra-budgetary pension fund:

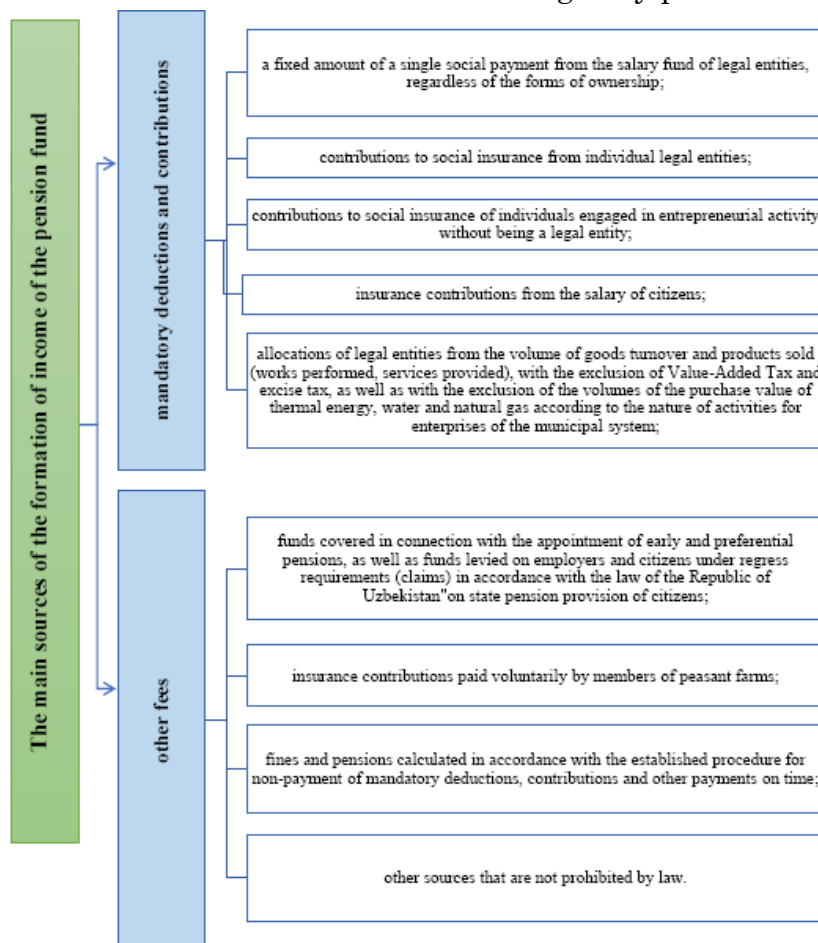


Figure 4. The main sources of the formation of income of the pension fund.

Income received as a percentage from the placement of temporarily vacant funds of the extra-budgetary pension fund in the financial markets is not taxed .

As a result of the reforms carried out in the pension provision system in Uzbekistan, several positive changes were achieved:

- the regulatory framework for the regulation of the pension provision system has been formed and is being improved;
- the organizational structure of the extra-budgetary pension fund has been improved;
- a multi-level system has been created and is operating in the pension provision, covering compulsory (generational solidarity and accumulative pensions) and voluntary system;
- state guarantee of the preservation of savings of depositors ' accumulated pension funds has been introduced;
- modern information and communication technologies have been introduced in the pension provision system, and on this basis Information Exchange has been established with various institutions;
- the system of targeted social protection and material support of certain categories of citizens has been strengthened;
- pensions on preferential terms have been introduced for employees whose working conditions are severe and harmful;
- in accordance with the increase in the cost of consumer goods and services, the amount of pension and social benefits of citizens was increased by the state;
- optimized the income of citizens in the type of remuneration for Labor;
- the ratio of the average pension amount to the average salary in the country was achieved at 42.9 percent. According to the recommendation of the International Labor Organization, this figure should not be less than 40 percent .

According to the above legal grounds, the organizational structure of the extra-budgetary pension fund is as follows:

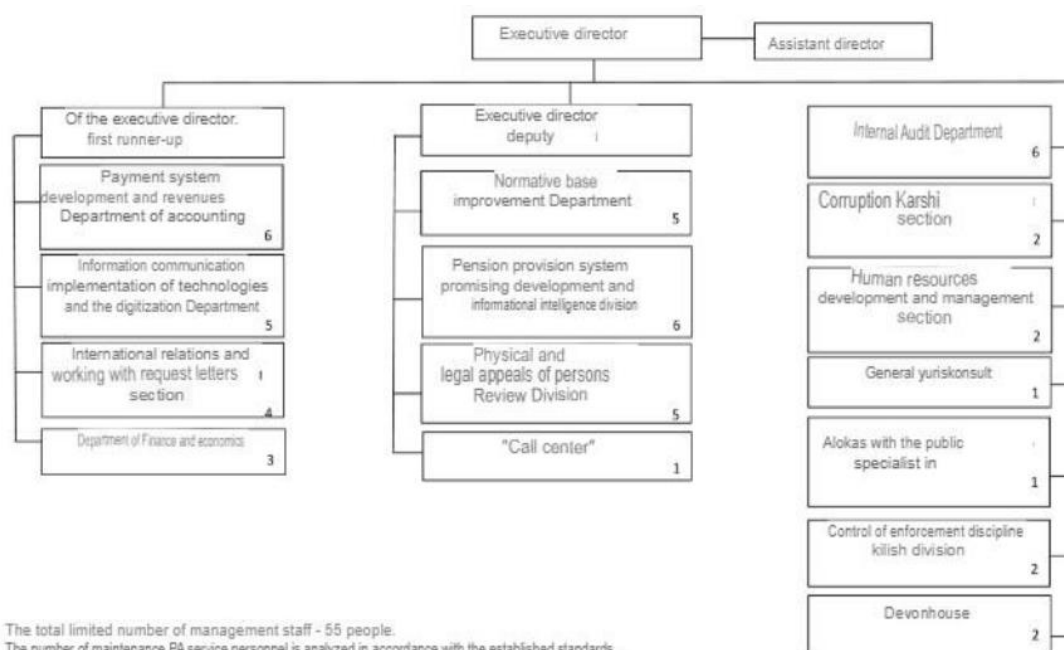


Figure 5. organizational structure of the extra-budgetary pension fund.

The development of forecasts of income and expenses of the extra-budgetary pension fund is carried out according to the following mechanism:

Figure 6. Mechanism for the development of income and expenses of the pension fund

Also, one of the main legal foundations of the pension provision system in our country is the law of the Republic of Uzbekistan "on state pension provision of Citizens" No. 938 – XII, adopted in 1993. According to its constituent structure, the law included 9 chapters, 67 articles, calculated in relation to the pension establishment:

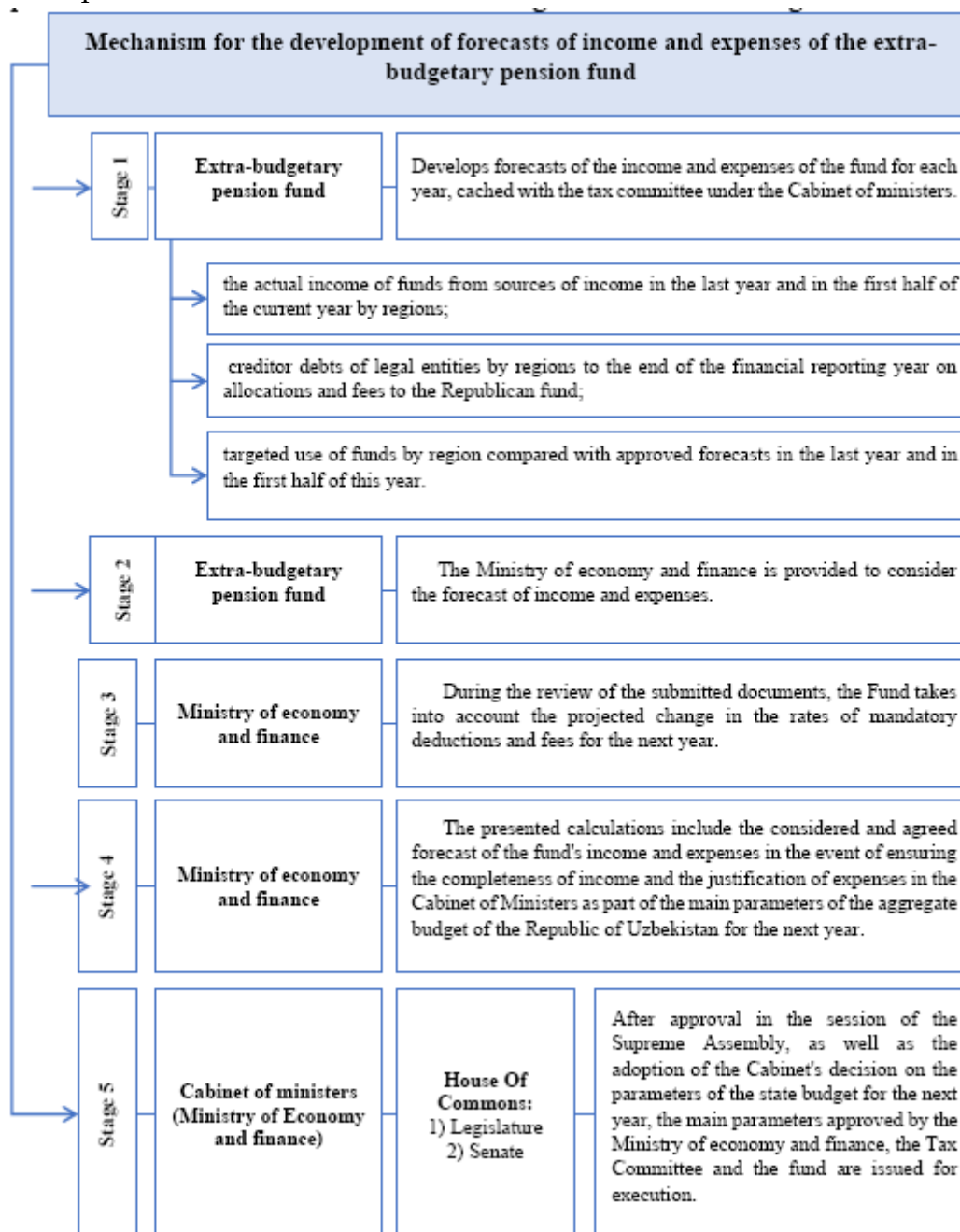


Figure 7. Structural structure of the law of the Republic of Uzbekistan "on state pension provision of citizens"

According to this law, in the Republic of Uzbekistan, work will be organized to establish the system of pension provision for citizens and its implementation.

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