



ISSUES OF SOLVING THE PROBLEMS OF THE PENSION SYSTEM IN THE DEVELOPMENT STRATEGY OF THE NEW UZBEKISTAN

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Abstract

The article describes the current problems in the pension system of Uzbekistan and measures to solve them in the Development Strategy of New Uzbekistan. Comparison, evaluation and mathematical analysis methods were used in the research. The analysis of the impact of the reforms implemented in the national pension system on the welfare of pensioners was carried out, and conclusions were drawn regarding the improvement of the pension system.

Keywords: pension, pension problems, pension payments, social security, national pension system, salary

Introduction

In the development strategy of New Uzbekistan for 2022-2026, a plan of measures for the development of the country in all directions was developed and approved. Important and main priority of the Development Strategy is undoubtedly "raising human dignity". To glorify human dignity is to provide people in the country, especially the elderly and people with disabilities, with decent living conditions as much as possible and to achieve the same use of material benefits in society as others. In this regard, the Development Strategy envisages the implementation of a number of changes and updates in order to solve the problems of increasing the pension payments of the elderly and the disabled, and providing them with adequate social payments.

Material and Method

In the study, the results of the reforms of the pension system in Uzbekistan and their impact on the well-being of pensioners were analyzed by comparing and contrasting methods, based on mathematical calculations.

We know that there are some problems that need to be solved in the national pension system:





- the problem of disincentives for those who pay high contributions to the pension system in the current pension legislation. Currently, according to the Law "On State Pension Provision of Citizens", the upper limit for the average monthly salary taken into account when calculating the pension amount of a retiree is set as 10 (ten) times the basic amount of pension calculation, this threshold results in a large reduction in the income of high wage earners in retirement compared to when they worked. We will explain this with the following practical example: Let's assume that the working person Salimov (male) turned 60 years old on 01.01.2022 and applied for old-age pension, his average monthly salary is 3,500,000 sums, and the total length of service is 32 years. He did not submit documents for privileged labor activity and other benefits. According to the current legislation, the basic amount of pension calculation is equal to 289,000 sums.

We will calculate the amount of pension for Salimov according to the law:

- Basic pension amount: $2890000 \text{ soums} * 55\% = 1589500 \text{ soums}$;
- Increase for excess length of service, the total required length of service for a man is 25 years, in this case Salimov has 7 years of excess length of service, we will increase the amount of pension by 7% of the average monthly salary received to calculate the pension: $2890000 \text{ soums} * 7\%$ is equal to 202300 sums.

The total amount of pension is: $1589500 + 202300 = 1791800 \text{ soums}$. In this situation, during Salimov's working period, the average monthly salary without taxes and mandatory payments is 3,080,000 soums (3,500,000 soums after deducting 12 percent income tax according to the current legislation) after retirement, 58.2 will have an amount of income equal to percent, such a loss is evidence that people who earn high incomes during the working period will lose a large part of their income when they retire. This situation seriously undermines the attractiveness of the pension system, leads to a violation of the principles of social and economic justice, because a high salary earner pays a high amount of contributions to the pension system, but the amount of pension paid to him is actually paid. will be less than it should be.

Taking this into account, in order to ensure socio-economic justice, the Development Strategy envisages increasing the maximum amount of salary for pension calculation from ten to twelve times the basic amount of pension calculation starting from January 1, 2023. With this change, a higher pension will be awarded to a person who has transferred a large amount to the pension system. If we explain this through the example given above, we will calculate for the case when the upper limit of the average salary is up to 12 (twelve) times the basic amount of the pension calculation when assigning a pension to Salimov:





Salimov's average salary is 3,500,000 sums, 12 times the average salary for pension calculation is 3,468,000 sums, so we calculate Salimov's pension amount from 3,468,000 sums:

- Basic pension amount: $3468000 \text{ soums} * 55\% = 1907400 \text{ soums}$;
- Increase for overtime: $3468000 \text{ soums} * 7\% = 242760 \text{ soums}$.

The total amount of pension is: $1907400 + 242760 = 2150160 \text{ soums}$. With this change, Salimov's pension will increase by 358,360 sums, and his retirement income will increase by 11.6 percent compared to the previous arrangement.

The Strategy of Development envisages solving another problem in the pension system, which is the problem of adding the period of women's childcare to the length of service. We know that there are many problems related to seniority. According to the previous legislation, a maximum of 3 (three) years of a woman's time spent in child care were added to the length of service, and this order limited the honorable task of women, such as bringing up a perfect generation, instead of giving them a fair evaluation, taking into account this honorable duty of women, it was determined that up to 6 years of the time spent on childcare leave by our women will be added to the length of service for the purpose of pension. In addition, counting the period of care for children with disabilities from childhood up to the age of 18 to the length of service was also reflected in the legislation.

Another problematic aspect of our national pension system is that the pension system is actually one-tier and the multi-tier pension system is not established. Taking this into account, the Development Strategy also envisages the introduction of a multi-level and state-guaranteed pension system in accordance with international principles and standards.

Conclusion

As a conclusion, it should be noted that solving the existing problems in the state pension system is one of the most important tasks of the state in the Development Strategy, and pension payments for the elderly and the disabled are to be consistently increased in accordance with the economic indicators of the country.

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