

STAGES OF PENSION REFORM IN UKRAINE

Staverskaya T.

Ph. D. in Economics, Associate professor,
Kharkov State University of Food Technology and Trade

Shevchuk I.

Associate professor,
Kharkov State University of Food Technology and Trade

Over the past decades, there has been a rise in life expectancy and an increase in the financial burden of pension systems on the economies of the countries, which causes their reformation through the search for and introduction of more effective insurance methods and mechanisms and active involvement of the insured to finance retirement expenditures. In the world, active reform of pension systems began after the global financial crisis of 2008-2010, which took place through a combination of reform measures.

The stages of pension reform in Ukraine were aimed at:

1) 2004 – the reform of the joint-stock system; creation of a mandatory accumulation system; development of a voluntary non-state accumulation system;

2) 2011 – legislative changes in retirement age, insurance experience, determination of earnings, recalculation and payment of pensions; reduction of the percentage in the calculation of “special” pensions to 80% of wages; gradual introduction of a mandatory accumulation system;

3) 2017 – modernization of pensions; establishment of requirements regarding the

amount of required insurance period; the abolition of special conditions for retirement and the taxation of pensions, an increase in the minimum pension to 1452 UAH.

The main innovation in the second stage of the reform of the pension system was the increase in retirement age for women and the length of service. However, the adopted legislative changes in the third stage do not actually solve the fundamental problems of the pension system, in particular, to secure high revenues and overcome the deficit in the Pension Fund of Ukraine; do not provide financing for the proper level of payments, even if the number of recipients of pensions is significantly reduced due to the gradual increase of the minimum age of insurance up to 35 years.

The analysis of the reforming stages of the pension system has shown that in Ukraine, at present, the increase in retirement age has been obscured, but these measures do not solve the problem of the Pension Fund of Ukraine in the long run, therefore the next step should be the introduction of the second pillar of the pension system from January 1, 2019 – accumulative.