

## Potential for the development of non-state pension funds in Ukraine

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The implementation of pension reform in Ukraine with an increase in retirement age and stricter criteria regarding the size of retirement benefits actualized the relevance of the development of the accumulation pension system in Ukraine. The main intermediaries on the financial services market, who can provide the programs of the accumulation pension system for individuals and legal entities, are: non-state pension funds, insurance companies, which provide life insurance pension contracts, the risk of disability contracts, or the death of a fund participant contracts; and banks, that open the pension deposit accounts.

In most foreign countries, contributions to non-state pension funds account for more than half of all retirement assets. In Ukraine, non-state pension funds are among the main participants in the accumulation pension system, the amount of accumulated pension contributions in the non-state pension funds significantly exceeds the amount of net insurance premiums under pension insurance contracts. At the same time, the results of the analysis showed that the potential

of accumulative pension market in Ukraine is significantly higher than the actual market coverage at the present stage.

The participation of the main age group (25-50 years old) in the programs of accumulative pension insurance is only 4.3% and 3.2% of the total economically active population and the total population of Ukraine, respectively. According to the results of forecasting in 2018-2019 years, the average contribution rate to the non-state pension funds for one insured person is expected to decrease. At the existing level of contributions to the non-state pension funds and the maximum coverage of the population, the potential for growth of the non-state pension provision market for the age group of 25-50 years is almost 35 billion UAH.

Further resolution of the issue of increasing the role of non-state pension funds in pension provision of citizens, active promotion and increase in the volumes of pension assets formed by the accumulation system are important in the context of the pension reform and the deficit of the Pension Fund of Ukraine.