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ORGANIZATIONAL AND METHODOLOGICAL PENSION SECURITY SYSTEMS OF THE COUNTRY AND THE WAY THEIR IMPROVEMENT

ABSTRACT

The strengthening of European integration processes affects all aspects of the country's life, and the need to improve the efficiency of the pension system, primarily organizational, legal and accounting, is especially acute. In Ukraine, only the first and not fully the third level of the pension system are functioning. Regarding the second level of pension provision, the discussion continues from 2012 to the present day.

The purpose of the article is to assess the structure of the social pension system of the first solidarity level since its creation (2004), the order of formation over a long period; proposals for improving its structure taking into account foreign experience.

The analysis of the current system of pension provision. A constant increase in the deficit of the Pension Fund was determined, the size of which was affected by the adoption of a number of regulatory documents for application from 01.01.2016, aimed at changing two sources of its formation (the first - reducing the percentage of deductions from 36.76% and 49.7% and not taking into account this class of professional risk - 67 items and acceptance for deductions for all subjects - 22%; the second - the cancellation of contributions from the wages of employees - from 2% to 6.1%). Factors influencing the formation of the pension fund were analyzed (the number of registered unemployed, taking into account (COVID-19), military actions, external and internal migration, etc.). In order to eliminate the deficit of the Pension Fund, it is proposed to improve its structure (create a single Pension Fund), to provide conditions for the transition to the accumulated fund of the second pension level (in addition to the first level - solidarity), which will contribute to the improvement of the pension provision of pensioners.

Keywords: pension provision; pension; social security system; levels - solidarity, accumulative, voluntary non-state; reform; social security funds

JEL Classification: G23, H55

INTRODUCTION

The Pension Fund of Ukraine was created in the early 1990s. Over a long period, a huge amount of work was carried out in stages: the list of works in the departments was computerized; a department for automating the accounting of the receipt of insurance premiums was created; personalized accounting of contributions for each individual; the functions of appointment and payment of pensions, which were previously carried out by the social protection bodies, have been transferred to the bodies of the Fund; since January 2004, the creation of a three-level pension system in Ukraine is planned; monthly reporting of employers to the personalized contribution accounting system was introduced (this made it possible to ensure a monthly update of the database on the payment of insurance contributions for each citizen).

Today, the Pension Fund of Ukraine is one of the most powerful and developed institutions in the country, which has enormous organizational and technical potential, capable of solving and implementing the most difficult tasks. Despite the enormous work done, the Pension Fund remains subsidized with a low level of pensions, the average level of which is even 50% less than the minimum wage in Ukraine.

To cover funds, the Pension Fund constantly allocates funds from the budget and treasury. In the planned budget for 2022, UAH 201 billion has been set aside for the Pension Fund subsidy, which is only a couple of percent more than in 2021. At the same time, the Pension Fund remains the largest administrator of budget funds, operating in the amount of more than half a trillion UAH. As of August 25, the financing of pensions for August 2022 was completed, in particular, 51.4 billion UAH were allocated to the payment of pensions for the month, which is 1.2 billion UAH more than in July (50.2 billion UAH). The main problem that needs to be solved is the implementation of organizational and methodological issues regarding the use of the deficit-free Pension Fund.

LITERATURE REVIEW

A significant number of scientific papers are devoted to the problem of evaluating the pension system, and identifying ways to improve it both in the periodical literature of Ukraine and in other scientific and metric databases (Scopus, web of science) of foreign countries. countries (EU, Latvia, USA, etc.). A significant contribution to the pension reform was made by: Seniv L., Komarinets S. [49], Raevska O. [46], Fabozzi Frank J. [17], Botos J., Botos [12], Gavius I., Kalagi T., Malul S., Yosef R.A. [19] Kudrna G., Tran C., Woodland A. [25].

In recent years, there have been various discussions about reforming pension financial viability, on the one hand, and achieving greater equity, on the other. Today, parametric reforms are no longer enough, and it is necessary to replace the insurance system in the state pension system with an investment system, that is, investing in human capital. Our occupational pensions will be supplemented by a second payment channel based on a child or voluntary pension fund. The proposed reform will in any case lead to greater justice, which can play a significant role in strengthening family solidarity, encouraging childbearing, and mitigating demographic problems.

In particular, Seniv L., Komarinets S. [49] believe that the pension system is influenced by factors, the list of which can be reduced to: economic, social, demographic, scientific and technical, and, according to the authors, military. The current problems of the pension system of Ukraine are deep during the current period due to military actions, but they are temporary compared to countries such as East Asia and the Pacific region, India, some countries of Latin America, and Albania [49]. In Ukraine, the question of the need to reform the pension system has been raised for more than a dozen years. The opinion of the authors in Ukraine boils down to the need to focus on the experience of leading European countries.

The analysis of the Latvian pension system allowed Rajevska O. to identify the main criteria that affect its level [46]:

- increase in the ratio of old dependents (that is, pensioners);
- income gap between Latvians and Europeans;
- high level of unemployment (increase in the number of aid recipients, not contributed by the unemployed, application of the minimum amount of social contribution); the shadow economy leads to the undeclared labor of workers, which leads to a decrease in contributions from the working population.

The functioning of non-state pension funds in all countries and in particular in the USA [17] contributes to the emergence of pension system risks. Investment policy and liability assessment methodology are important, the content methodology of which must be interconnected through the Pension Benefit Guaranty Corporation (PBGC).

The latest information technologies today play a significant role in practical activities. In particular, the efficiency of the pension system is checked by the level of income [25], which has a peculiarity and compares the level of pension payments according to the economic status of the person. In the context of an aging population with a widening gap in life expectancy, this approach creates an automatic mechanism that mitigates the immediate financial costs of the state old-age pension program (fiscal stabilization mechanism) and redistributes pension benefits to those who need them in a shorter time frame. life expectancy (redistribution system).

To evaluate this automatic mechanism, it is necessary to use a model of comparison of generations with an aging population. The results of the study show that this new mechanism plays an important role in curbing the adverse impact of population aging on fiscal costs and increasing the progressivity of the pension system. A well-designed means-testing approach can create a sufficiently powerful automatic mechanism to maintain a stable and progressive level of public pensions in an aging population.

AIMS AND OBJECTIVES

The purpose of the article is to analyze, evaluate, and provide proposals regarding the functioning of the surplus pension fund and further create prerequisites for the transition to its accumulative part. To realize the set goal, the following tasks must be solved:

- consider existing pension systems in foreign countries to apply their experience;
- outline the problems of the pension system in Ukraine and propose improvements in its functioning (structure, filling, and further reform);
- determine the prerequisites for the creation of the second - accumulative level of the level of pension provision.

METHODS

The research was conducted using the following methods: grouping - the amount of pension payments by population group - 0.7 million pensioners receive up to UAH 1.4 thousand; from 1.5 to 2.0 thousand hryvnias. - 1.8 mln. persons; from 5.0 to 10.0 thousand hryvnias - 1.29 million people; more than UAH 10.0 million respectively, 0.4 million people – fig. 4; comparison - current pension systems of pensioners in dollars in Ukraine (minimum value 125.7) and in foreign countries - maximum - in Finland 2000), that is 15.9 times more - fig. 5; balance method - with the application of the minimum and maximum amount of pension provision of the minimum wage in Ukraine - from 01.01.2022. until September 30, 2022 - 6500 UAH, respectively from 01.10.2022 - 6700 UAH - table 2; statistical and graphical analysis - the number of pensioners in 2010 was 13.7 million people, as of January 1, 2022. 10.8 million people, that is decreased by 2.9 million people in 12 years and the population, respectively, decreased by 4.7 million people during the specified period with 45.9 million people up to 41.2 million people that is their decreasing trends - fig. 6.; scientific abstraction - determination of prospects for increasing pension provision - fig. 10, taking into account the elimination of debatable comments regarding the optimization of the structure of the Pension Fund; historical and logical - the formation of the pension system and its development depending on the size of the contribution to the solidarity system - in Ukraine 18.84%, Switzerland 23.5%, Slovenia 27.5%, Italy 33.0% - fig. 12. etc.

RESULTS

State pension provision was proposed by Julius Caesar back in the 1st century to before our era, after the end of the service, initially for the military. After that, a joint state pension was officially introduced for all working people in 1889 by the chancellor of Germany, and 20 years later it was introduced in Great Britain and Australia, in Sweden in 1913, and later in the 30s of the 20th century - in the United States of America. The state solidarity pension system inherited from the former USSR since 1956, and then transferred to Ukraine, was based on the principle of generational solidarity - when working people pay pensions to today's pensioners. Accordingly, money moves from younger to older, which is why this pension system is called "solidarity". More than 60 years have passed since the creation of the state solidarity system in Ukraine, and 130 years in Germany.

Social security is based on a single social contribution. The general provisions determining the procedure for collecting social security contributions are established by the Law of Ukraine "On the collection and accounting of a single contribution to mandatory state social insurance" [58]. The formation and changes of the social insurance system went through two stages and today it is in the third stage. In the first stage, it was assigned to four mandatory state social funds, which are presented in Fig. 1: Pension Fund, Social Insurance Fund in case of unemployment, Social Insurance Fund against accidents at work and occupational diseases, and Insurance Fund in case of temporary loss of working capacity.

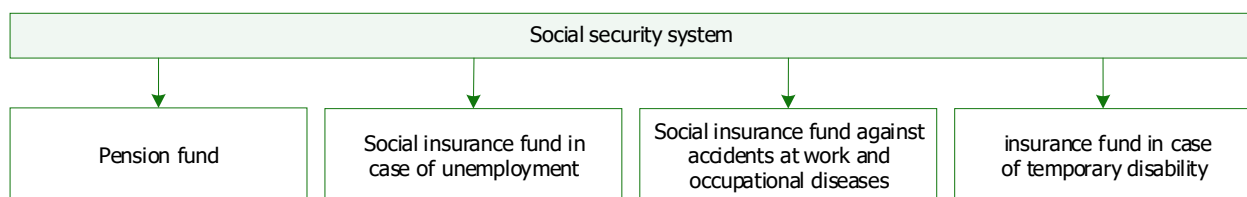


Figure 1. The first stage of the structure of state social security.

The adoption of the Law [53] contributed to the creation of a method of formation for each of them (as a percentage of the accrued salary), and for the Pension Fund, additional deductions from salaries and, accordingly, the accumulation of funds with an individual (personalized) number directly to a personalized person. Thus, the formation of the Pension Fund took place from two sources - accrual to wages and deductions from it.

The rates of calculation of single social payments (EUS) were set differently depending on the type of player and classes of professional risk. Until 01.01.2016 there were 67 classes of occupational risk of production, to which the payers of the single contribution were assigned. For each of these classes, the size of the single contribution to the defined accrual base was set (from 36.76% to 49.7%) of the accrual base [7]. Subsequently, since 2016, amendments were made to the Law on Social Protection, which established the amount of a single contribution from accrued wages (paid by the employer) at the level of 22%, regardless of the type of economic activity of the payer of the single contribution, and at the same time, the withholding of contributions to the social security fund from wages was canceled insurance in the amount from 2% to 6.1% (Table 1). That is, the income of contributions to the Social Insurance Institution decreased by two sources: from employers by half without taking into account the class of professional risk and cancellation of deductions from wages. Accordingly, such changes reduced the revenue part of the single social payments (EUS).

Table 1. The rates of uniform social payments of the EUS for withholding from the wages of employees for the period 2004-2015.
(Source: completed by the authors according to source [54])

Terms of payment	EUS rate, %
For individuals who perform work (provide services) under civil law contracts for military personnel (except conscript military personnel), rank-and-file and senior officers	2.6
From the income of employees in the form of payment for the first five days of temporary incapacity at the expense of the employer and temporary incapacity benefit	2
For disabled people who work at enterprises Ukrainian Society of the Deaf, Ukrainian Society of the Blind	2.85
For employees - citizens of Ukraine, foreigners; for citizens of Ukraine who work in diplomatic missions and consular institutions of Ukraine located outside of Ukraine, etc.; for persons working in elected positions in state authorities, local self-government bodies, citizens' associations for employees of paramilitary formations, mining rescue units	3.6
For payers who work in positions where work is counted as seniority, which gives the right to receive a pension in accordance with the relevant legislation of Ukraine	6.1

The problematic functioning of the social system in Ukraine led to the need to adopt the Law of Ukraine "On mandatory state social insurance" [3] Article 4, Chapter II and the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine" [2], the content of which provided unification of funds and defining them as part of the Social Insurance Fund of Ukraine, in particular: mandatory state social insurance against an accident and in connection with temporary disability and medical insurance (Fig. 2). Such unification contributed to the reduction of administrative costs for the maintenance of funds, improvement of their work, and the use of funds as intended.

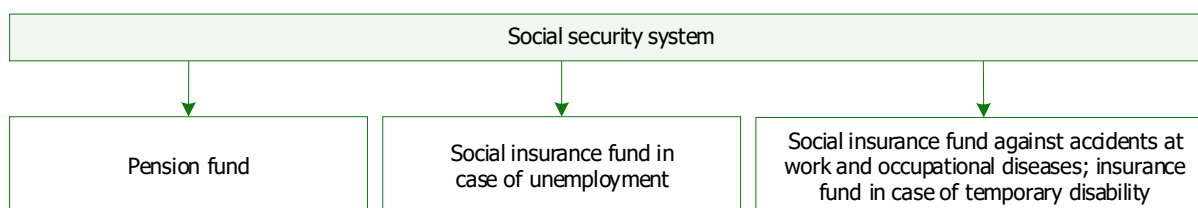


Figure 2. The second stage of the structure of state social security.

In Ukraine, the presence of the unemployed and the illegally employed population is observed (in 2019, there were 3.5 million people) [22], which negatively affects the fullness of the PF budget and, accordingly, its ability to carry out the necessary expenses. In 2020, compared to 2021, the number of unemployed populations decreased by 1.64 million people [22], however, during 2020, there is a negative trend of growth in the number of unemployed people in Ukraine (Fig. 3).

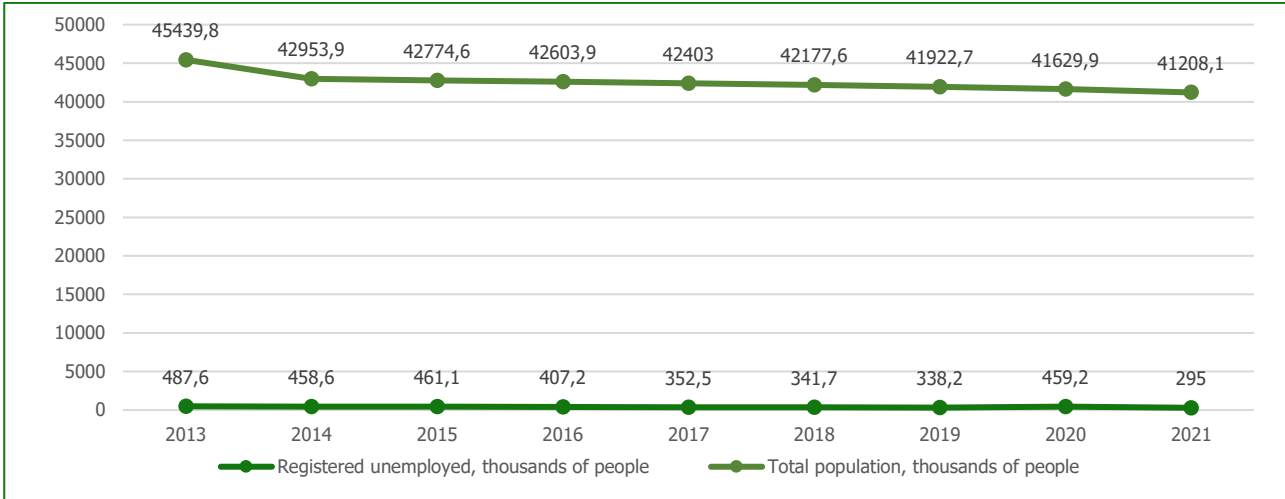


Figure 3. Dynamics of the number of registered unemployed and the entire population of Ukraine in 2013-2021. (Source: completed by the authors according to source [22])

During the ten months of 2020, the unemployed population increased by 0.65 million people, which is a negative trend.

Analysis of pension provision in Ukraine (Fig. 4) shows that the vast majority of pensioners - 4.59 million people (41.2%) - receive from UAH 2,000. - up to UAH 3,000. pension, which is usually insufficient for even comparison with the minimum living wage (as of September 1, 2022, it is UAH 6,500.00 thousand).

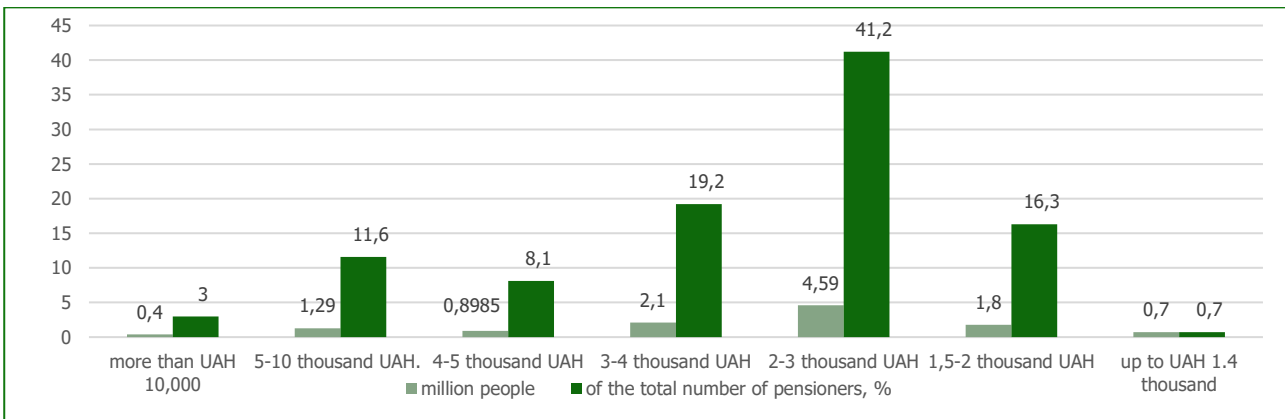


Figure 4. The level of pensions paid to pensioners as of January 1, 2021. (Source: completed by the authors according to source [37])

As a result of existing negative factors of influence, pensions paid by the Pension Fund are quite low, especially in comparison with pension payments to retirees in foreign countries (Fig. 5).

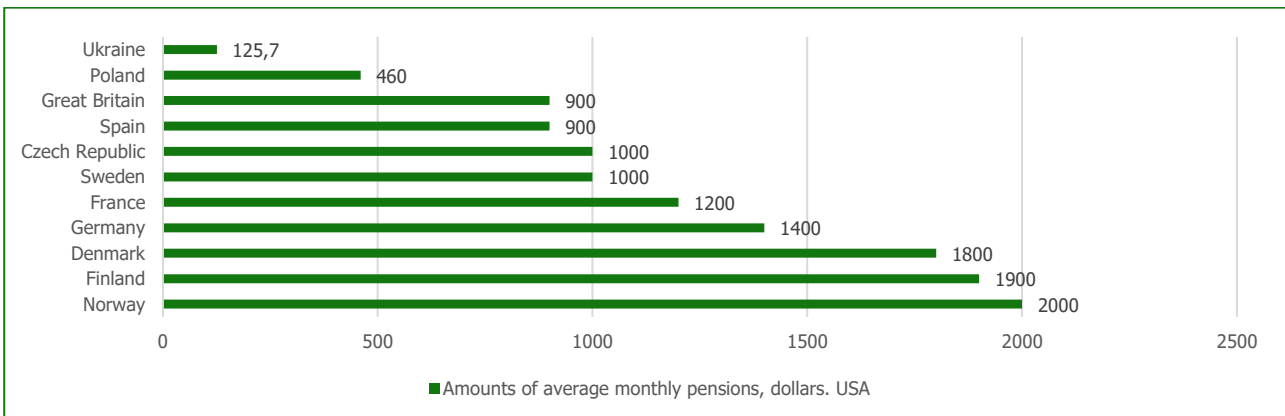


Figure 5. Average monthly pensions in European countries in 2021, USD USA. (Source: completed by the authors according to source [42])

The assessment of the state of pension provision, taking into account the conditions of martial law during internal and external migration, is assessed as follows. As of January 1, 2022, the number of pensioners in the country was 10.8 million, and the population was 41.2 million (Fig. 6).

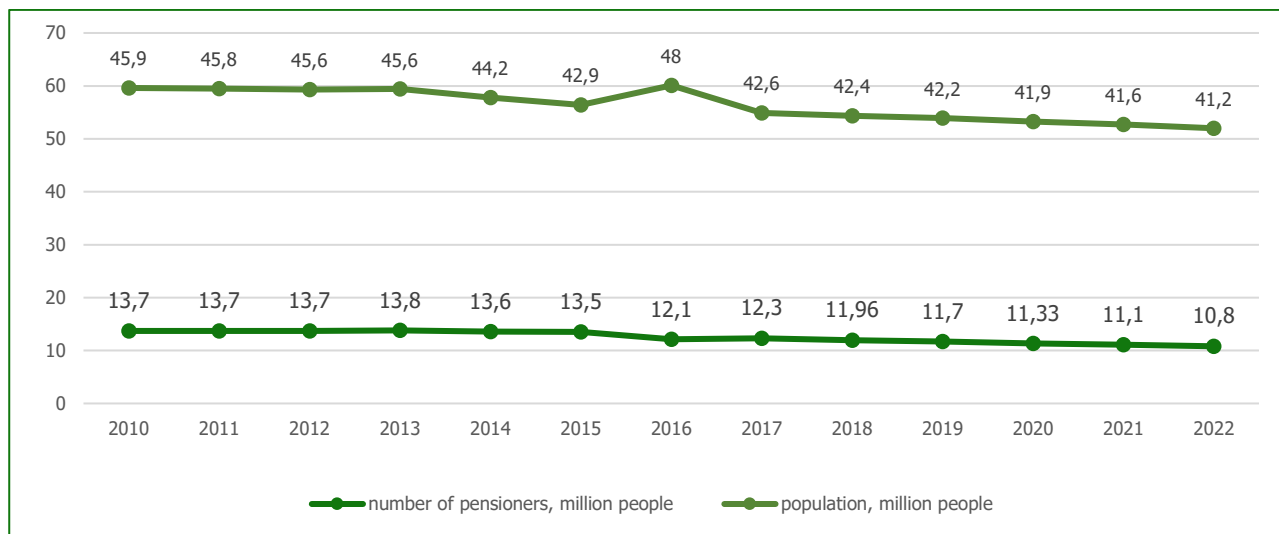


Figure 6. Dynamics of the total population and pensioners in Ukraine in 2010-2022. (Source: completed by the authors according to source [35; 36; 37])

During the period 2010-2022, the number of pensioners decreased by 4.7 million people, or by 10.2%. During the analyzed period, the total population of Ukraine decreased by 4.7 million people and amounted to 41.2 million people at the beginning of 2022. From January 1, 2016 to January 1, 2022, the population decreased by 6.8 million people, and the number of pensioners by 1.3 million people. At the beginning of 2022, pensioners made up 26% of the country's population. It should be taken into account that the pension from the solidarity system is assigned on the condition that the pensioner has the necessary insurance experience.

Russia's invasion of Ukraine (from February 24, 2022) led to forced migration (internal and external). In the first month of the full-scale war, the internal migration of people was equal to 6.5 million (they left their place of permanent residence and moved within the country), and, accordingly, the external migration was 3.6 million (kilometer-long queues formed at the border). Leaving their city for safer areas remains a difficult task for residents of many Ukrainian cities due to non-compliance with humanitarian corridors and constant shelling of civilian cars by Russian troops (attempts to leave Mariupol, Chernihiv, Sumy, and other cities cost lives). Up to 150,000 people crossed the border every day. The number of people who left Ukraine from different regions is shown in Fig. 7.

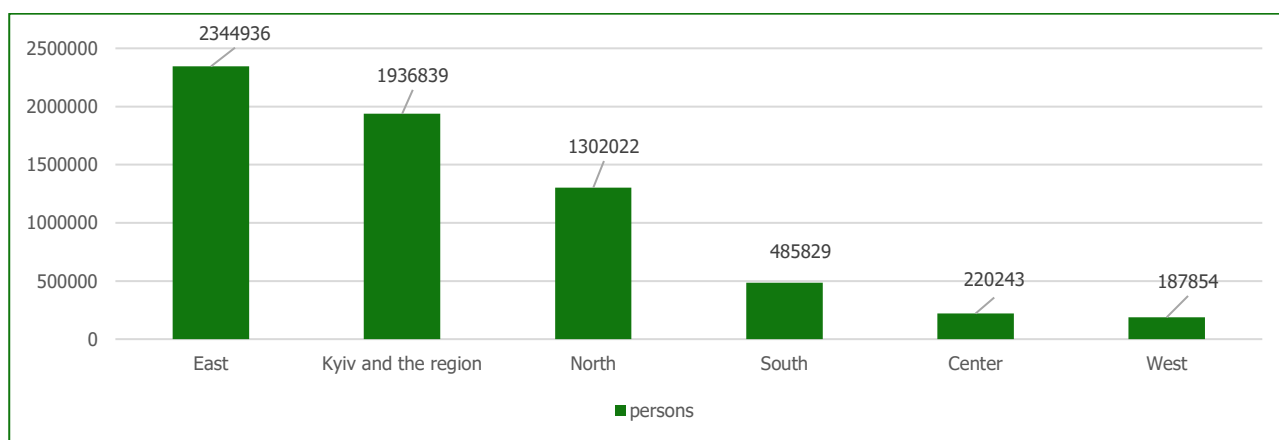


Figure 7. Internal migration within Ukraine. (Source: completed by the authors according to source [35])

In total, almost 48% from different regions within Ukraine left for other regions (Fig. 8). Data from regional administrations indicate disparities in the number of new arrivals by region. Registration takes place in the following cases: new arrivals apply for help with the settlement or for humanitarian aid.

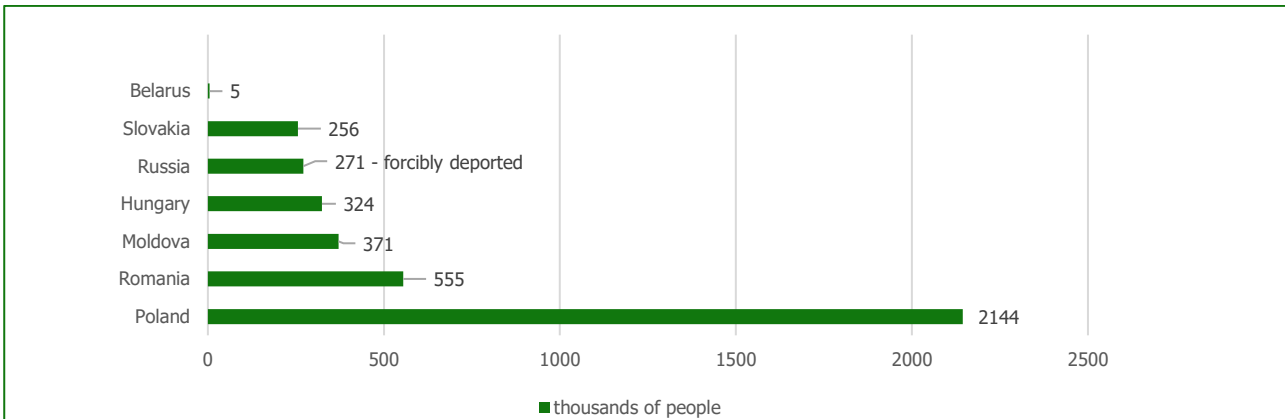


Figure 8. External migration to countries bordering Ukraine. (Source: completed by the authors according to source [35])

In the conditions of martial law, a large part of pensioners receives payments through Ukrposhta or with home delivery, in unoccupied territories - through banks. There are some delays in payments due to: technical reasons, personnel potential, and permanent migration. Decisions are made on a case-by-case basis, but payouts mostly all happen.

It should be noted that the number of the economically active population of the country in October 2021 was 17.38 million people, of which the employed population was 15.89 million people, or 91.4% (Fig. 9).

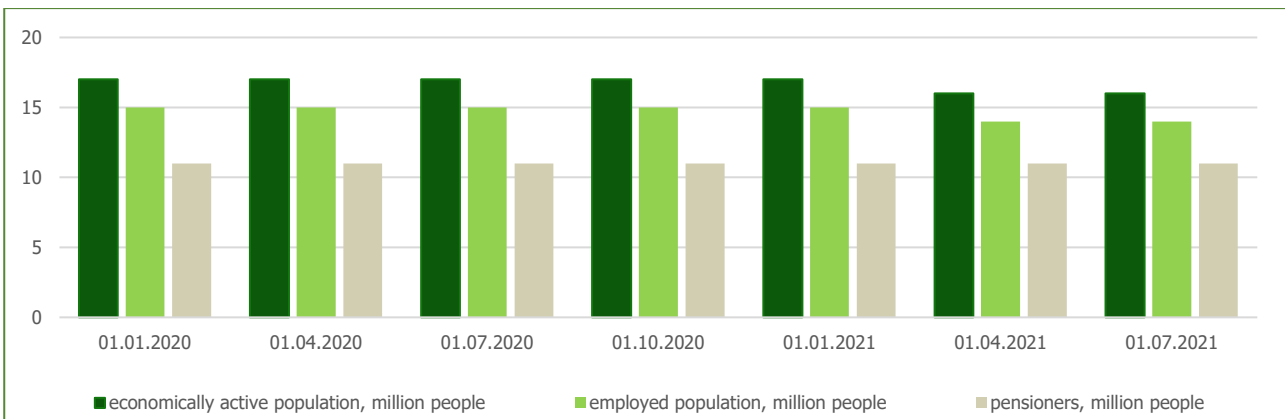


Figure 9. Dynamics of the number of the economically active population, employed population, and pensioners in Ukraine during 2020-2021. (Source: completed by the authors according to source [35; 36; 37])

In connection with the current situation, the reform of the Pension fund began more than 10 years ago (2012) and was aimed at reducing its deficit. In the process of reforming the solidarity level of the pension system, an innovative improvement of the PF and its branches was carried out, as a result of which its activities were significantly improved, in particular, the processes of providing services to citizens were improved. Innovations contributed to European integration shifts, simplified many procedures, and improved accounting processes [21]. The retirement age for women has also been increased and a gradual increase in the insurance length of service required for retirement has been implemented [22;24]. But the innovations carried out cannot solve all the existing problems of the solidarity system caused by the above-mentioned existing factors.

For this, it is necessary to introduce significant changes to the legislation in order to balance the income and expenses Pension fund. For this purpose, implemented:

- limitation of the minimum and maximum amount of the pension in accordance with the Law of Ukraine "On the collection and accounting of a single contribution to mandatory state social insurance" [11];
- reduction of the amount for calculating the pension - from 90 to 80 percent of the salary of civil servants, which is the basis for its appointment;
- improvement of the conditions of pension provision for employees of the budget sector upon their retirement in a multiple amount to introduce a one-time benefit;
- increasing the period of military service for servicemen;

- gradually increasing retirement age and insurance experience.

From January 1, 2015, employers are obliged to pay the amount of social security no less than the minimum (the amount of which is calculated based on the minimum wage), regardless of the amount of its accrual. For natural persons – entrepreneurs, until 2016, the minimum social security tax was 34.7% of the minimum salary, and from 01.01.2016, as mentioned earlier, the social security tax rate was reduced to 22% (for all categories of payers). The limits of the minimum and maximum wages are presented in Table 2.

Table 2. The minimum and maximum size of the EUS in 2022. (Source: completed by the authors according to source [58])

Period - 2022	Minimum wage, UAH	The size of the EUS in 2022, UAH	
		minimum (minimum wage *22%)	maximum (15 minimum wages)
January-September	6500,00	1430,00	-
October - December	6700,00	1474,00	-
January-September	97500,00 (6500,00 *15)	-	21450,00
January-September	100500,00 (6700,00*15)	-	22110,00

A number of factors have a negative impact on the reform of the Pension funds, including:

- the current economic crisis, exacerbated by the coronavirus pandemic and martial law;
- underdeveloped investment market;
- lack of the necessary economic conditions.
- at the same time, among the planned factors, the following were not implemented:
 - increasing the base for calculating the single social contribution;
 - introduction of the II level of pension provision (accumulation system of mandatory state pension insurance);
 - creation and introduction of non-state pension funds.

The analysis of payments to pensioners from the pension funds in Ukraine shows that today the state solidarity system is irrevocably outdated and no longer corresponds to demographic and economic realities. The increase in the standard of living over the last century contributed to its duration and the decrease in the number of children in the family, which led to the aging of the population. Working people can no longer support the growing number of pensioners. In Ukraine, as of 2011, there were 88 pensioners per 100 working people who paid insurance premiums (i.e. - 1.14: 1.00), and as of April 1, 2022, due to significant changes in the legislation, this ratio was 1.00 :1.27. According to calculations, in 2025 it would be 1.00:1.00, in 2050, according to forecast data, it would be 1.25:1.00. According to experts, taking into account that for the solidarity system, which is currently obliged, financially support the existing pensioners, the ratio of the employed population and pensioners, which is 1.00:1.00, is critical, the existing unfavourable trends cannot be ignored and require an immediate response. Special attention should be paid to accounting components in order to preserve and strengthen the effectiveness of the pension system of Ukraine.

Further research in practical work and periodical literature indicates the need to combine three funds into one with the aim of: reducing administrative expenses for management; increasing the effectiveness of funds in performing their functions; creation of a unified information management system; strengthening of state control over the use of funds. That is, to create on the basis of the Pension Fund (it has a powerful network of territorial social insurance bodies) and to include in its base: the Social Insurance Fund in case of unemployment and the combined Social Insurance Fund against accidents at work and occupational diseases and the Insurance Fund in case of temporary loss of working capacity Fig. 10.

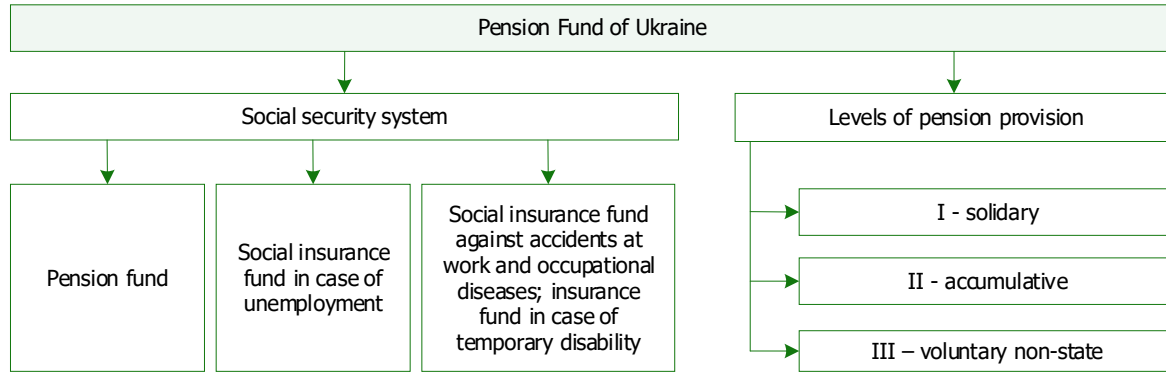


Figure 10. The third stage of the social security structure.

The confirmation of the authors' proposal is the discussion in the Verkhovna Rada and the adoption in the second reading of the draft Law of Ukraine "On Amendments to the Law of Ukraine "On Mandatory State Social Insurance" (new version) and other legislative acts of Ukraine" [50]. At the same time, it is envisaged to approve a separate share of the EUS for each type of insurance and accordingly to form separate budgets, to reduce costs for the administration of social funds. In addition, it is proposed to settle the issue of obtaining funds from the sale of property and directing them to replenish the revenue part of the Budget. The liquidation of the Social Insurance Fund as a legal entity and its subsequent joining to the Pension Fund was supported by the Verkhovna Rada of Ukraine on September 21, 2022. According to preliminary estimates, the system will be launched on January 1, 2023. and the expected effect will save 2-3 billion hryvnias. annually [9; 57].

The functioning solidarity system, in addition to the pronounced problem of the aging of the population in Ukraine, its current structure has a number of other problems that prevent its effective functioning and may lead, and even in the near future, to the incapacity of the first level of the pension system. It should be noted that the existing ratio is calculated without taking into account the existing shadow employment, that is, the presence of illegal employment, as a result of which certain taxes are not paid, as well as the EUS, which is the most significant source of own revenues of the PF, which represents a solidarity system [4].

Today, the following distribution between the funds is foreseen: 85.6215% of the revenues from the EUS in the form of own revenues are directed to the PF; 4.8058% - to the unemployment insurance fund; 9.5727% - to insurance funds against accidents and occupational diseases and insurance in case of temporary disability (Fig. 11).

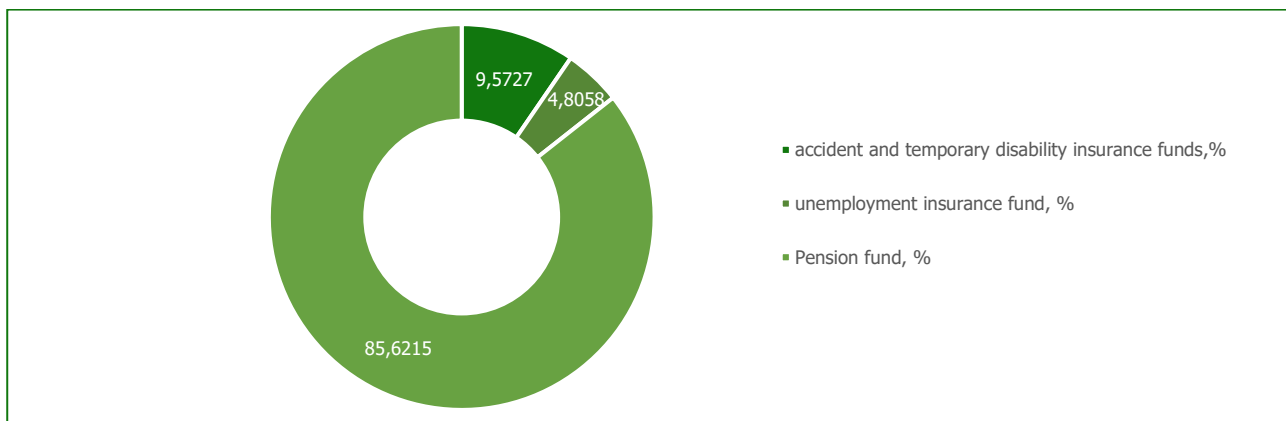


Figure 11. Distribution of the EUS between the Pension Fund and social insurance funds. (Source: completed by the authors according to source [26])

However, the amount of contributions to the solidarity system in Ukraine ($22\% \times 85.6215\% = 18.84\%$) is one of the lowest in the world (figure 12.).

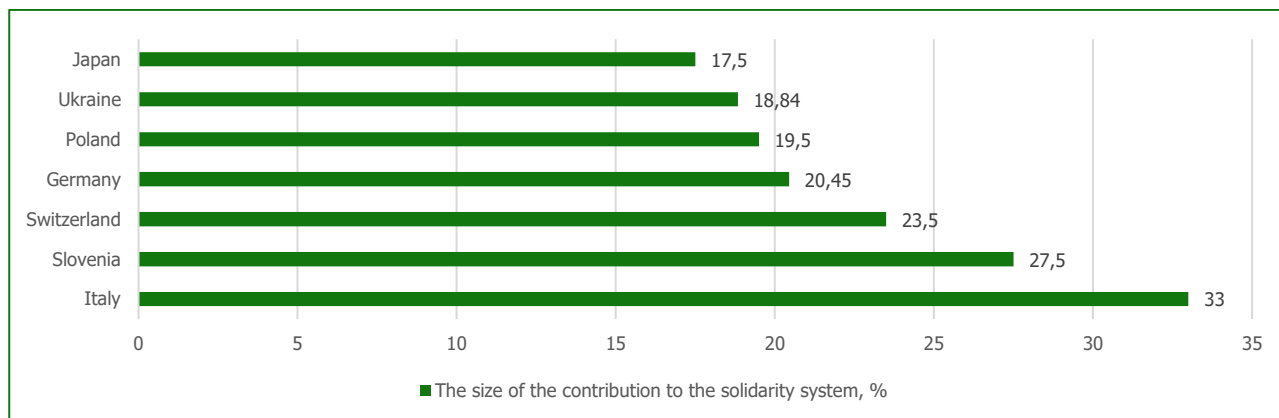


Figure 12. Amounts of contributions to the solidarity system by country, %. (Source: completed by the authors according to source [27])

In our opinion, such allocation of funds to funds is not appropriate and will be adjusted according to the new structure (Fig. 10). It is appropriate to note that the amount of contributions to the solidarity system in Ukraine (22% \times 85,6215% = 18,84%) is one of the lowest in the world (Fig. 12), therefore, in our opinion, their level should be revised.

Today, the solidarity system's effectiveness is formed at the expense of own revenues and dating by the State Budget of Ukraine and the State Treasury of Ukraine [22]. It should be noted that the amounts of funds allocated for subsidies are increasing every year (Fig. 13), while they could contribute to the solution of many social and economic problems in the country.

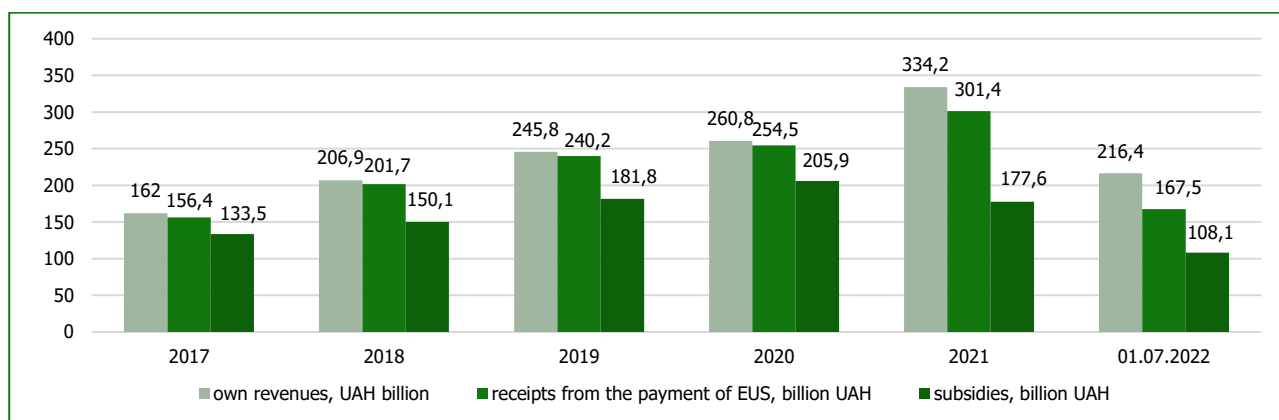


Figure 13. Dynamics of own income, income from the payment of social security contributions, and subsidies from the Pension Fund in 2017-2022. (Source: completed by the authors according to source [37])

During 2017-2021, the sums of the solidarity system's own revenues increased significantly (by UAH 177.2 billion, almost 2 times). However, during the analyzed period, the amounts of subsidies from the State Budget also increased (by UAH 44.1 billion, or by 33.0%).

Currently, the pension system of Ukraine, as noted, is theoretically three-level (since 2004 [10]). If the first level (solidarity system) and partly the third level (non-state pension provision) function problematically, then the second level (mandatory savings system) has not been implemented as of January 1, 2022, despite numerous draft laws regarding its functioning. According to draft law No. 4408, developed by the Ministry of Social Policy, a professional accumulation system for enterprises with harmful working conditions was supposed to start functioning in January 2021 [30]. Its implementation was planned for citizens who have not reached the age of 35 and have the right to preferential pensions. Draft law No. 2683 on the introduction of a mandatory savings system in 2021 was also developed, which proposes to oblige all working people to pay contributions to the second level of the pension system by the time they reach retirement age [30]. We believe that this proposal should be postponed until the end of martial law in the country.

DISCUSSION

The conducted research indicates the existence of three areas of discussion issues: introduction of clarifications in the legislation regarding the optimization of social security functions; creation of legislative grounds for the introduction of an accumulative pension fund; attracting foreign investments to the country.

First, we support the well-founded initiative of the Central Committee of the Trade Union of Education and Science Workers of Ukraine regarding the significant narrowing of the rights of insured persons in accordance with the "Draft Law on Optimizing the Functions of the Social Insurance Fund", the content of which needs to be revised [35; 56], in particular:

- increasing the period of payment by the employer of the first days of the insured event from 5 to 10, i.e. transferring the functions of the social insurance fund to employers (in the field of production, this will lead to an increase in the cost of products and services and, accordingly, their price; in the budget field - to the need to increase budget expenditures, which requires simultaneous changes to legislation);
- temporary disability benefits are provided to start from 50% of the average salary (income) with a step-by-step increase of 10% for every 5 years of insurance experience and granting the right to its payment in the amount of 100%, provided that there are more than 20 years of experience (which will lead to narrowing of the rights of insured persons in accordance with the prohibition of Article 22 of the Constitution of Ukraine);
- it is planned (part 2 of article 22) to make payments of benefits for temporary incapacity in connection with the implementation of measures aimed at preventing the emergence and spread of the corona virus disease (COVID-19), which is paid by the Fund to insured persons starting from the 11th day instead of the current norms "from the 6th day"; to refuse to provide assistance for temporary incapacity for work during a period of downtime not due to the fault of the employee (part 1, article 23);
- to reduce (clause 1, article 31) the term of application for financial support to six calendar months from the day of restoration of working capacity, establishment of disability, end of leave due to pregnancy and childbirth, death of the insured person or a family member, instead of the period of 12 months provided for by the current edition;
- remove the article (clause 1 of article 31) of the project on depriving part-time workers of the right to receive benefits in connection with temporary incapacity, leaving the current wording (the right of a part-time employee to pay a salary is violated from temporary disability);
- to pay assistance in the amount of 100% of the average salary (income) regardless of insurance experience to persons who are in health care institutions, as well as in self-isolation under medical supervision in connection with the implementation of measures aimed at preventing the emergence and spread of corona of a viral disease (COVID-19), as it is provided for medical workers, which will ensure the implementation of equal state guarantees for insured persons, in particular from among teaching staff;
- it is impractical to foresee in the project the norms of Art. 34-1 introduction of an additional control body in the person of insurance experts - doctors for checking the validity of medical conclusions on temporary disability.

Secondly, in Ukraine, the population is concerned about the creation of an accumulative pension system. In an interview, D. Shmyhal noted [58] that work on the creation of a legislative framework for the pension accumulation system has begun and several important steps have been taken with the participation of the Ministry of Social Policy, the Pension Fund of Ukraine, and other government structures. According to the draft law, innovations on the accumulated pension should enter into force on January 1 of the following year, after the end of martial law. The cumulative level of the pension system will be an addition to the solidarity system. We support the opinion of international financial organizations (including the IMF and the World Bank) that for the introduction of the accumulative pension system there must be suitable favorable conditions, that is, steady economic growth and a significant increase in the income of the population (at least for several years in a row).

In the current conditions, there is a risk that savings in pension accounts may be negative, which cannot be allowed. At the same time, in the process of preparing regulatory documents, discussions are ongoing about the creation of a Unified Social Register, which must be created and applied by all ministries that are directly related to it. To date, a draft law on the treasury pension plan has been registered, which should be applied when implementing an additional voluntary pension accumulation system.

Thirdly, work is constantly being carried out in Ukraine to attract foreign investments to the country and to provide large investors with preferences and benefits. Conducted studies show that private investment is suspended for two reasons: the presence of a venous condition and abuse. Military risks remain significant, and business does not have the opportunity to have a clear, transparent, and reliable financial instrument for business protection. We are talking about insurance

against war risks that are not covered by standard insurance products. We believe that in the current conditions it is practically impossible to reduce the risk of physical destruction of assets in accordance with the end of military operations and the process of restoring the territories of Ukraine. The elimination of abuses is possible only as a result of the availability in the accounting and legal aspect of a scientifically based mechanism for transparent receipt, targeted use, reporting, and confirmation of the authenticity of the specified procedures by audit services, and public disclosure.

CONCLUSIONS

The analysis of the current pension system of Ukraine shows that it is no longer able to perform its proper functions, which is due to the existing negative factors of influence. Accordingly, this leads to a deterioration in the standard of living of pensioners and to the risk of not being able to provide for them. As a result of this negative trend, there is an additional burden on the State Budget of Ukraine, with negative dynamics of strengthening, subsidies from which, at the moment, are the only possibility of minimal correction of the situation at the expense of funds necessary for other socio-economic changes. In order to preserve the legal capacity and increase the effectiveness of the functioning of the domestic pension system, decisive and active steps are necessary in the direction of its reform and improvement of all its components, taking into account the experience of foreign countries with effectively functioning pension systems. In order to strengthen the effectiveness of the functioning of pension provision, it is necessary to:

- create a single optimal structure of pension provision in Ukraine, taking into account the comments;
- develop measures to strengthen the fight against shadow employment;
- ensure the development of a business entity development strategy that will contribute to the creation of new jobs and increase wages for the employment of unemployed persons and combating labor migration;
- to reasonably increase the rate of ESU accruals taking into account the class of professional risk;
- gradually, in the presence of appropriate conditions, promote the introduction of the second level of pension provision - the accumulation system and its full functioning together with the solidarity system;
- to create the Corporation for guaranteeing pension payments, accordingly, to invest the deposited funds in investments;
- develop the domestic investment market in every possible way.

The listed measures will ensure an increase in the solidarity system's own income in the form of a share of the EES, which will increase the ability of the solidarity system to function effectively; will contribute to the increase of the population's interest in participating in the system of non-state pension provision, the effective functioning of both joint (I level) and accumulative (II and III levels) components of the pension system.

Thus, in order to eliminate negative trends in the pension system, it is necessary to reform it similarly to foreign countries, with the aim of: • raising the standard of living of pensioners; • establish the dependence of pensions on the amount of earnings and work experience; • ensure the financial stability of the pension system; • to encourage citizens to save money for old age.

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ОРГАНІЗАЦІЙНА ТА МЕТОДИЧНА СИСТЕМИ ПЕНСІЙНОГО ЗАБЕЗПЕЧЕННЯ КРАЇНИ ТА ШЛЯХИ ЇХ УДОСКОНАЛЕННЯ

Посилені євроінтеграційні процеси стосуються всіх аспектів життєдіяльності країни та вимагають прогресивних змін заради суспільно-економічного розвитку держави. У таких умовах жодна сфера діяльності не може лишитися поза увагою. Це стосується й національної системи соціального забезпечення, яка перебуває на сьогодні в досить складному становищі. Тепер в Україні особливо нагальною є потреба в удосконаленні й реформуванні пенсійної системи, у першу чергу організаційної, правової, облікової, задля можливості збереження та бажаного покращення її дієздатності. Це забезпечить належний рівень життя громадян, що мають право на пенсію й становлять найнезахищений та досить численний прошарок населення України. На сьогодні відповідно до законодавства система соціального забезпечення складається з трьох рівнів: перший – солідарний; другий – накопичувальний; третій – добровільний недержавний фонд. В Україні функціонують лише перший і не повною мірою третій рівні системи пенсійного забезпечення. Стосовно другого рівня пенсійного забезпечення триває дискусія з 2012 року й до сьогодні. Основними результатами запровадження солідарного рівня є: створення нової структури соціального забезпечення, визначення джерел його наповнення, обґрунтування підстав переходу до накопичувальної системи.

Основні висновки: проведено аналіз чинної солідарної системи пенсійного забезпечення та визначено її недоліки; запропонована система соціального забезпечення, в основу якої покладено Пенсійний фонд (до складу якого входять: фонд соціального страхування на випадок безробіття, фонд соціального страхування від нещасних випадків на виробництві та професійних захворювань, фонд страхування у випадку тимчасової втрати працездатності); визначено порядок його формування (нарахування у відсотках від заробітної плати з урахуванням класу професійного ризику); викладено проблемні питання оптимізації функцій Фонду соціального страхування; зазначено перелік проблемних питань щодо впровадження накопичувального рівня пенсійної системи.

Ключові слова: єдиний соціальний внесок, система соціального забезпечення, рівні – солідарний, накопичувальний, добровільний недержавний; реформа, пенсійне забезпечення, пенсія, фонд соціального забезпечення

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