

IMPROVEMENT OF THE FINANCIAL AND ORGANIZATIONAL MECHANISM OF THE FUNCTIONING OF THE PENSION FUND OF UKRAINE

УДОСКОНАЛЕННЯ ФІНАНСОВО-ОРГАНІЗАЦІЙНОГО МЕХАНІЗМУ ФУНКЦІОНУВАННЯ ПЕНСІЙНОГО ФОНДУ УКРАЇНИ

The article substantiates the effectiveness of creating a pension system in Ukraine. An analysis of the effectiveness of the functioning of the Pension Fund of Ukraine was carried out. The state and main trends in the development of the insurance market in Ukraine have been studied. An approach to analyzing the relationship between the Pension Fund's budget income indicators and the minimum wage is proposed, which will make it possible to assess the effectiveness of functioning and development prospects. It is proposed to analyze the connection between the profit from investing the assets of non-state pension funds and pension contributions, which will contribute to the activation of investment activities and guarantee the depositor reliable pension security. Recommendations are provided regarding the prospects for pension development and definition. The Pension Fund of Ukraine is one of those institutions of the state, the main function of which is the implementation of social security of citizens. An analysis of the pension system in Ukraine was carried out. In recent years, the Pension Fund of Ukraine has been working to ensure that citizens do not waste time on applications and queues, but receive quality services remotely. For this purpose, the Portal of electronic services of the Pension Fund of Ukraine was introduced, in which users can use new electronic services: "Pension calculator", "Electronic work book", "Automatic pension assignment" and the mobile application "Pension Fund". It has been proven that until the authorities create all the necessary foundations for the introduction of an effective civil service, as well as the implementation of a high-quality and meaningful state personnel policy, it is not necessary to talk about improving the quality of staffing of the bodies of the Pension Fund of Ukraine. creation of economic prerequisites is almost the most important among the areas of improvement of the functioning of the Pension Fund, since the basis for deductions of contributions is the salary and income of citizens.

Key words: pension system, reform, pension provision, non-state pension fund, non-state pension provision, Pension Fund of Ukraine.

У статті обґрунтовано ефективність створення системи пенсійного забезпечення в Україні. Дослідження заключається в оцінці організаційно - економічного механізму функціонування Пенсійного фонду України й обґрунтування напрямів його удосконалення в умовах створення ефективної системи соціального захисту населення. Здійснено аналіз ефективності функціонування Пенсійного фонду України. Досліджено стан та основні тенденції розвитку страхового ринку в Україні. Запропоновано підхід до аналізу зв'язку між показниками доходів бюджету Пенсійного фонду та мінімальною заробітною платою, що дасть можливість оцінити ефективність функціонування та перспективи розвитку. Запропоновано проаналізувати зв'язок між прибутком від інвестування активів недержавних пенсійних фондів та пенсійними внесками, що сприятиме активізації інвестиційної діяльності та гарантуватиме вкладнику надійне пенсійне забезпечення. Надано рекомендації щодо перспектив розвитку пенсійного забезпечення та визначення Пенсійного фонду України – це один із тих інститутів держави, основною функцією якого є здійснення соціального забезпечення громадян. Проведено аналіз пенсійної системи в Україні. Останніми роками Пенсійний фонд України працює над тим, щоб громадяни не витрачали час на звернення та черги, а отримували якісні послуги дистанційно. З такою метою запроваджено Портал електронних послуг Пенсійного фонду України, в якому користувачі можуть скористатися новими електронними послугами: «Пенсійний калькулятор», «Електронна трудова книжка», «Автоматичне призначення пенсії» та мобільний застосунок «Пенсійний фонд». Доведено, поки влада не створить усі необхідні підвалини для запровадження ефективної державної служби, а також проведення якісної та змістовної державної кадрової політики, говорити про вдосконалення рівня якості кадрового забезпечення органів Пенсійного фонду України не доводиться, створення економічних передумов є чи не найголовнішим серед напрямків удосконалення функціонування Пенсійного фонду, оскільки основою для відрахувань внесків є заробітна плата та доходи громадян.

Ключові слова: пенсійна система, реформа, пенсійне забезпечення, недержавний пенсійний фонд, недержавне пенсійне забезпечення, Пенсійний фонд України.

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Formulation of the problem. The Pension Fund of Ukraine is one of those institutions of the state, the main function of which is the implementation of social security of citizens. Therefore, the extent to which the state can fulfill its tasks in the social sphere depends on the effectiveness of its activities. In the eyes of leading scientists and scholars, the problems of the effective functioning of the pension provision mechanism and justification of the development directions of the Pension Fund of Ukraine (PFU) occupy one of the most important places.

Analysis of recent research and publications. Such scientists as N. Borodina, N. Vnukova, V. Voytenko, O. Zhenchak, O. Kyrylenko, A. Kolodiy, I. Makaliuk, O. Makarenko, H. Makhmudov, M. Papiev, M. Rippa are studying the mentioned questions, L. Tkachenko, V. Tolubyak, A. Fedorenko, M. Shavarina, N. Shamanska, O. Shpilovy, C. Yuriy, N. Yarosevich, and others. At the same time, theoretical and practical problems related to the functioning of the mandatory state pension insurance mechanism still remain unresolved; the exceptional importance of the Pension Fund of Ukraine as an institution of

social protection of the population is not sufficiently disclosed; the implementation of the savings system and the development of non-state pension provision require further research.

Formulation of the goals of the article. The purpose of the article is to evaluate the organizational and economic mechanism of the functioning of the Pension Fund of Ukraine and to substantiate the directions for its improvement in the conditions of creating an effective system of social protection of the population.

Presentation of the main material. The pension fund has the main place in the functioning of the solidarity system of mandatory state pension insurance. The main source of income for the PFU budget is the single social contribution. The pension fund administers this payment and maintains the State register of mandatory state insurance, which consists of the register of insured persons and the register of insured persons.

IN context given scientific research worth to stop on ago, what The Pension Fund of Ukraine, like any other government body, is always affected within the limits of socio-political changes both in the state and outside its borders, that in that or another measures leads to to change in him activity.

First of all trace to mark those changes, which are related from carrying out in Ukraine administrative reform, resulting in transformations in the executive branches of government. Timoshchuk V. P. points out what administrative reform by his own content is complex political and legal activities, which consist of in structural, functional and civil servants changes first of all in sphere executive authorities with the aim of transforming it from a power-repressive mechanism into a serving organization society, and the creation of an effective system of public administration on this basis [4]. Based on the analysis of tasks of administrative reform and its directions, Kravchenko I. O. singles out the following main aspects of the Pension Fund of Ukraine's activities, which should be affected by the implementation of this reform:

- firstly, improvement of the regulatory and legal basis of the activities of the PFU. The legal framework must be meaningful, clear and properly organized;

- secondly, optimization of the structure of the bodies of the Pension Fund of Ukraine. The goal of this aspect of the reform is to introduce such a structure of the Pension Fund of Ukraine system that would guarantee the most effective performance of its tasks and functions by this authority with minimal use of resources. At the same time, a certain attempt to carry out such optimization was made several years ago, which was conditioned by the creation of the Ministry of Revenue and Duties of Ukraine, to which a part of the functions of the Pension Fund of Ukraine was transferred. After the liquidation of the Ministry

of Revenue of Ukraine, these functions continued to be performed by the State Fiscal Service of Ukraine as the legal successor of the former. However, those organizational and structural transformations in the Pension Fund of Ukraine systems, which were carried out in connection with the reduction of the range of tasks and functions of the latter, turned out to be superficial and did not lead to any significant changes;

- thirdly, improving the quality of staffing of the bodies of the Pension Fund of Ukraine.

Solving this problem is inextricably linked to the state's improvement of the civil service institute and the proper implementation of the State Personnel Policy Strategy. Therefore, until the moment when the authorities create all the necessary foundations for the introduction of an effective public service, as well as the implementation of a high-quality and meaningful state personnel policy, there is no need to talk about improving the quality of personnel support of the Pension Fund of Ukraine:

- fourthly, improving the interaction of the bodies of the Pension Fund of Ukraine with other bodies of state power, local self-government, as well as the population;

- fifth, improving the quality of information support for the activities of the bodies of the Pension Fund of Ukraine;

- sixth, increasing the level of scientific validity of the activities of the bodies of the Pension Fund of Ukraine.

In view of the above, it can be stated that the improvement of the activity of the Pension Fund of Ukraine is directly related to the pace of implementation of the administrative reform as a whole.

It is not yet necessary to claim any complex achievements on this path, however, in this direction, it is already possible to single out distinctive steps. Thus, the implementation of digitization elements, which, in particular, became possible thanks to the Strategy of Modernization and Development of the Fund for the period until 2020, adopted by the Government in 2016, is a landmark in the activities of the Pension Fund of Ukraine since 2017. First of all, this concerns a fundamental change in the approaches and technologies of service to citizens, as well as the introduction of modern information technologies into all functional processes taking place in the Pension Fund system.

Pensioner stock of Ukraine is a participant of the pension system, which is functioning at the first level, which consists of solidarity pension systems, where financial resources are accumulated and used. The dynamics were analyzed income and expenses budget Retirement fund of Ukraine during 2015–2020 [5], which given in Table 1.

As can be seen from Table 1, a negative is observed trend magnification for 2015–2017 budget

Table 1

Analysis pension systems in Ukraine

Indicator	Tempo growth %				
	2016/ 2015 year	2017/ 2016 year	2018/ 2017 year	2019/ 2018 year	2020/ 2019 year
Income budget Retirement fund, million UAH	0.67	10.02	120 602.48	-99.88	10.71
Expenses budget Retirement fund, million UAH	-4.60	15.00	122 934.22	-99.88	10.41
Number pensioners, thousand persons	1.23	-2.77	-1.93	-2.17	-1.18
Minimal pension, UAH	13,17	16,11	10,10	9.03	9.42
Minimal salary pay, thousand UAH	13,14	132.22	16.34	12.09	13,18
Number working, thousand wasps	-0.79	-0.56	0.48	0.71	-
Subsistence minimum in Ukraine, UAH	13,10	16.09	10,10	9.00	9.39

expenditures, which is explained by financing shortage Retirement fund. In 2017–2018 year the size of both revenues and expenditures of the budget increased Retirement fund of Ukraine on 120 602.48% and 122 934.2% in accordance. Note, what income budget Retirement fund of Ukraine play back an important role in providing citizens, to him includes both own funds and funds transferred from budget and from other state non-budgetary funds funds But in 2018 p. comparatively with 2019 p. income Retirement fund decreased on 99.88%, what due to a decrease in the share of the pension distribution insurance.

In recent years, the Pension Fund of Ukraine has been working to ensure that citizens do not waste time on applications and queues, but receive quality services remotely. For this purpose, the Portal of electronic services of the Pension Fund of Ukraine was introduced, in which users can use new electronic services: "Pension Calculator", "Electronic Labor Book", "Automatic Pension Assignment" [1] and the mobile application "Pension Fund".

Moreover, in order to ensure the implementation of the state policy of digital development, digital transformation of administrative processes and information integration, introduction of digital technologies in the field of pension provision and record keeping of persons subject to mandatory state social insurance Order of the Pension Fund of Ukraine dated 11.11.2020 No. 118 the Regulations on the Department for Digital Development, Digital Transformations and Digitalization were approved.

However, one of the main problems of implementing both the pension reform in Ukraine and digital technologies in the field of pension provision, in our opinion, is the low level of financial, legal and technical literacy of the population and the lack of trust in state institutions. Our society is dominated by the belief that the responsibility for all components of decent social, including pension, welfare of citizens in old age rests primarily with the state. This situation has been unchanged in recent years, which negatively affects the functioning and development of the multi-level pension insurance system in Ukraine.

The announcement of the development of the information society in Ukraine and, as a result, the process of active introduction of information and telecommunication technologies, which has begun, is a means of reflecting real life, which shows various aspects of the influence on the legal culture [4].

In the system of the central apparatus of the Pension Fund, the Pension Fund Department deals with issues of organizational and legal support of international cooperation of the Pension Fund.

The main task of the Department is the organization and participation in ensuring the implementation of state policy on pension provision and development of the pension system, improvement of pension legislation, organization of work aimed at correct application, strict observance and implementation of legislative acts during the appointment and payment of pensions, including to citizens, who live abroad and have the right to grant pensions in accordance with international treaties, as well as pensioners of foreign countries who live in Ukraine, organization of work with citizens' appeals, support of information systems for the assignment and payment of pensions.

Transfer of pensions abroad is carried out by the Pension Fund of Ukraine through the public joint-stock company "State Export-Import Bank of Ukraine" (authorized bank), unless otherwise stipulated by international agreements. Pensions to citizens who left Ukraine for permanent residence in foreign countries before 01.01.1992 are transferred in foreign currency in the previous amounts on the basis of decisions specified in pension cases, including those adopted by the Pension Fund of the Union of the SSR. In the event of a change in the pension legislation of Ukraine, recalculations of pension amounts for pension cases registered in the Fund are carried out by the structural unit of the Fund responsible for international cooperation.

In the context of the issue of international cooperation of the Pension Fund, it is appropriate to take the position that agreements on pension and social security are concluded between Ukraine and the states that are included in the list of countries

to which Ukrainians most often go for permanent residence. The conclusion of such international normative legal acts helps to ensure the protection of the rights of citizens of Ukraine who permanently reside on the territory of foreign countries.

It should be noted that the interaction of the Pension Fund, which is implemented in the context of its international cooperation, concerns the provision of normal exercise by citizens of their right to pension in the territory of another country that is a party to the agreement. This is a very important issue, the solution of which is a direct functional responsibility of the Pension Fund, therefore, international interaction should not be limited to this, it should be more in-depth and multi-vector, in particular, the Pension Fund should pay more attention to the exchange of experience with relevant foreign agencies in order to adopt positive moments in the organizational and legal support of their work, in the mechanism of their management activities, etc., for the further use of such positive experience of foreign countries during the improvement of their own organizational and management mechanism.

At the same time, in the practical component of international cooperation in terms of the implementation of the powers entrusted to the Pension Fund of Ukraine, there are quite significant obstacles, which are traced according to the analysis of court practice.

Conclusions from the conducted research.

Ukraine faces the need to complete the pension reform, that is, to introduce mandatory individual pension accounts to which the employee can transfer pension contributions. All of them these costs were eventually transferred to the contributor and reduced the amount of funds accumulated in his individual account.

That is why the use of the Pension Fund as a single government fund investing in government bonds under predetermined conditions would be more effective.

In this way, it would be possible to avoid the costs of advertising and the fight for the payer of contributions, the costs of managing many funds, as well as the risk of falling stock market quotations. Along with the benefits for the Pension Fund in the context of increasing financial opportunities, the advantage of an individual account is the stimulation of leaving shadow activities and the official deposit of funds to one's own account. The government could use the pension contributions paid to finance current pensions or other expenses, but this borrowed money would be considered a public debt and would require a clearly defined payment in the form of a monthly pension in the future to the lender, i.e. the future pensioner. Of course, the proper preparation of such a system requires detailed development, a perfect legal framework, the introduction of certain

transition periods, etc. The great advantage of the system based on individual accounts is its depoliticization. In this system, pensions do not depend on this or that political auction of promises, for which later there will be no money and which can destroy the economy, but only on the insured himself, on demographic forecasts and inflation calculations. Many countries have switched to individual accounts. Ukraine should also develop its own system of individual pension accounts, making maximum use of the positive and taking into account the negative experience of its predecessors.

The popularization of the above-mentioned mechanism for ensuring the population's personal participation in the formation of the future pension will allow to reduce the pressure, and in the future, transfer the entire burden of financing pensions to the employee. This should become an incentive for domestic production, growth of the economy as a whole. The creation of economic prerequisites is almost the most important among the directions for improving the functioning of the Pension Fund, since the basis for deductions of contributions is the salary and income of citizens.

Therefore, in order to improve the activities of the Pension Fund of Ukraine, it is necessary to transform it into an insurance fund – a self-governing non-profit organization; to bring the legislation on pension provision in line with the principles provided for by the Law of Ukraine "On Mandatory State Pension Insurance"; to exempt the Pension Fund from taxes that do not belong to it (benefits, benefits, one-time payments); attract alternative sources of replenishment of the revenue part of the PFU budget, in particular through the introduction of pension bonds into circulation; to introduce mandatory pension accounts, the accumulation of funds from which it is expedient to invest in the PFU; provide economic prerequisites for the development of all levels of the pension system of Ukraine.

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