

## PENSION SYSTEM OF FOREIGN COUNTRIES

Jakhongir Tursunov

PhD The Banking and finance academy of the Republic of Uzbekistan

### Annotation:

The article presents materials illustrating the current state of pension provision in a number of countries around the world, starting with the countries with the highest per capita incomes and ending with the countries with the lowest incomes. Variants of modeling pension systems in different countries are analyzed. The article provides an analysis of current global trends in the development of pension systems.

**Keywords:** medical care; pension systems; retirement age; pension payments; pension funds; living wage; social support; average pension level; insurance companies; income level of the population.

Since the end of the XX century. in different countries of the world, the proportion of elderly people has increased significantly. The governments of these countries are forced to seek means of material and social support for this part of the population. Some elderly people, due to their good health, are able to continue working, while others are forced to be content with the pension they receive and the support of their closest relatives. How is the pension system organized, what is the average size of pension payments in individual countries? The answers to these questions are contained in the material below. The analysis of the current state of affairs in pensions was carried out for a representative sample of countries - from the highest provision to the lowest.

Retirement age differs from country to country for men and women. In the countries with the highest average income of the population and a developed health care system, men and women retire at the same time, but there are few such countries. Most countries establish the right and the opportunity to retire later for men and earlier for women. In countries such as Poland, Georgia, Azerbaijan, Moldova, etc., it is 5 years earlier. In some countries this discrepancy is one year (Switzerland), two (Armenia, France, Italy) or three (Belgium), while in the UK this difference is the largest - 8 years<sup>1</sup>.

<sup>1</sup> Kislenkova, O. (2016). Retirement age in different countries of the world. Pension in different countries: comparison. Available at: <http://fb.ru/article/266495/pensionnyiy-vozrast-v-raznyih-stranah-mira-tablitsa-pensiya-v-raznyih-stranah-zsravnenie#image1410099>.

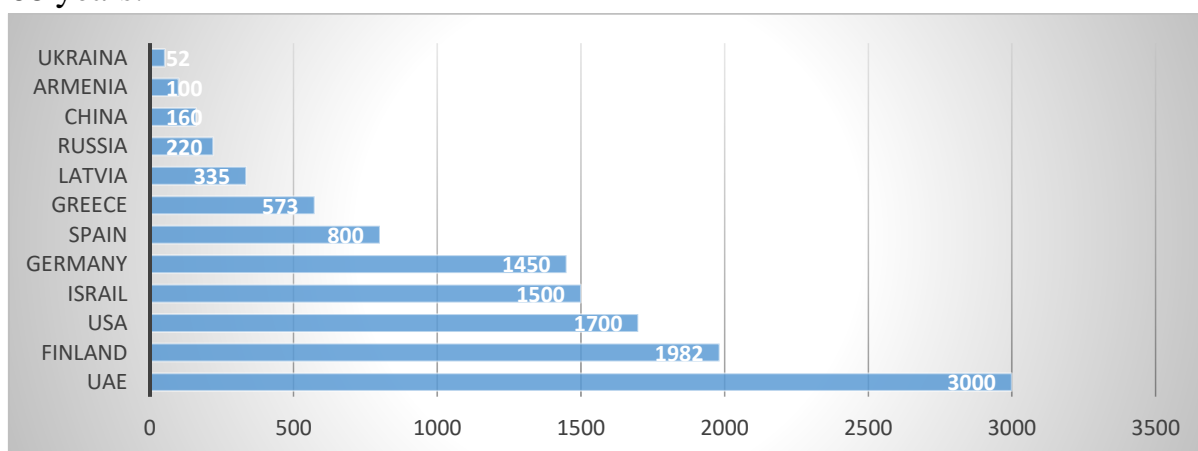


The difference is dictated by the special careful attitude of men towards the weaker sex, in view of the fact that it is the woman who takes on the main burden of giving birth and raising children, arranging living conditions. But according to research, women tend to live longer than men. There are many reasons for this. Medicine claims that a woman is a biologically more perfect creature, better tolerates stress and other nervous and physical stress. Women more than men care about their health and constantly pay attention to their appearance.

In all countries, pensions are paid by the government, insurance companies or pension funds, to which funds are contributed by employees during their employment. The percentage of contributions to these funds and insurance companies is different in all countries. The system for calculating and calculating pensions in different states is also very different.

In fig. 1 shows data on the average size of pensions in individual countries. The undisputed leader is the United Arab Emirates with an average pension of \$ 3,000. In the Emirates, legislation does not provide for a specific retirement age; a person with 25 years of work experience has the right to retire.

Obviously, retirees in the United States and Europe are better off financially, although in these countries the living wage is significantly higher. The amount of pensions and the insurance system make it possible to provide pensioners with high-quality medical care, good living conditions, high-quality food, and the opportunity to visit cultural attractions all over the world. As a result, life expectancy in these countries increases compared to other countries, and people can go on a well-deserved rest at a later age - for example, in the UK, the retirement age for men is 68 years.



Rice. 1. Average level of pensions in different countries, USD<sup>2</sup>

<sup>2</sup> Tursunov J. WAYS TO ENSURE THE FINANCIAL STABILITY OF THE PENSION FUND WHEN IMPROVING THE STATE PENSION PROVISION //International Finance and Accounting. – 2020. – T. 2020. – №. 2. – C. 5

Retirement benefits in the United States. In the United States, the average pension is 50% of the average salary. Americans donate 7.5% of their earned income to the social fund, and the employer pays another 7.5%. Employees of the non-governmental sector pay the required 15% themselves. The amount of payments is determined depending on the length of service, however, if a person has no work experience at all, he still has the right to an allowance of \$ 280.

Pension security in Germany. The matrix of the pension system that has developed in Germany is also applicable in Austria, Italy, France and other European countries. The system is designed in such a way that it is beneficial for employees to participate in it - the more contributions they pay, the more pension rights they receive upon retirement. The entire old age protection system includes three levels:

The first level is compulsory pension insurance.

The second level is pensions from enterprises. This is a voluntary model of protection in old age. All enterprises themselves decide on the provision and amount of pensions.

The third level is the ability to take care of the coming old age in a private way. The male and female population of the country independently choose the options for ensuring their old age.

Retirement benefits in China. The very low level of retirement benefits in a country like China, which is practically the first economy in the world, seems rather strange. The average pension in China is \$ 160. At the same time, the length of service of an employee in state production must be at least fifteen years. And rural residents do not receive pensions at all - this is such discrimination. It turns out that all the care for the elderly falls on children and grandchildren, the state is eliminated from this. Pension benefits in several other European countries. The average pension in Finland is 58% of the salary. The country's pension fund does not set the maximum payments, everything that is earned by citizens is charged. Finnish pensioners have high pensions, which allows them to buy real estate in the near abroad.

In Israel, there is a high average pension, it is \$ 1,500. There is no pension fund in this state, all payments, including unemployment benefits, are paid by the social insurance fund.

The average pension in Holland is also high - \$ 1,400. Pension payments are made by the state itself, along with voluntary pension insurance funds or professional pension systems.

In Spain, pensions are smaller - \$ 800. But this country is known for low prices for consumer goods, and pension payments can go up to 100% of the average wage.

