

# Proceedings of International Educators Conference

Hosted online from Rome, Italy.

Date: 25<sup>th</sup> December, 2022

ISSN: XXXX-XXXX

Website: [econferenceseries.com](http://econferenceseries.com)

## THE STATE OF THE PENSION SYSTEM IN UZBEKISTAN

Jakhongir Tursunov

PhD The Banking and finance academy of the Republic of Uzbekistan

### Abstract

In the article the role of pension system in social supporting the citizens, ongoing reforms in the pension provision system in 2020 and their significance are explained, defined tasks in the Concept of the Reform of the State Pension System for 2019-2030 are outlined, and scientific conclusions, proposals and recommendations have been developed.

**Keywords:** pension, pension system, Pension Fund, average monthly wage, minimum monthly wage, single social payment, social benefits, the Concept, insurance fee, accumulative pension.

Uzbekistan is an independent state with an ancient history behind. At the same time, the country with the population of over 33 million people has been steadily advancing in every field. However, demographic changes particularly, continuously growing number of permanent residents can lead to certain problems in some fields, more precisely, in the system of pension. Only in 2017 the number of the population of the country increased by 533,4 thousand people. According to prognoses for 2018-2025, the share of the population at the pension age is being expected to rise to 1.2 million people. This indicates an increase in the number of retirement age people in the country (from 5.9% in 2010 to 10% in 2020). According to information provided by statistic agencies, from 2019 on, the number of pension age people will increase by more than 9 percent and in 2025 the figure will make up 11 percent (in 2011 the figure was 6.2 percent). Moreover, from 2016, the number of annual appeals for retirement in the country (an average annual increase of about 16,000 people) will increase, and such growth can reach over 300,000 people by 2025.<sup>1</sup>

<sup>1</sup> Tursunov, J. (2018). SPECIAL FEATURES OF PENSION SYSTEM IN UZBEKISTAN AND INTERNATIONAL PRACTICE. *International Finance and Accounting*, 2018(3), 19.



# Proceedings of International Educators Conference

Hosted online from Rome, Italy.

Date: 25<sup>th</sup> December, 2022

ISSN: XXXX-XXXX

Website: [econferenceseries.com](http://econferenceseries.com)

Table-1 The pension age in the countries of CIS

Countries	Pension age	
	Males	Women
Armenia	63	63
Azerbaijan	63	60
Kazakhstan	63	58
Kirgizstan	63	58
Tajikistan	63	58
Turkmenistan	62	57
<b>Uzbekistan</b>	<b>60</b>	<b>55</b>

Furthermore, one of the main indicators of the citizens' pension system is considered to be a retirement age. Conducted analyses show that the average pension age of males and women account for 62, while in Uzbekistan it indicates 57.5 (55- for women, 60- for males). In several Central Asian countries such as in Kazakhstan, Kirgizstan and Tajikistan men have the right to retire at the age of 63 and women at the age of 58. In Kazakhstan the pension age for women will reach the point of 63 by annually rising the pension age by 6 months. In Turkmenistan the retirement age constitutes 62 for men and 57 for women.

Analyzing the information provided in the table, we can conclude that the pension age in CIS countries is almost the same. However, in Uzbekistan the pension age is 60 for men and 55 for women for the present.

According to the Concept of reforming public pension system in Uzbekistan during 2019-2030, the issue of the gradual raise of the pension age is regarded as one of the main tasks. The plan of the increase of the pension age in Uzbekistan can be seen in the following table below.<sup>2</sup>

Table-2 According to the Concept of Public Pension Reform in 2019-2030, the increase in retirement age in Uzbekistan

No	Years	Male	Woman
1	From 01.01.2022	60 years 6 months	55 years 6 months
2	From 01.01.2023	61 years	56 years
3	From 01.01.2024	61 years 6 months	56 years 6 months
4	From 01.01.2025	62 years	57 years
5	From 01.01.2026	62 years 6 months	57 years 6 months
6	From 01.01.2027	63 years	58 years

<sup>2</sup> Tursunov, J., & Ametova, F. (2019). THE REFORM OF PENSION PROVISION SYSTEM IN UZBEKISTAN. *International Finance and Accounting*, 2019(2), 28.

# Proceedings of International Educators Conference

Hosted online from Rome, Italy.

Date: 25<sup>th</sup> December, 2022

ISSN: XXXX-XXXX

Website: [econferenceseries.com](http://econferenceseries.com)

According to data presented by World Bank, people over the age of 60 constitute almost half billion of the world's population, while in 2030 the figure is predicted to reach the point of 1.4 billion people. Thus, it may lead to the growth in the number of retirees.

In his appeal to Oliy Majlis the president of the Republic of Uzbekistan Shavkat Mirziyoyev highlighted the significance of the pension provision system claiming “... we should completely improve the pension system and reform the procedure of appointment and payment of pensions and allowances.”

The pension supply system contains over 3.3 million citizens or 10 percent of the population of the country. 2 million 500 thousand people receive pension on account of their age, over 360 thousand people receive disability pensions, 168 thousand people receive a survivor's pension and over 294 thousand people receive social benefits.

In a time of globalization, the ongoing global financial and economic crisis, a growing competitive environment continually are resulting in the necessity of making adjustments to their socio-economic development programs including the In summary, the following measures should be taken in order to accelerate the reform of the pension system, to support the elderly, the people who have lost their working capacity, the needy families with many children or who have lost their caretaker:

- It is necessary to cancel the restriction on average monthly wages for pensions calculation. While the restriction is available, the future pensioner may prefer the incomplete pension (60 years for men - at least 7 years employment experience, 55 years for women, at least 7 years of work experience) to full pension (full age pension for men - 60 years, minimum 25 years, for women - 55 years, minimum 20 years of service [11]). It is desirable for every citizen to receive a pension, based on his / her income.
- The large number of laws and regulations governing the pensions system in Uzbekistan demands to improve the legal framework for pension system to work out the Pension Code of the Republic of Uzbekistan elaborating them all.
- It is desirable to convey the minimal work experience (7 years) required for retirement age pension to the international standards. Because the “Minimum Standards of Social Welfare” Convention by number 102 requires minimum 15 years of experience for a retirement age. In many countries of the world, including CIS countries, the minimum required work experience has been made 10 to 15 years.



## Proceedings of International Educators Conference

Hosted online from Rome, Italy.

**Date:** 25<sup>th</sup> December, 2022

ISSN: XXXX-XXXX

**Website:** [econferenceseries.com](http://econferenceseries.com)

- There is a need to gradually increase the retirement age in Uzbekistan - 63 years for males and 58 for women, as the current retirement age (60 years for males and 55 for women) was established in 1956. At that time the average life expectancy in the country was 47 years. Today this indicator is 73.8 years. This implies the increase of the retirement age.



**E- Conference Series**  
Open Access | Peer Reviewed | Conference Proceedings

