Федеральная служба по труду и занятости

DEMOGRAPHIC CHANGES AND PENSION REFORM IN THE RUSSIAN FEDERATION

Olga Korchemkina

Federal Service for Labour and Employment (ROSTRUD) The Russian Federation





Pension system in the Russian Federation

<u>mandatory pension insurance</u> (payments from Pension Fund of the RF or non-state foundations, source – insurance contributions by employers) by 2019 - 40,1 billion beneficiaries

<u>state pension provision</u> (regulator - Pension Fund of the RF, source – federal budget) by 2019 - 3,9 billion beneficiaries

<u>social pension for some categories</u> (regulator - Pension Fund of the RF, source – federal budget) by 2019 - 3,2 billion beneficiaries

additional non-state pension provision (non-state foundations, source – voluntary contributions by employers and employees)

The pension system covers 100% of Russian population



Demographic changes as a factor for pension reform in the RF

Since 1928 up to 2019 the retirement age in the RF was 60 for men and 55 for women

Demographic changes:

1930	-	6 working people for 1 pensioner
1970	-	3,7 working people for 1 pensioner
2019	-	was expected 2 working people for 1 pensioner

Change of the retirement age started on January 1, 2019

Pension rights of men born in 1959 and on and women born in 1964 and on are concerned



Transition period up to 2028

Year of birth		New retirement age	Year of retirement
	1959	60,5	2019 и 2020
	1960	61,5	2021 и 2022
men	1961	63	2024
	1962	64	2026
	1963	65	2028
	1964	55,5	2019 и 2020
	1965	56,5	2021 и 2022
women	1966	58	2024
	1967	59	2026
	1968	60	2028



Additional new regulations and garantees related to the pension reform

1. Pension indexation procedure for **2019-2024** : insurance pensions indexation above the inflation level

2. The right for people with pensionable service of no less than 42 and 37 years (men and women correspondingly) to obtain the insurance pension upon retirement two year earlier than the common retirement age

3. The right for mothers with three and more children to early retirement

4. Special unemployment allowance to citizens of the pre-pension age (five years before retirement)

5. The dismissal or refuse to hire a person of pre-retirement age for the reason of age is an object for administrative sanctions (a fine)



Special measures for pre-retirement age people

 Special Programme of vocational training and supplementary vocational training for pre-retirement people up to 2024
Regional Programmes of vocational training and supplementary vocational training for pre-retirement people up to 2024

2. Regional lists of on-fire specialties (competences) formed by regional public employment services jointly with employers

Posting the regional lists of on-fire specialties (competences) on the official Web-site "Job in Russia" operated by Rostrud to inform population of preretirement age

Forming of regional banks of education/training programmes



Key target indicator of effectiveness for Special Programme of vocational training and supplementary vocational training for preretirement people up to 2024

The proportion of pre-retirement workers who have retained employment in the number of pre-retirement workers who have completed training is not less than 85%.

Financing

For 2019-2021 5 billion rubles (appr. 77 million USD) annually

Planned participation

By the end of 2024 not less then 450 thousand people are trained or retrained



Regional Public Employment Services (PES) Activities

As on April, 2019

Targeted work with pre-retirement people (PES+ Rostrud):

2725 consulting points created

2446 job fairs organized

7,4 thousand training contracts concluded

Agreements with territorial branches of Pension Fund of the RF on information about pre-retirement people

Interaction with employers employing pre-retirement workers (more then 200): information campaign Anti-discrimination consultations Analysis of the best practices of mentoring and involvement in the creative process of employees of pre-retirement age

Forming forecast data

on the number of pre-retirement on demand for vocational training and retraining



