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CONTEMPORARY TRENDS IN PENSION REFORM

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ABSTRACT

In the world there are professional and universal pension schemes whose intention is pension insurance for all citizens. Many countries aim to provide an old age pension matter the fact if they have paid the contributions or not , many pension schemes are related to the contributions they have paid to individuals. In almost every country there are two ways of managing the pension management and pension funds: public obliged pillars and private pillars which from the current funding provided the financial capital that is invested by retirees by employers and the insured. In various European countries are promoted various reformed ways of pensions, in order to ensure the expected recoverable pensions, these ways seen through new reformed financial aspects pension reform or pension multipillar system. Countries which are part of the EU and OECD are faced with the problem of securing the return of pension funds and give great importance to private saving through occupational pension scheme. Multi-pillar pension combined leadership was the last resort of the problem of retirees, through the conduct of public pension plans and private pension funds. The demographic factor was problematic that more than 30 EU countries were obliged to reform their pensions and functioning through the financial capital of pension insurance, a reform that to the insured it enhanced the confidence to reimbursement at the time of retirement and providing tools to optimize conditions and raises awareness of the contributions of individual investment in the second pillar mandatory pension and saving money for the purpose of investment in voluntary pension insurance, always bearing in mind security retirement pension combined withdrawal of the three-pillars. Insurance reform PAYG pension financial capital which means that an employee (provided) to ensure payment of a pensioner, pension through distributed contributions to the pension fund or in the ratio 1: 1. In 1998 have reformed the pension system in Hungary and Kazakhstan, Poland, 1999, Lithuania in 2001, Croatia in 2002, Estonia, the Bulgarian, Macedonia and Slovenia in 2006, the reason for the reform was the inability of the refunds promised during the payment of contributions during the work. In 2006 almost all European countries have reformed the pension system through the private pension system, where their sole purpose is the stability of the pension system and financial market development in these countries.

PENSION REFORM IN HUNGARY

An important factor which has forced Hungary to reform the pension system was the decline in the number of employees and decrease the value of revenue from the contributions and increasing the value of spending through old age retirement, which means consuming more revenue. Membership in the fund's financial capital required for employees was voluntary and for new employees is required membership in the fund's financial capital required pension. {the law for private funds in Hungary}. Among the first countries which have reformed the pension system in order to prevent risks in the countries of Eastern Europe was Hungary which in the pension system has reformed the new multidimensional pension system comprising three pillars:

• First-pillarday funding
• Second-pillar financial capital required
• Third-pillar voluntary financial capital

The new multidimensional system comprising three pillars is reformed with a view to financial stabilization of the country and overcoming the crisis and with the aim of economic development.

PENSION SYSTEM REFORM IN POLAND

Since the pension system transition was bound to be part of the economic market which comes into play economic restructuring and the decline of employment in the fomal sector.
Voluntary pension insurance is organized in two ways :

• Individual Plans
• Professional Scheme

CHARACTERISTICS OF PENSION SYSTEM IN BULLGARIA

The labor market is the main factor that affects pension reform Namely the reduction of state revenues that result in revenue deficit in the pension system. Since 1991-1999 generate as deficit pension system by 0.7% -3.1% of GDP in this period where the number of elderly pensioners respectively increased 5%. (MY-Bulgarian institute for economic studies).

The structure of voluntary pension fund in Bulgaria is such: • pension funds to individual member, funds open base accession to these funds is the way of goodwill on which signed an agreement to join the pension fund and are defined rights and obligations. • occupational pension funds, closed funds, the right to joining the professional pension funds are all natural persons who perform activities in any undertaking, institution or industry and ways of contracting is selected, the company that manages funds and the employer. (HTPP: //www.fsc.bg)

MULTI-PILLAR DESIGN OF THE PENSION SYSTEM IN SLLOVENIA

With the independence in 1991 Slovenia inherited the public pension system of socialism. By generating salary pension deficit which in 1992 amounted to 0.3% GDP, which over time added costs of pension payment. In 2000 they introduced the public scheme which began to stabilize reforms which contains pension pillar 4, which will ensure sufficient income stability for future pensioners.Slovenia has voluntary pension insurance based on individual and professional plan, plans that are defined in contributions. The way of organizing financial plans of pension is as follows:

• Open or closed pension funds administered by banks or insurance companies
• pension funds managed by pension company and established as a joint stock company in order to manage the assets of its members and the payment of annuities to its members. (http://espp.ro).

PENSION REFORM IN CROATIA

In 1998 Croatia eliminated traditional pensions, based on defined pesnion and put into practice a new formula for calculating pension efficient income enough and of the insured with insufficient income. Croatia followed the Yugoslavian system which was financed from defined pensions and this pension system with such function was faced with a deficit which in 1999 brought the law for pension system, consisting of three pillars and in 2002 began the complete operation of the new changing pension system and in the same year began to work the third pillar pension savings composed of additional voluntary pension security. (htt: //www.hafta.hr).

CONCLUSION

With the defeat of Socialist Yugoslav Federation and the creation of wars that many of these countries were facing, they found a way for financial stabilization, they decided to consult the World Bank for cooperation of pension insurance and pension reform of financial capital pension which includes mandatory pension pillar I, the second pillar of the financial capital required pension fund and third pillar of financial capital voluntary pension insurance, this reform provides stabilization of the country in financial aspects and investment of funds in the financial market of the country and in international financial market, where it will also develop the state capital market and ensure old-age pension for many generations.

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