

Principles of Pension Insurance in Uzbekistan

Iskandarov Abdurasul Mirjalil ugli, PhD¹

Abstract

Pension insurance is a part of personal insurance, where the insured pays the insurance premium all at once or in the prescribed manner. The article describes the principles of application of pension insurance, national and international experience.

Keywords: *insurance, pension insurance, personal insurance, insurance principles, national and world experience.*

¹Associate Professor of the Department of Finance Karshi Engineering and Economics Institute

Features such as financial provision using individualized schemes with the help of the state mechanism of redistribution of insurance contributions to the pension system, determination of the amount of the benefit, taking into account the defined single contributions, are characteristic of the organization of the benefit system.

Pension provision is a major stream of redistribution of financial resources and has a serious impact on the macroeconomic cyclical circulation of products, resources and income in the economy, stimulating the economic activity of the population. Other parts of the economy are inextricably linked with the pension system. A properly organized pension system can serve as a financial source of investment in the economy.

Our observations show that the pension system develops slowly and inconsistently.

On the one hand, it is a social support system that protects people from loss of income due to old age, work ability, and loss of breadwinners.

Secondly, the financial resources that are part of the financial system of the country with the benefit system are redistributed. The motivation of employees and their interest in paying insurance contributions play an important role in the effective functioning of the pension system.

Social insurance and pension insurance are closely related. In the conditions of the market economy, the organization of social insurance is based on the following principles:

- A) Mandatory social insurance;
- B) Voluntary unit of social insurance;
- C) Social cooperation of the state, employer and freelancers;
- D) Formation of off-budget special funds and their effective use;
- D) Compensation for loss of personal income and work capacity, etc.

According to the experience of the world operation, the main type of social insurance (pension) that provides a high level of social protection is pension insurance.

An important aspect of the pension system is the establishment of a membership relationship between the contributions paid to the pension fund and the amount of pension withdrawals. This means reducing the amount of the state system in order to increase the benefit of the employees from the contributions, to reduce the burden on the budget, and to reduce the contribution rate paid by the employees and employers.

The Law of the Republic of Uzbekistan "On State Pension Provision of Citizens" adopted on September 3, 1993 and other normative documents adopted by the government form the legal framework of the current pension provision system. The essence of this law is to ensure the legal and economic protection of pensioners in the market economy, and the amount of benefits (pension) directly depends on the length of work experience and the amount of wages.

By the end of 2020, the number of persons receiving pensions and allowances in the Republic of Uzbekistan was 4029.3 thousand people, and in 2016 this figure was 3324.2 thousand people. Compared to the end of 2020, the growth rate was 21.2%.

Today, only 42% of the working population in the Republic of Uzbekistan pay mandatory contributions to the pension fund. If the participation of the working-age population in the formation of the income part of the pension fund is activated, the necessary reserves of the

pension fund will be created, the loans will be returned and the mandatory pension contributions will be revised.

In the developed countries of the world, great importance is attached to pension insurance. In the United States, the Social Security Act of 1935 provides for two types of coverage. It is worth noting that old age pension insurance and unemployment insurance are still withheld. In the USA, in 1939, the law on pension insurance was revised, and the provision of benefits to those who lost their breadwinners was introduced. After that, in 1959, some amendments were made to the law.

In the USA, "Blue Cross" is engaged in social insurance against diseases, and "Blue Falcon" covers the cost of outpatient care at the polyclinic. There are 1,500 insurance companies engaged in medical insurance in the USA, but they are not given the right to turn the income into free capital, 160 mln. person is used. Health care costs in the United States account for 14% of GDP, making it the most expensive sector in the world.

Public and private social insurance programs in England rely on funds from the public insurance system to provide financial support to the population. The state determines pensions, allowances and various benefits in a fair manner, taking into account the length of service, the number of dependents in the family, and the age of the population. The pension is given to everyone in general, but it is stratified.

Unemployment benefits for the unemployed are also given to the unemployed at the national level, but the period of this is determined. Fucaro is considered to be required to find a job or retrain for another profession by the deadline set by the law. In England, in the following years, the state insurance for pensions and benefits, universal pension was introduced. In general, after studying pension insurance in the developed countries of the world, USA, England, France, Germany, Sweden, Japan, Holland and other countries, we came to the decision that we should improve pension insurance in our Republic using the experience of foreign countries.

Pension payments in Uzbekistan are made in accordance with the Law of the Republic of Uzbekistan "On State Pension Provision of Citizens" (September 3, 1993), and the name of pension payments is specified separately in Chapter IX of this law.

In the event that a person who has undergone a re-requested medical examination is recognized as capable of work, the pension is paid for the period until the end of the month in which he was recognized as capable of work, but until the date of the determination of disability.

Conditions for resumption of pension in the event of breaks in the period of disability of Fucaro. Payment of bereavement pension to children who are under state support. The orphans are paid a pension in the amount of 100% of the minimum monthly salary during the period of being under state support. Economic and social rights in the Republic of Uzbekistan are rights that create the necessary opportunities for a person to lead a normal life. This includes ownership, employment, education, maintenance and other rights. (Chapter IX of the Constitution, Articles 36-42). Based on its capabilities, the state deepens and expands the application of economic rights. It is very important to introduce pension insurance in the context of the occurrence of social and economic situations. Although economic activity was economically compatible with this sector. It is intended to introduce benefit insurance in the organization of compulsory state insurance of farms in the context of strengthening the economic relations of the states. As the President of our republic mentioned, it can be said that the existence of pension insurance in our republic is a very worthy thing. The complexity of the situation is that it is not only a result of denying this

problem for several decades , but in the region, pension insurance is necessary in almost all spheres of human life. These processes are being widely implemented in Uzbekistan. The law on state pension provision of citizens of the Republic of Uzbekistan has established the procedure for the implementation of the constitutional rights of the citizens of the Republic of Uzbekistan to social security in the absence or partial loss of working capacity in the event of the absence of breadwinners, as well as the procedure for the appointment, calculation, recalculation and payment of the unified system of state pensions.

In our republic, these measures were once carried out at a very low rate and with poor quality. By now, the President of our Republic has widely started the work of giving pensions to pensioners in our republic.

Used literature

1. Constitution of the Republic of Uzbekistan - T: Uzbekistan 1992-486 p.
2. Law of the Republic of Uzbekistan "On Insurance Activities" April 5, 2002
3. Aleksandrov A.A. Strakhovaniech-M: Izd. PRIOR 2000
4. Balabanov B. A. - Collection of problems of insurance M-2004.
5. Ginzburg A.I. Insurance: A short course / A.I.Ginzburg. - 2003