

1990 – 2010

#### ISSUE OF MOTHER (FAMILY) CAPITAL CERTIFICATES AND PAYMENT OF MOTHER CAPITAL FUNDS

For 3.5 years PFR issued 2.2 millions of mother capital certificates — as state support of Russian families, in which the second or subsequent child was born after January 01, 2007. Meanwhile 1.6 millions of families having such certificate have already received a PFR lump sum money benefit out of the funds of the mother (family) capital; over 160,000 families have already used their mother capital for repaying their housing credits and loans.



#### IMPLEMENTING THE GOVERNMENT PENSION CO-FINANCING PROGRAM

2.5 millions of Russian citizens have already become participants in the Program, which makes it possible for each citizen, registered in the Russian compulsory pension insurance system, to increase their future pension at the cost of their own additional contributions to the pension funded part and parity co-financing by the government.

#### IMPLEMENTING INTERNATIONAL AGREEMENTS

Being an affiliate member of the International Social Security Association (ISSA) and International Association of Pension and Social Funds (IAPSF), the Pension Fund of the Russian Federation implements into practice 13 international agreements related to pension provision.

#### RENDERING, TOGETHER WITH THE REGIONAL BODIES, THE TARGET AID TO PENSIONERS AND DEVELOPING THE SOCIAL INFRASTRUCTURE

PFR finances the expenses on target social assistance to non-working pensioners and measures aimed at consolidating the material and technical base of the agencies rendering social services to the population and expenses on eliminating the consequences of emergencies and acts of God.



## PENSION FUND OF THE RUSSIAN FEDERATION



## PENSION FUND OF THE RUSSIAN FEDERATION

since 1990

20 years of care given to millions of Russia residents

[WWW.PFRF.RU](http://WWW.PFRF.RU)

20 years of care given to millions of Russia residents



# Dear Friends!



*The Pension Fund of the Russian Federation has traveled the remarkable path for 20 years. Today PFR and its territorial bodies constitute the integrated central system of the bodies in charge of management of compulsory pension insurance in the country as well as the largest state structure rendering social welfare services to the population.*

*of old age. We have always been and will be the bridge connecting Russians of all ages.*

*The enhancement of the PFR functions permits us to bring our interaction with employers to a higher quality level. Contributions to the pension system are personalized, and this means that the contributions will constitute the future pension of people, thanks to whom the economy is growing today. All the work of the Pension Fund with insurants is intended to ensure that the persons, who take decisions on business development, will understand and remember: pension insurance contributions are not only financial, but also social responsibility of employers.*

*We always remember that the key participants in the present pension system are young people. The words "your future is in your hands" has the direct meaning. The modern Russian legislation provides for a lot of opportunities to increase your future pension, make it estimable. The working Russians must think of their future pension already today, make their pension accruals during their working life. Here we see our key aim in providing realization of their rights, helping actively them in management of their future. We understand clearly that the creation of the new pension culture is not only security for the stability of the pension system. This is also the most important factor of social and economic development of our system.*

*It is for solving this general task all the activities of the PFR employees are directed. The strength of our Fund is in its staff, which is characterized by not only professionalism, but also the highest responsibility. I am proud that we all working in the PFR system are not simply colleagues, but also the team, whose daily work contributes to the creation in Russia of the modern system corresponding to the world standards related to pension provision and service quality.*

PFR Chairman  Anton Drozdov

*At the same time I would say that the 2010 year of jubilee is an outstanding and fertile year for the Fund. For the first time in its history PFR integrated fully two key functions — administration of insurance contributions and establishment of the entitlement to pensions and their payments. We proceeded to independent realization of these processes over the whole territory of the country. The replacement of UST by insurance contributions from January 01, 2010 predetermined the vector of further development of the pension system — towards the final transition to the insurance principles.*

*President of the Russian Federation Dmitry Medvedev called the increase of pension level and elimination of poverty of old people as priority targets of the state related to the retirement insurance. The Fund carried out valorization of pension rights of citizens, introduced social allowances. For the first time in the history of the country the financial provision of pensioners exceeds universally the minimum subsistence level in a region. These results were achieved due to painstaking and accurate work of the Pension Fund employees. In the shortest time our specialists provided recalculation and payment of increased pensions to tens of millions of Russians.*

*The timely payment of pensions and allowances has already become an integral part of our work. At the same time the Pension Fund of the Russian Federation addresses not only fellow-countrymen*

## Pension Fund of the Russian Federation

Today the Pension Fund of the Russian Federation (PFR) is the largest federal system providing state welfare services in Russia. Everyday work of 130,000 Fund specialists ensures establishment of entitlements to pensions, calculation and pension payments to every citizen of Russia in full compliance with their pension rights, specified by the federal legislation. The Pension Fund of the Russian Federation has 81 PFR Branches in the RF subjects and a Branch in the city of Baikonur. Over 2,400 PFR territorial directorates deal with population and employers. Within the scope of the activities of the Pension Fund of the Russian Federation there are:

### ESTABLISHMENT OF ENTITLEMENTS TO PENSIONS AND THEIR PAYMENTS

39 millions of pensioners get pensions from the Pension Fund. PFR establishes the entitlement to and pays pensions both within the compulsory pension insurance system (old-age pension, disability pension, survivor's pension) and state pension provision scheme (social pensions, pensions to participants in the Great Patriotic War, Chernobyl accident-affected persons, public servants etc.). Moreover, PFR provides pensions to 160,000 citizens residing in 100 states.

### ESTABLISHMENT THE ENTITLEMENT TO AND PAYMENT OF WELFARE BENEFITS

18 millions of Russians — veterans, disabled persons, Heroes of the Soviet Union, Heroes of Russia etc. — receive monthly money benefits and additional monthly financial allowances. For registering the entitlement of citizens to monthly money benefits, social services the Pension Fund of the Russian Federation keeps the Federal Register of the Persons entitled to state social support.

### ESTABLISHMENT THE ENTITLEMENT TO AND PAYMENT OF THE FEDERAL SOCIAL ALLOWANCES UP TO THE MINIMUM SUBSISTENCE LEVEL OF A PENSIONER IN A REGION

Over 2 millions of persons residing in 66 subjects of the Russian Federation receive the pension allowances from PFR. The social allowances are awarded to all non-working pensioners, whose aggregate financial income is lower than the minimum subsistence level of a pensioner in a region. The federal allowance is awarded by PFR, if a pensioner resides in the region, in which the pensioner minimum subsistence level is lower than the federal minimum subsistence level.

1990 – 2010



### PERSONAL ACCOUNTING OF PENSION RIGHTS OF THE PARTICIPANTS IN THE COMPULSORY PENSION INSURANCE SYSTEM

Over 100 millions of citizens are covered by the compulsory pension insurance system. The Pension Fund of the Russian Federation opens for every person an individual personal account, on which all the information required for calculating a pension, in the first place — information on insurance premiums received to the fund of the future pension of a citizen. Every year by a special note PFR informs citizens on the state of their individual personal accounts. Citizens may be optionally informed in electronic form.

### FORMATION AND INVESTING OF PENSION ACCRUALS

Over 68 millions of persons have a funded part of retirement pension, which money is shown in the special part of their individual personal «pension» accounts. By law the accrued pension amount is invested at the stock exchange market; for this purpose PFR interacts with 57 investment management companies, including Vnesheconombank (a state investment management company), specialized depositary, and 129 of non-state pension funds.

### ADMINISTRATION OF INSURANCE CONTRIBUTIONS TO THE COMPULSORY PENSION INSURANCE AND COMPULSORY MEDICAL INSURANCE

This means interaction with 10 millions of employers — insurance contribution payers. From January 01, 2010 the unified social tax was replaced by insurance contributions to the Pension Fund, Social Insurance Fund, Federal and territorial compulsory medical insurance funds. PFR administers insurance payments to the Pension Fund, Fund of Compulsory Medical Insurance and territorial FCMI. Such administration includes control of the correctness of the calculation and payment of insurance contributions, including taking into account of payments, setting-off or refund of insurance contributions made in excess, collection of payment debts.

