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ECONOMIC AND LEGAL ASPECTS OF PENSION SYSTEM REFORM

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Today, in the stage of economic liberalization and deepening of market reforms in the Republic of Uzbekistan, a strong social policy remains a priority. In this regard, the former president said, "Ensuring social protection of the population serves as the main direction at all stages of reforms.This is one of the five principles on which our reforms are based."We should continue to work based on this principle," he said.

The national pension system is formed in our country taking into account the economic and social development of the state and improving the system in order to increase the welfare of the strata in need of social security. Requires revision of pension amounts.

In our country, in the years after the achievement of independence, certain works aimed at the social protection of people and the strengthening of their position in society were carried out. The legal foundation of social protection and social support of citizens has been created. As written in Article 39 of our Constitution, "Everyone has the right to social security in the event of old age, incapacity for work, as well as in the event of deprivation of a breadwinner and in other cases provided for by law."

There is no doubt that the strong social policy developed and implemented by the President of our country is an important factor in improving the pension provision of citizens. Ensuring the stability of the off-budget Pension Fund system under the Ministry of Finance of the Republic of Uzbekistan, increasing the level of material security of pensioners and improving the quality of services by optimizing the management of pension provision is the main goal of the reforms.

The current development of the world economy is characterized by extremely limited financial resources for the expenses of the state, which should be directed to the social sphere. In such a situation, it is important to develop and implement a policy of rational and effective use of the state's centralized fund, as well as other available financial resources.

After the independence of our republic, during the past years, great work has been done to improve the pension provision and adapt it to market conditions. However , in the context of the modernization of the current economy and the financial and economic crisis, it is necessary to further improve the pension provision and ensure its stable development.

In order to ensure the stability of pension provision and increase its efficiency in Uzbekistan, the following should be implemented:

- it is necessary to gradually reduce the benefits when assigning an age pension to citizens on preferential terms. It would be desirable to transfer the social protection of employees working in extremely harmful and difficult jobs to more employers;
- based on the requirements of Article 31 of the law, it is established that the average salary calculated at the time of awarding a pension is limited to ten times the minimum salary. However, the citizen has been paying income tax and other contributions according to the established procedure from all parts of his salary. Therefore, if the average monthly salary, which is taken into account for the calculation of the pension, is increased by 12 times, it can play an important role in strengthening the social protection of citizens:

Types of pension and salary	Current procedure (according to 10 times the basic amount of pension calculation)	New order (according to 12 times the basic amount of pension calculation)
Salary	30 years for seniority 3990000	30 years for seniority 3990000
Age pension	1944000	1944000
Retirement Account*	324000x10 =3240000	324000x1 2=3888000
Base amount of pension	1782000	2138400
Bonus for overtime	162000	194400
Total pension	1944000 sums (1782000+162000)	2332800 sums (2138400+194000)
Change	Then the amount of pension of this citizen will increase by 388,800 soums compared to the current one.	

- according to the relevant decisions adopted today, the main funds of the pension fund are not formed at the expense of mandatory insurance contributions paid by employees. The single social contribution paid by employers accounts for a large part of the pension fund's funds. Based on world experience, it can be seen that the weight of the second direction is increasing;
- while the state (solidarity) pension system is in force, based on world practice, it is necessary to create legislative foundations for the formation of a private pension system specific to Uzbekistan in the future.

In order to ensure the stability of the pension system in the Republic of Uzbekistan, it is appropriate to encourage the formation of additional types of private pensions. Therefore, it is necessary to gradually form the labor market, to increase the number of new jobs, and to increase the number of people employed as much as possible.