



## Russian pension fund

**42,9 mln**  
pensioners

**572 bln**  
rubles assigned  
for social  
benefits

**51,7 mln**  
public services  
rendered

**4,1 trln**  
rubles collected  
in insurance  
contributions

**6,5 trln**  
rubles assigned  
for pensions

# 2016

Annual report

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## Address of the Board Chairman of the Pension Fund of the Russian Federation



**A** key result of the Russian Pension Fund's activity in 2016 is the full and timely payment of all types of pensions and social allowances in every Russian constituent territory.

The Fund smoothly ensured every indexation prescribed by the law and assigned over 6.5 trillion rubles for pensions paid to 42.9 million pensioners. In 2016, an average old-age insurance pension amounted to 13,170 rubles, a social pension stood at 8,560 rubles, and monthly PFR pensions to WWII veterans reached 32,900 rubles by the end of the year.

In addition, we paid over 20 million social benefits totaling 572 billion rubles. More than 99.8 billion rubles were assigned for federal social pension supplements enjoyed by non-working pensioners, which raised their level to the subsistence minimum in the home

region. The supplements were received by 4.1 million people in 72 Russian constituent territories.

The primary source of insurance pensions is insurance contributions which the Pension Fund was administering in 2016. The amount of mandatory pension insurance contributions grew by 6.9% since 2015 and reached 4.1 trillion rubles, while mandatory healthcare insurance contributions increased by 9.2% to 1 trillion rubles.

The course towards reducing the PFR budget's dependence on transfers from the federal budget continued in 2016. Transfers aimed at balancing the mandatory pension insurance system reached 988.6 billion rubles or 15.4% of all funds spent on insurance pensions. We are set to reduce this ratio further, to 14.2% in 2017 and to 13.6% in 2019, which is stimulated by the approved PFR budget for 2017–2019.

Maternity capital remains a priority of the Russian Pension Fund. PFR has issued over 7.6 million certificates to families with two children or more in the ten years of history of the major state program. In 2016, the Fund assigned 365.3 billion rubles at the request of certificate holders who choose a way to spend their funds. In all, PFR has transferred 1.7 trillion rubles to Russian families since the moment the program was launched.

The development of Internet technologies as a way to improve quality of public services is a major PRF accomplishment in 2016. Practically every PFR service, from pension rights notification to the assignment of pensions

and social benefits, can now be received at home, via the personal account on the PFR website or the public services' portal. This is so convenient it is not surprising that 27 million compatriots used PFR services online in 2016. As many as 73% of PFR public services were rendered on the Internet in the 4th quarter of 2016. More than 1 million pensions were assigned online, without an in-person visit to PFR.

The development of the PFR information system was a token of quality of its online services. The need to process almost 30 million inquiries per month prompts PFR to implement the very best of the available information technologies. The creation of a new information system, AIS PFR-2, was completed in 2016. We prioritize a shorter period of public service reception, in particular, through the provision of access to federal databases of all PFR territorial offices with a high degree of data security.

The foundation of two latest federal information projects, which PFR is set to implement in the coming years, namely the Unified State Social Security Information System (USSSIF) and the Federal Register of Disabled Persons (FRDP), was laid in 2016. The Pension Fund is the developer and operator of both systems. They rest upon the same idea of better quality of public

services rendered to socially vulnerable categories of citizens while raising the efficiency of budget expenditures.

PFR is preparing to take the next step, the creation of a virtual client service, through the development of information technologies. Citizens will be able to use the Internet or call for receiving every main type of PFR public service, without visiting a PFR office and submitting their documents. PFR is already providing public services without requesting the submission of personal storage documents. The broader use of the interdepartmental electronic interaction system, the growing number of citizens registered with the Unified Identification and Authentication System, and centralization of PFR databases, make it possible to steadily progress in this new and promising area, which will heighten the accessibility of public services and reduce administrative costs of their provision.



Anton Drozdov



# Numbers of the Year

## Pension system participants

Persons insured in mandatory pension insurance system	152,2 mln persons
<b>Pensioners:</b>	42,9 mln persons
Recipients of insurance pensions	39,5 mln persons
Recipients of state pensions	3,6 mln persons
Recipients of 2 pensions	0,3 mln persons
Recipients of funds from pension savings	1,3 mln persons
<b>Insuring parties within mandatory pension insurance system</b>	9,4 млн
Employers	5,6 mln
Self-employed insuring parties, including self-employed employers	3,8 млн
	0,6 млн

## Pensions (average)

<b>Insurance pension</b>	12 725 rub
Old-age insurance pension	13 172 rub
<b>Funded pension</b>	802 rub
Term payment of pension savings (co-funding program)	1 052 rub
Lump-sum payment of pension savings	10 184 rub
<b>Social pension</b>	8 645 rub
Social pension of children with disabilities and persons with life-long disabilities	11 101 rub
<b>Federal social supplement to pension</b>	1 950 rub

## Pension raise

Insurance pensions' indexation	4%
State pensions' indexation	4%
Return on pension savings in expanded VEB portfolio	10,7%
Return on pension savings in VEB government bonds portfolio	11,7%
Return on pension savings on investment of pension savings by private management companies	14,2%

## Pension savings' co-funding program

Program participants who made contributions in 2016	758 300 persons
2016 contributions	5,7 bln rub
Average 2016 contribution	9 700 rub
State co-funding of contributions in 2016	5,5 bln rub

## Maternity (family) capital

Size of maternity capital	453 026 rub
Number of families issued with maternity capital certificate in 2016	924 800
Number of families holding maternity capital certificates (total)	7,6 mln
Maternity capital funds assigned to families in 2016	365,3 bln rub
Families which fully spent maternity capital	4,2 mln

## Social benefit recipients

Monthly social benefit (MSB)	15,6 mln persons
Federal social supplement to pension (FSS)	4,1 mln persons
Monthly benefit supplement (MBS)	0,5 mln persons
Benefit for caring for persons with disabilities	1,8 mln persons
Benefit for caring for children with disabilities	0,5 mln persons
Monthly social benefit's indexation	7%

## Russian Pension Fund budget

<b>Revenue, including:</b>	7 625,2 bln rub
Mandatory pension insurance contributions	4 131,5 bln rub
Russian federal budget funds	3 355,3 bln rub
<b>Expenditures, including:</b>	7 829,7 bln rub
Payment of insurance pensions	6 017,6 bln rub
Payment of state pensions	412,6 bln rub
Payment of social benefits	572,2 bln rub
Maternity capital	365,3 bln rub



## Events of the Year

### **New rules of issuing Individual Insurance Account Number (SNILS)**

A new faster and more convenient way of registering Russian citizens with the mandatory pension insurance system has been developed and tested. **P. 55**

### **Payment of 25,000 rubles from maternity capital funds**

Russian families holding maternity capital certificates received the fourth lump-sum payment. **P. 69**

### **Broadening of e-services**

New PFR services were launched online to facilitate and accelerate the assignment of pensions and social benefits and to make the receipt of public services more convenient. **P. 19**

### **Federal Register of Disabled Persons**

The Federal Register of Disabled Persons was developed and launched to improve quality of assistance to persons with disabilities and the efficiency of state social support expenditures. **P. 58**

### **Growth of pensions and social benefits**

A growth of pensions and social benefits alongside the growing number of pensioners increased expenditures of the Pension Fund budget. **P. 29**

### **Maternity capital for children with disabilities**

The options of using maternity capital have been expanded: from now on the capital may be spent on goods and services for rehabilitation and social adjustment of children with disabilities. **P. 70**

### **New international treaties on social security cooperation**

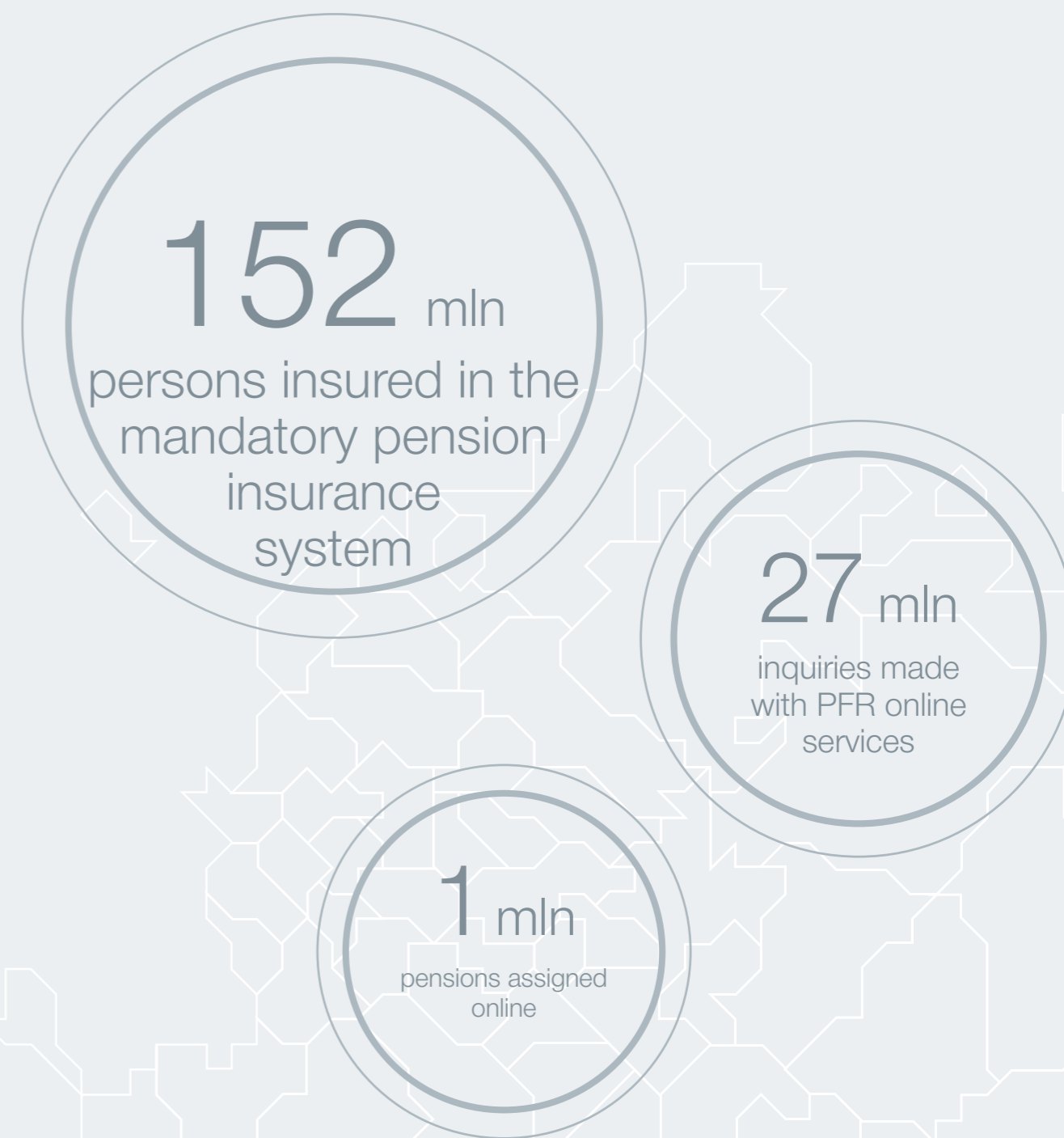
A number of interstate treaties were signed in the field of pensions and social security. **P. 44**

### **New form of employers' reports**

Insuring parties monthly provide the Pension Fund with information about working pensioners by means of new simplified reporting forms. **P. 56**

### **Assistance to pensioners in natural calamities**

Non-working pensioners, whose homes and property were damaged as a result of natural calamities, received targeted social assistance. **P. 75**



# 1. About Russian Pension Fund



# 1.1.

## Russian Pension Fund System

The Russian Pension Fund is one of the three state off-budget funds providing mandatory social insurance in Russia and operating as the state insurer in the mandatory pension insurance system. PFR activity is coordinated by the Russian Labor and Social Protection Ministry.

### About Russian Pension Fund

#### Areas of PFR activity

- ◆ Individual account of pension rights in the mandatory pension insurance system, account of state pension and social security entitlements
- ◆ Assignment and payment of pensions within mandatory pension insurance and state pension system
- ◆ Assignment and payment of social benefits
- ◆ Formation and payment of pension savings
- ◆ Administering of mandatory pension and healthcare insurance contributions
- ◆ Execution of state programs of maternity capital and co-funding of voluntary pension savings.
- ◆ Co-funding of social programs in Russian constituent territories
- ◆ International cooperation in pension and social security issues
- ◆ Information campaigns

#### PFR personnel

The Russian Pension Fund employs 114,300 persons. Most Fund employees (60%) are 30 to 50 years old. Some 87% of Fund employees have higher education, and 81.8% have higher education in the relevant field. Almost half of specialists

have been working for the Fund for over a decade. An absolute majority of Russian Pension Fund employees are women. The Fund recruited 14,800 persons in 2016, yet the total staff reduced by 6.1% (7,400 persons) over the year.

#### Pension system participants

**Insured persons** – Russian and foreign citizens registered in the mandatory pension insurance system. In all, there are 152.2 million individual accounts registered in the mandatory pension insurance system.

**Insuring parties** – individuals and entities paying mandatory pension and healthcare insurance contributions. In all, 5.6 million entities – insuring parties and 3.8 million self-employed citizens are registered in the mandatory pension insurance system.

#### Geography of PFR activity

The Russian Pension Fund operates at the federal level throughout the territory of Russia and the city of Baikonur, Kazakhstan. There are

Fund offices in practically every large populated locality (2,589 client services).

#### PFR information system

Russian Pension Fund is forming databases on pension and social security rights of citizens of Russia and foreign countries registered in the mandatory pension insurance system. In 2016, the Fund completed modernization of its own

information system (AIS PFR-2) and thereby implemented brand-new mechanisms of operation, raised the efficiency of territorial divisions across the country, improved the quality and accelerated the provision of public services to citizens.

#### PFR state programs

The Russian Pension Fund is fulfilling two state programs: maternity capital (since 2007) and co-funding of pensions (since 2008). The first program involves 7.6 million Russian families, and the other applies to 2.5 million prospective and current pensioners. Since the beginning

of the maternity capital program, families have received government support to a total sum of 1.7 trillion rubles, and more than 100 billion rubles worth of pension savings have been formed under the pension co-funding program.

## Russian Pension Fund structure

The Russian Pension Fund consists of more than 2,589 divisions which daily operate the national pension system on the federal and regional levels. The Fund Board, as well as the Executive Office and the Interregional Information Center are seated in Moscow. There is a PFR division in every Russian constituent territory, which supervises territorial departments, pension-paying and data-processing centers, and PFR client services.

In 2016, the Russian Pension Fund continued to optimize the size of its staff. The process is being conducted in a way, which prevents any deterioration of the quality of public services rendered to citizens. At the same time, the development of the PFR automated system and the general informatization of the PFR activity help broaden the range of public services provided online. As a result, the functions of in-person meetings with

citizens, initial processing of documents and information, decisions on the assignment of pensions, indexation of pension and others can be separated from one another.

One of the first steps taken in this area in 2016 was the integration of PFR regional departments into interregional departments, which receive online support from the pension-paying and data-processing centers formed in every Russian constituent territory. During the year, 346 PFR departments and offices in 26 constituent territories were reorganized into 101 interregional departments, and a decision to establish ten pension-paying and data-processing centers was made. The reorganization project reduced the staff but preserved every client service, which meets with citizens and insuring parties in person, and the proper level of public services was maintained.

### **DURING THE YEAR, 346 PFR DEPARTMENTS AND OFFICES**

IN 26 CONSTITUENT TERRITORIES WERE REORGANIZED

INTO 101 INTERREGIONAL DEPARTMENTS

### **PFR Board**

Oversees the Fund and carries out a single strategy of Russian pension system management in accordance with legislation, sets current and prospective tasks of PFR and issues normative acts regarding pensions and social security and Fund activities within the limits of its competence.

### **PFR Executive Office**

The executive body of the Russian Pension Fund providing management of mandatory pension insurance funds in Russia in accordance with legislation and decisions of the PFR Board.

### **PFR Audit Commission**

Executes departmental financial control of the PFR system and internal audit of the efficiency of PFR activities.

### **PFR Interregional Information Center**

Processes and protects information with regard to individual pension rights of citizens within the mandatory pension insurance system, ensures data security and safe storage, supports automatic processes in the individual record keeping system, and keeps the federal register of persons entitled to state social benefits.

### **PFR divisions (84)**

Organize pension and social security in every Russian constituent territory in accordance with Russian legislation and decisions of the PFR Board and the PFR Executive Office.

### **PFR departments and client services, including inter-regional departments (2,589)**

Provide PFR services to participants in the mandatory pension insurance system – citizens and entities. Operate in every Russian constituent territory under the supervision of PFR divisions.

### **PFR pension-paying and data-processing centers (13)**

Ensure payment of pensions and social benefits, process documents of PFR departments on the assignment and payment of pensions, control the delivery of pensions and social benefits. Operate in a number of Russian constituent territories.

## Russian Pension Fund Board (as of December 31, 2016)

Drozдов Anton Viktorovich, PFR Board Chairman  
 Kurtin Alexander Vladimirovich, PFR Board First Deputy Chairman  
 Chizhik Lilia Ivanovna, PFR Board First Deputy Chairperson  
 Afanasyev Sergei Anatolyevich, PFR Board Deputy Chairman  
 Gukailo Boris Vitalyevich, PFR Board Deputy Chairman  
 Yelistratov Nikolai Vitalyevich, PFR Board Deputy Chairman  
 Kozlov Nikolai Borisovich, PFR Board Deputy Chairman  
 Petrova Natalia Vladimirovna, PFR Board Deputy Chairman  
 Andreyev Andrei Yevgenyevich, Manager, PFR office in Moscow city and Moscow region  
 Khantimerov Foat Galyautdinovich, Manager, PFR office in the Republic of Bashkortostan

### PFR Board Chairman



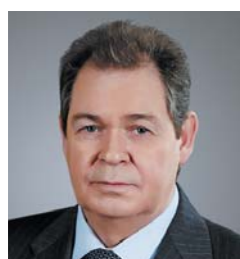
#### **DROZDOV Anton Viktorovich**

Provides general supervision of the PFR activity, assigns duties, coordinates and controls activity of PFR Board deputy chairmen.

Coordinates and controls activities of:

- ◆ The PFR Audit Commission;
- ◆ The Security Department;
- ◆ The Public Relations and Media Department;
- ◆ The Legal Policy Department;
- ◆ The Property Management Department;
- ◆ The First Department;
- ◆ The Human Resources Department

### PFR Board First Deputy Chairmen



#### **KURTIN Alexander Vladimirovich**

Acts as liaison between PFR, the Government of the Russian Federation and the Federal Assembly of the Russian Federation, coordinates and controls activities of:

- ◆ The Budget Department;
- ◆ The International Cooperation Department;
- ◆ The PFR Training Center



#### **CHIZHIK Lilia Ivanovna**

Coordinates and controls activity of:

- ◆ The Department of Assignment and Payment of Pensions;
- ◆ The Department of Individual Record Keeping in the Pension Insurance System;
- ◆ The Legal Policy Department (excluding issues coordinated by the PFR Board Chairman);
- ◆ The Social Benefits Department;
- ◆ The Department of Pension Benefits of Public Sector Employees

### PFR Board Deputy Chairmen



#### **AFANASYEV Sergei Anatolyevich**

Coordinates and supervises activities of:

- ◆ The Actuarial Expectation and Strategic Planning Department;
- ◆ The Department of Pensions for Persons Residing Abroad;
- ◆ Department of Liaison with Citizens, Insured Persons, Entities and Insuring Parties



#### **GUKAILO Boris Vitalyevich**

Coordinates and controls activities of:

- ◆ The Administrative Department;
- ◆ The Capital Construction and Property Department;
- ◆ The Procurement Department



#### **YELISTRATOV Nikolai Vitalyevich**

Coordinates and controls activities of:

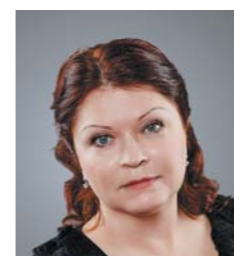
- ◆ The Public Services Department;
- ◆ The Information Technology Department;
- ◆ The Cyber Security Department;
- ◆ The Department of Management of Automated Data System Infrastructures;
- ◆ The PFR Interregional Information Center



#### **KOZLOV Nikolai Borisovich**

Coordinates and controls activities of:

- ◆ The Department of Investment Processes



#### **PETROVA Natalia Vladimirovna**

Coordinates and controls activities of:

- ◆ The Treasury Department;
- ◆ The Insurance Contribution Management Department;
- ◆ The Department for Financial Support to the PFR System;
- ◆ The Department for Processing Appeals of Payers of Insurance Contributions





## 1.2.

## Public services of Russian Pension Fund.

### PFR public services' forms and appraisal by citizens

Thousands of Russians daily apply to the Russian Pension Fund. Seeking to provide rapid and convenient services, the Russian Pension Fund is constantly improving quality of its services and broadening their range.

Most public services provided by PFR are related to mandatory pension insurance, first and foremost, the formation, assignment and payment of pensions. All citizens of Russia and foreign nationals working in the country are PFR clients one way or another.

The Russian Pension Fund provides its services via the territorial network of offices and client services which exist in practically every big populated locality of the country. As of today, the network comprises 2,589 units.

Services are provided by specialists of PFR departments and client services. Citizens may receive part of the services unaided, using terminals, infomats and computers. Software and data systems provide information support and issue certain types of statements pertaining the formation of pensions or assigned benefits, without the need to meet with PFR specialists in-person.

Practically all client services of the Fund have information boards and

desks featuring information posters, brochures and leaflets on essential current matters, the monthly newspaper for PFR clients and other materials.

Most PFR territorial offices receive citizens by appointment, including the appointments made online. It is possible to make an appointment not only at a PFR office but also on the phone, on the Russian Pension Fund's website or the Public Services Portal. It is possible to request the preparation of documents in advance so that they could be collected either from a PFR office or a multifunctional center (MFC).

Residents of small towns, which have no PFR office nearby, are provided with PFR mobile client services. Custom-made vehicles accommodating workplaces of PFR specialists and communication systems connected to PFR databases visit remote areas to receive citizens in regard to every issue covered by the Fund.

## Development of system of PFR public services

The Russian Pension Fund seeks to improve the quality of services rendered to citizens and entities, to provide those services within a short period of time, and to broaden forms and methods of their provision to the fullest extent.

In 2016, it was possible to request a majority of PFR public services not only directly from client services but also from multifunctional centers operating across Russia, the PFR website and the Unified Public Services Portal (hereinafter referred to as the Public Services Portal).

For the purpose of easier and more convenient service, the Fund exchanges information with employers, governmental agencies, and federal and regional authorities. For instance, PFR requests information needed for the assignment of pensions and receives statements from employees who reach the retirement age via corporate human resources services.

The practice of pension assignment online, without a personal visit to PFR client services, was expanded in 2016. Personal accounts on the PFR website and the Public Services Portal enable citizens to file for every type of pensions and certain social benefits. Thanks to the individual account of pension rights, which PFR has been maintaining for years, it is now possible to assign a pension online, without a personal visit of the applicant to PFR. The Fund's databases record every key parameter of the formation of a pension, and by the time a citizen reaches the retirement age, the Fund accumulates data required for the assignment of a pension consistent with the citizen's pension rights. A citizen applies directly to PFR only if there is a need for additional information or documents, which may have an effect on the size of the pension.

**THANKS TO THE INDIVIDUAL ACCOUNT OF PENSION RIGHTS, WHICH PFR HAS BEEN MAINTAINING SINCE 1997, IT IS NOW POSSIBLE TO ASSIGN A PENSION ONLINE, WITHOUT A PERSONAL VISIT OF THE APPLICANT TO PFR**



## Russian Pension Fund services rendered to insured persons (citizens)

		PFR	MFC	pfrf.ru	gosuslugi.ru	IDIS	CALL CENTER
Record of pension rights and notification	Registration of citizens in mandatory pension insurance system and SNILS issue	○	○				○
	Replacement or issue of a copy of insurance certificate	○	○				○
	Notice of formed pension rights	○	○	○	○		○
	Notice of assigned pensions and social benefits	○	○	○	○ <sup>1</sup>		○
Assignment of insurance and state pensions, supplements to pensions	Assignment of insurance and state pensions	○	○	○	○	○	○
	Recalculation of insurance pensions	○		○		○	○
	Modification of pension delivery method	○	○	○			○
	Assignment of federal social supplement to pension	○	○	○	○	○	○
	Assignment of supplements to pension of certain categories of workers	○	○			○	○
	Termination/resumption of payment of old-age insurance pension at pensioner's choice	○					○
	Request for pension file in case pensioner changes one's place of residence	○	○				○
Formation and assignment of pension savings	Transfer of pension savings between pension funds and/or management companies	○	○	○	○		○
	Termination of contributions for funded pension	○	○	○			○
	Assignment of payment of pension savings	○	○	○	○	○	○
	Division of pension savings between survivors	○	○				○
Pension saving co-funding program	Assignment of payment of pension savings to pensioner's survivors	○	○				○
	Notification of funds formed under the program	○		○			○
	Provision of payment documents for making program contributions	○	○	○	○		○
Provision of maternity capital	Issue of maternity capital certificate or its copy	○	○	○	○	○	○
	Use of maternity capital	○	○	○	○	○	○
	Notice of outstanding maternity capital balance	○		○			○

### Venue and method of the provision of PFR services:

**PFR**

Pension Fund client services (2,589 offices)

**MFC**

Multifunctional centers providing state and municipal services (4,000 centers)

**pfrf.ru**

Online, on the Pension Fund website

**THE RUSSIAN PENSION FUND RENDRED 51.7 MILLION PUBLIC SERVICES TO CITIZENS IN 2016**, INCLUDING 21.1 MILLION VIA PFR TERRITORIAL OFFICES, 3.6 MILLION VIA MULTIFUNCTIONAL CENTERS, AND 27 MILLION ONLINE

		PFR	MFC	pfrf.ru	IDIS	CALL CENTER
Assignment of social benefits	Assignment of monthly payment	○	○	○	○	○
	Assignment of a package of social services, modification of the method of its delivery, resumption (provision) or rejection of the package	○	○	○	○	○
	Reimbursement of pensioners residing in the Extreme North for vacation travel expenses or expenses incurred in their resettlement from the Extreme North	○	○ <sup>2</sup>		○	○
	Assignment of benefit to persons caring for persons or children with disabilities	○			○	○
	Assignment of monthly supplement	○				○
	Pensioner burial benefit	○				○

**gosuslugi.ru**  
Online, on the Public Services Portal

**Inter-Departmental Interaction System (IDIS)**  
By means of electronic interaction between agencies

**Call center**  
Only information about a service provided by the PFR Consulting Center

<sup>1</sup> Notification of monthly payment and package of social services

<sup>2</sup> Reimbursement of vacation travel expenses

## PFR services in multifunctional centers

PFR public services have been available via multifunctional centers (MFC) since 2013. MFC provide services of not only PFR but also of a majority of other departments and authorities. This creates an opportunity of 'one-stop' access to a whole range of public services at one place. Citizens spend less time on receiving services and collecting documents, most of which are requested by MFC specialists from other agencies on their own.

The range of PFR services provided via multifunctional centers has been growing year on year. Currently, MFC provide practically every main type of PFR services. Not only the scope of PFR services provided via MFC but also their geography are broadening year on year. Importantly,

PFR entered into agreements with MFC in all Russian constituent territories in 2016. The number of MFC rendering Russian Pension Fund services increased 2.6-fold: from 1,500 to 4,000 by the end of 2016.

As the number of MFC rendering PFR services increased, the number of applications for those services grew accordingly. MFC provided 1.7 million PFR services in 2015 and more than twice more, 3.6 million, in 2016.

The most popular PFR services available via MFC include the issue of mandatory pension insurance certificates (1.26 million requests), the use of maternity capital (1.26 million requests), the issue of maternity capital certificates (452,000 requests), and a variety of services pertaining to the assignment and payment of pensions.

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THE NUMBER OF CITIZENS REQUESTING PUBLIC SERVICES PROVIDED BY THE RUSSIAN PENSION FUND VIA MULTIFUNCTIONAL CENTERS **DOUBLED DURING 2016**

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**OVER 1 MILLION PENSIONS WERE ASSIGNED IN 2016 ONLINE, VIA PERSONAL ACCOUNT ON THE RUSSIAN PENSION FUND'S WEBSITE OR THE PUBLIC SERVICES PORTAL, 66% OF SERVICES WERE FULLY ASSIGNED IN THE ELECTRONIC FORMAT, WITHOUT A PERSONAL VISIT TO PFR**

## PFR online services on website [www.pfrf.ru](http://www.pfrf.ru)

The Russian Pension Fund has been successfully digitalizing its services and expanding their range for a number of years. In the past, PFR online services were mostly available via the Public Services Portal, yet access to all services was provided directly from the PFR website in the past three years.

The year 2016 saw a significant broadening of the range of services available in the personal account on the PFR website. A total of 28 new online services pertaining to six principal public services opened in the personal account section. For instance, it is now possible to manage and use pension savings, including the popular option of money transfers between pension funds and/or management companies. There are maternity capital services, too, and one may file online for the issue of a maternity capital certificate and to use maternity capital funds for the chosen purpose. It was possible to apply for a lump-sum payment from the maternity capital offered to families in 2016 by means of the PFR website service.

In addition, maternity capital holders received a new service in their personal account: a detailed statement of the spent amount of maternity capital funds. Previously, the information could have been received only during a personal visit to the Russian Pension Fund's client service.

Also, the personal account on the PFR website can be used for filing for a monthly social benefit and choosing a way of the delivery of the package of social services.

A lot was done in 2016 to develop online services for pensioners. Instruments of notification about types of pensions and social benefits assigned to a pensioner were added to the personal account section in the beginning of the year. There are also services enabling pensioners to change the method of delivery of their pensions and social benefits, to request payment statements, to apply to the Pension Fund or to ask one's question to a PFR specialist via the online consulting service. All that can be done online, without visiting the PFR. In addition, the website provides



an appointment service, where a citizen can choose a particular PFR client service and time of the visit in order to receive a PFR service without standing in line and waiting.

The personal account section of the PFR website expanded the range of services for pensioners resigning abroad in 2016. Now they have access to online services for receiving information about the assigned pensions and social benefits, for requesting certificates required by other agencies, including those in foreign countries, and for monitoring

the status of documents submitted to the Pension Fund.

The development of PFR online services boosted their use, which is proven by the increased number of service requests. The number of inquiries filed in the personal account section tripled to 10.3 million in 2016. One of the most popular services was the request for information about the individual account status. More than 2 million requests of the kind were made during the year, including 0.8 million users who looked up for the information in their personal account

### Most popular PFR public services in 2016

PFR client services	PFR website	Public Services Portal	Multifunctional centers
Assignment of insurance, state and funded pensions	Pension calculator	Notice of formed pension rights	Registration with the mandatory pension insurance system. The issue and replacement of insurance certificate
Registration with the mandatory pension insurance system. The issue and replacement of insurance certificate	Notice of formed pension rights	Notice of assignment of social services' package	Use of maternity capital funds
Use of maternity capital funds	Creation of payment documents for pension con-funding program contributions	Assignment of insurance, state and funded pensions	Issue of maternity capital certificate
Assignment of monthly social benefit	Modification of pension and benefit delivery method	Use of maternity capital	Modification of pension and benefit delivery method
Assignment of other social benefits	Assignment of insurance, state and funded pensions	Issue of maternity capital certificate	Notice of formed pension rights

### THE SHARE OF CITIZENS WHO RECEIVED PFR SERVICES ONLINE REACHED 52.14% IN 2016

section, and 1.23 million users who requested the creation of an electronic document.

There was a keen interest in the pension calculator, as well. More than 500,000 citizens used the service to calculate their future pension in 2016, and the number grew more than five-fold to 2.7 million in 2016, which made it the most popular service on the PFR website.

The service of pension assignment and change of pension delivery method posted the maximum growth in its users. As many as 773,000 pensions were assigned online (11 times more

than in 2015) and 1.1 million requests for changing the pension delivery method were accepted (14 times more than in 2015) in 2016.

PFR public services were also provided via the Public Services Portal in 2016. Their use tripled to 6.9 million during the year. Inquiries about the formation of pensions and pension rights remained the most popular online service, which accounted for 92.3% of all requests for PFR public services filed on the Portal.

The share of citizens who received PFR services online reached 52.14% in 2016.

**There is open access to some online services on the PFR website, which can be received without logging in the personal account.**

These include such simple and highly popular services as making an appointment, filing an application and requesting the issue of certificates and documents. However, most services would require having a log-in and a password in the Unified Identification and Authentication System (UIAS) and their confirmation with a personal visit to a UIAS certification center. This kind of registration has the same value as a simple electronic signature, which can later be used for receiving online services, including those on the PFR website.

Before 2016 most certification centers were operating at Rostelecom and Russian post offices. Alongside development of online services, the Russian Pension Fund decided to open certification services at its territorial offices for the purpose of user convenience. As many as 2,500 certifying centers opened at PFR territorial offices across the country or practically every PFR client service by late 2016.

A total of 1.8 million people received certified registration with the UIAS via PFR-hosted certification centers.

## Consulting Center of Russian Pension Fund

The PFR consulting call center, which has been working since 2010, helps broaden the scope of remote access to services of the Russian Pension Fund. Center operators provide citizens and insuring parties with information about all types of PFR services and accept applications. Hence, citizens can easily and rapidly learn about the way to receive a particular service from the Russian Pension Fund, the types of necessary documents, and the nearest venue and method of the provision of service.

The PFR consulting center operates primarily as a single federal number which one may dial for free from any region of Russia round-the-clock. The

consulting center also provides information by text messages, videoconference and online consultations.

Every day the consulting call center gives current information to thousands of citizens on every aspect of interaction with the Pension Fund. It is not surprising that the center has an increasing number of applicants year after year. The center received 1 million phone calls, 16,500 video calls, and 108,000 online inquiries in 2016. The total number of applications grew by 24.6% since 2015, primarily with phone calls.

Most questions were about the assignment and use of maternity capital (358,000), the SNILS issue procedure

(over 150,000), indexation of insurance pensions (108,000), transfer of pension savings to private pension funds and management companies (100,000) and the formation of pension rights (70,000).

## Appraisal of PFR public services via 'Your Control' system

Russian citizens acquired a new instrument of PFR services' appraisal and feedback in 2015. The 'Your Control' system makes it possible to comment on the performance of the Russian Pension Fund and other governmental agencies and to assess their services.

One may appraise the performance of the Russian Pension Fund as a whole and the territorial division which provide the service. There are a number of assessment criteria, including rapidity of the service's provision, professionalism and politeness of specialists, the level of comfort in the place where the service was provided, and so on.

The quality of PFR services can be accessed in the 'Your Control' system using the vashkontrol.ru website, the SMS polls service, the Public Services Portal and poll terminals at multifunctional centers. For the purposes of user convenience, every page of the Pension Fund website provides fast access to the 'Your

Control' service, and PFR territorial divisions offer step-by-step instructions to people wishing to assess the service online. Every PFR division and territorial office has an account for receiving citizens' opinions on the quality of public services.

An average score of PFR services stood at 4.82 out of 5 maximal points in SMS-polls of the 'Your Control' system in 2016. Some 96.4% of users said they liked the service (four points or more). Assessments made via the 'Your Control' system website averaged 4.99 points, and 99.7% of users were satisfied.

The degree of satisfaction with public services in the 'Your Control' system shall not be smaller than the target value annually established for each governmental agency. The 2016 target value for the Russian Pension Fund was 80% of favorable comments. A total of 2,200 PFR territorial offices (96%) reached the target value of user satisfaction, and 91 territorial offices (3.5%) fell short of the objective.

AN AVERAGE SCORE OF PFR SERVICES STOOD AT **4.82 OUT OF 5 MAXIMAL POINTS** IN SMS-POLLS OF THE 'YOUR CONTROL' SYSTEM IN 2016



## PFR services applying Interdepartmental Interaction System

The Russian Pension Fund occupies an important place in the public services system. PFR has amassed large quantities of citizens' personal data, which can be used by the Fund and other governmental agencies for rendering public services. In addition, the Russian Pension Fund is authorized to issue and register SNILS, a unique number serving the purpose of identification of a citizen's personal data in the public services system.

The Pension Fund has been participating in the online interdepartmental interaction for a number of years: it has been a supplier of information since 2011 and a user of information since 2013. In all, the Russian Pension Fund requests about 120 types of information from federal and regional executive authorities and local self-government bodies. PFR uses information received from other agencies in the provision of eight types of services, mostly the assignment and payment of pensions and supplements to pensions.

Law enforcement agencies are the main providers of data for PFR in the interdepartmental interaction system. The bulk of information comes to the Russian Pension Fund from the Interior Ministry. It concerns both pensions and maternity capital services.

In 2016 the Pension Fund broadened information exchange in the Interdepartmental Interaction System with such agencies as the Customs Service, the Federal

Security Service, the Federal Penitentiary Service, and the employment and labor services. New data transfer services connecting PFR to those agencies will provide the Pension Fund with information from the agencies' pension files on citizens. The data will be used by PFR for assigning various types of pensions.

For its part, the Russian Pension Fund provides via the Interdepartmental Interaction System 12 types of information used by other governmental agencies for rendering more than 800 types of services. Being an information supplier, PFR has developed and registered with the Interdepartmental Interaction System every service necessary for the provision of its data used by the authorities for rendering public services to citizens. More than 7,000 information systems of governmental agencies of all levels are connected to the PFR information system.

Most inquiries made to PFR from other agencies are related to verification of citizens' personal data and SNILS. Almost 61% of inquiries made in 2016 regarded that information. Mostly, the information is shared with Federal Tax Service, the Interior Ministry, regional and local authorities. There is a great demand for other PFR data, for instance, the information about citizen incomes shared at the request of the Federal Bailiff Service (36.8 million inquiries in 2016), or the amount of PFR pensions and social benefits (12 million inquiries from the Federal Bailiff

## THE RUSSIAN PENSION FUND PROVIDES VIA THE INTERDEPARTMENTAL INTERACTION SYSTEM 12 TYPES OF INFORMATION USED BY OTHER GOVERNMENTAL AGENCIES FOR RENDERING MORE THAN 800 TYPES OF SERVICES

Service, the Social Insurance Fund, and regional and local authorities).

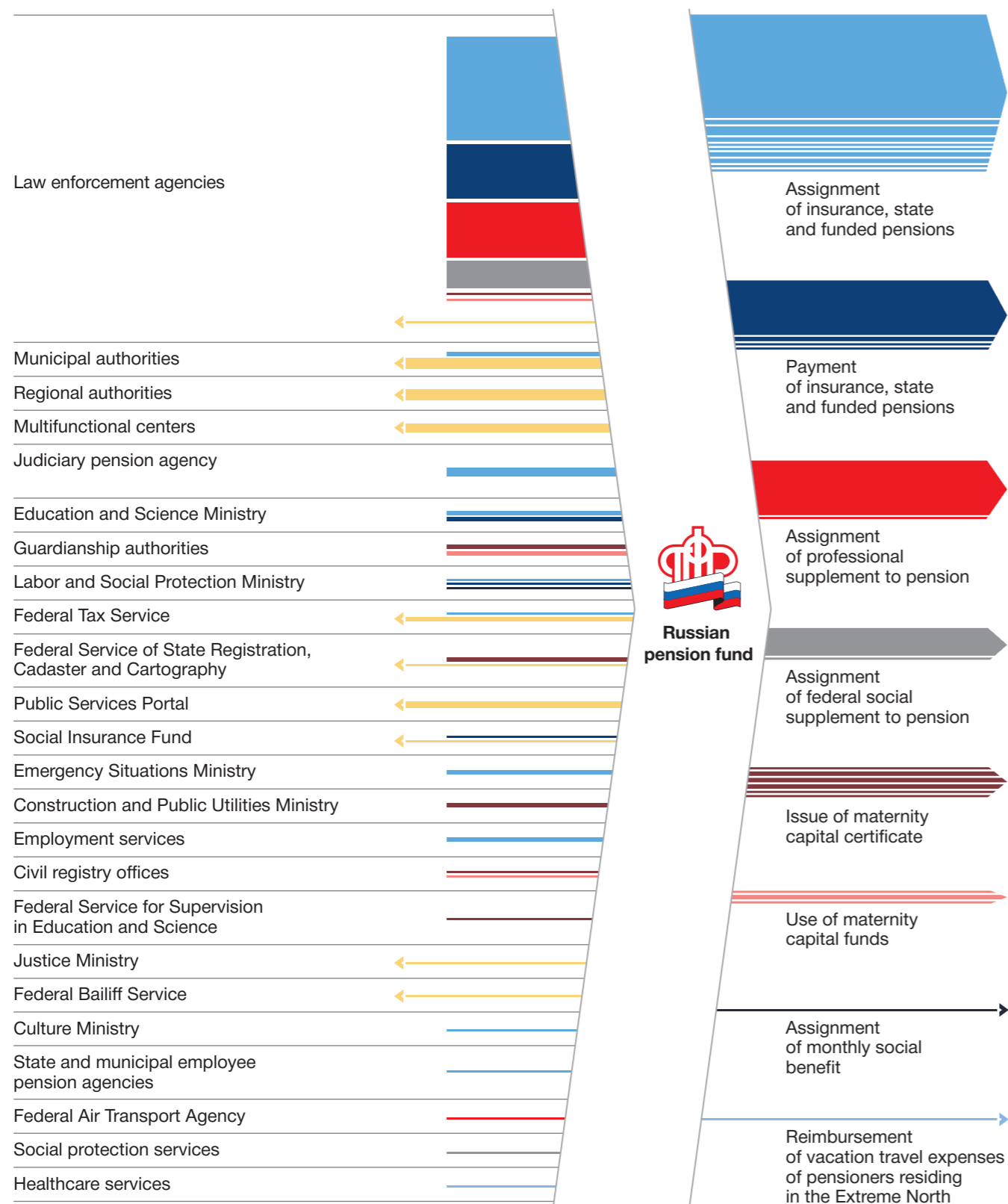
The volume of information shared by the Russian Pension Fund with other parties to the interdepartmental

interaction grew 1.6-fold over the year. The total number of inquiries

received by PFR through the Interdepartmental Interaction System reached 157 million in 2016.

## Russian Pension Fund in Interdepartmental Interaction System

Lines represent information requested by PFR from other agencies in order to render public services or shares with other agencies, so that they could render public services of their own. Thickness of lines demonstrates the amount of transferred data



## 1.3. PFR budget

The 2016 PFR budget was approved by Federal Law No 364-FZ dated December 14, 2015, 'On the 2016 Budget of the Russian Pension Fund' (in the edition of Federal Law No 439-FZ dated December 19, 2016, 'On Adjustment of the Federal Law on the 2016 Budget of the Russian Pension Fund').

### Budget revenue

The Russian Pension Fund revenue grew by 498.6 billion rubles (7%) year-on-year to 7,625.2 billion rubles in 2016. Mandatory pension insurance contributions, which are the primary source of the Fund's income, stood at 4,131.5 billion rubles or 54.2% of the overall revenue. Compared to 2015, the collection of insurance contributions grew by 267 billion rubles or 6.9%.

Insurance pension contributions constituted a lion's part of the PFR budget revenue; they grew to 4,130.9 billion rubles by the end of the year. Funded pensions were not formed with new contributions but mostly consisted of the collection of previous-year arrears, which amounted to 0.6 billion rubles.

Alongside mandatory pension insurance, the Pension Fund operates in the field of state pensions and social benefits, which prescribes payment of pensions, social benefits

and supplements to pensions, maternity capital and some other funds. All of them are financed with transfers from the Russian budget rather than insurance contributions made to the Fund.

In 2016, federal transfers to the PFR budget in the foresaid areas grew by 41.6 billion rubles to 1,272 billion rubles (37.9% of the total transfer). Most funds were assigned for paying state pensions (393.6 billion rubles), monthly social benefits (356.7 billion rubles), and maternity capital (346.9 billion rubles).

Federal budget funds were also assigned for raising insurance pensions, which included valorization of old-age pensions and indexation of the pension-point value and the fixed payment, as well as the funding of benefits provided by the government to certain categories of citizens and mandatory pension insuring parties. Such benefits include early retirement

A KEY SOURCE OF PFR BUDGET REVENUE IS MANDATORY PENSION INSURANCE CONTRIBUTIONS: **IN 2016 THE FUND ENSURED COLLECTION OF 4.13 TRILLION RUBLES WORTH OF CONTRIBUTIONS, OR 6.9% MORE THAN THE YEAR BEFORE**



and inclusion of socially significant periods of life in the overall labor record. Entities and businessmen received benefits in the form of discount tariffs of insurance contributions, therefore, federal budget funds compensated for the shortfall in the PFR income.

In all, the federal budget assigned 2,069.6 billion rubles (61.7% of the total transfer) for those purposes. Most funds were assigned for valorization of insurance pensions (676.9 billion rubles), compensation of discount tariffs of insurance contributions (392 billion rubles), early retirement pensions (307 billion rubles), and indexation of the pension-point value (225.5 billion rubles).

On the whole, the federal budget transferred 3,355.3 billion rubles to

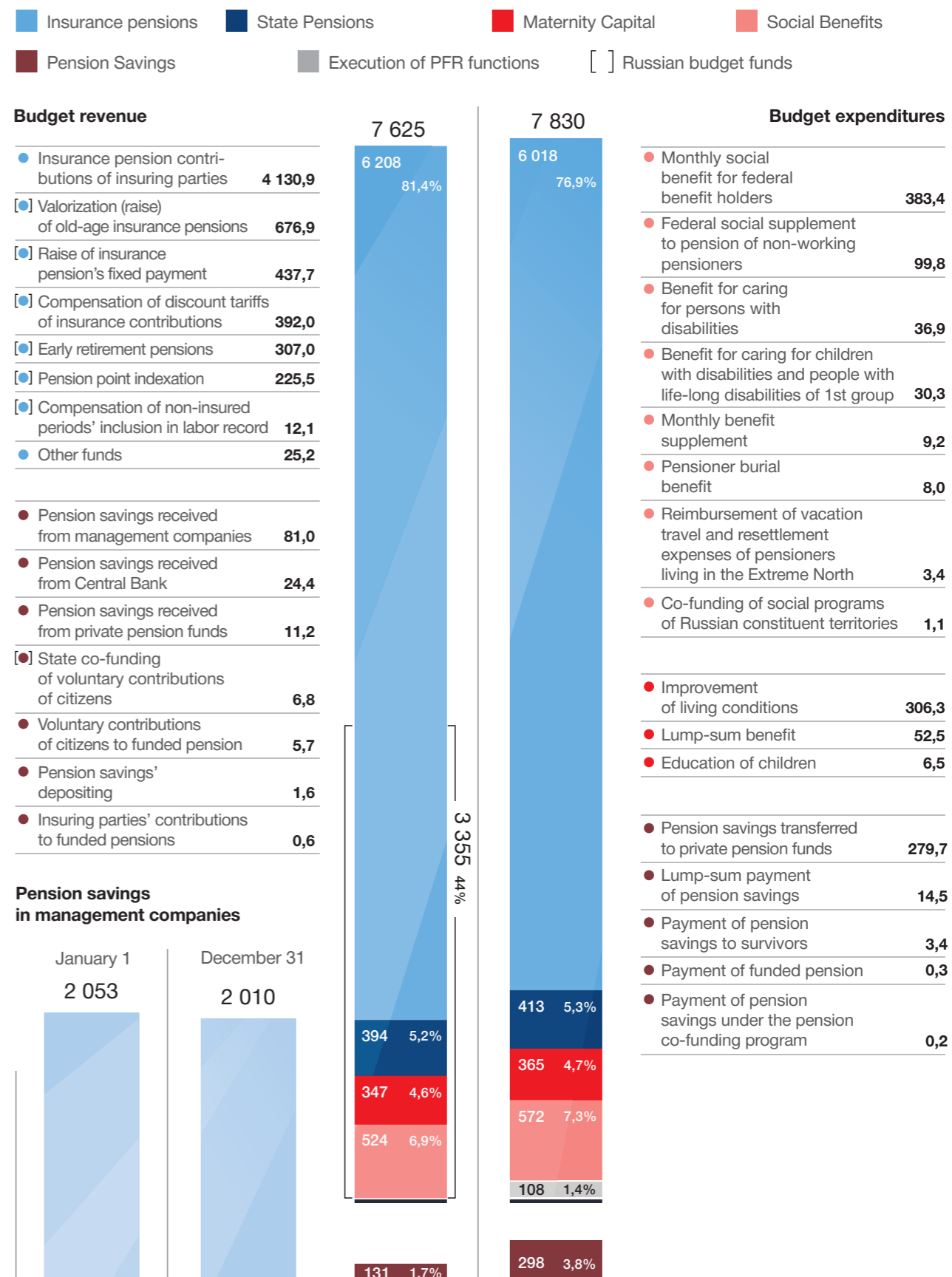
the Pension Fund in 2016, which accounted for 44% of its entire income.

Budget revenue related to the formation of pension savings stood at 131.2 billion rubles, mostly pension money withdrawn from management companies (81 billion rubles), funds received from the Central Bank within the system guaranteeing security of pension savings (24.4 billion rubles), and money received from private pension funds upon citizens' transfer of their pension savings to PFR (11.2 billion rubles). Voluntary contributions of citizens to the funded pension reached 5.7 billion rubles in 2017, while state co-funding of voluntary contributions of citizens in 2015 (under the law, the co-funding is provided in the year following the year when voluntary contributions are made) reached 6.8 billion rubles.

**PFR PENSION PAYMENTS GREW BY 4.6% OR 288.5 BILLION RUBLES TO 6.5 TRILLION RUBLES IN 2016. SOCIAL BENEFIT EXPENSES GREW BY 15.3% OR 75.4 BILLION RUBLES TO 572 BILLION RUBLES**

## RUSSIAN PENSION FUND BUDGET 2016

bln rubles







## Budget expenditures

PFR expenditures grew by 159.4 billion rubles (2.1%) year-on-year to 7,829.7 billion rubles in 2016. PFR pension payments (including supplements to pensions of certain categories of citizens) increased by 288.5 billion (4.6%) to 6,504 billion rubles or 83.1% of all budget expenditures. A total of 6,017.6 billion rubles were assigned for paying insurance pensions, 413 billion rubles for social pensions, and 18.4 billion rubles for pension savings. The Fund's social benefit expenditures increased by 75.4 billion rubles (15.2%) to a total of 572 billion rubles, or 7.3% of all expenditures.

Expenditures mostly grew year-on-year in such budget items as insurance pensions (by 267.8 billion rubles), federal social supplements to pensions (by 57.7 billion rubles) and maternity capital (by 36.6 billion rubles). Expenditures increased most in terms of percentage in the following areas:

- Federal social supplements to pensions of non-working pensioners – expenditures grew 2.4-fold (by 136%), from 42.2 billion to 99.8 billion rubles, due to the 23% increase of Russia's average pensioner subsistence minimum in 2016, which entailed an increase in the number of pensioners receiving federal social supplement by 44% (from 2.7 million to 3.9 million persons) and the average supplement size by 75% (from 1,200 to 2,100 rubles).
- Reimbursement of vacation travel and resettlement expenses of pensioners living in the Extreme North – expenditures grew 1.8-fold (by 76.7%), from

116.5 million to 206 million rubles, after the number of pensioners requesting the service grew 1.7-fold, from 3,600 to 6,200 persons.

- Funded pension – expenditures grew 1.4-fold (by 42.7%), from 230 million to 328 million rubles, because, same as in the case of term payment of pension payments, of the 1.3-fold increase of the number of pensioners who had the payment assigned during the year, from 28,600 to 38,200 persons

- Maternity capital – expenditures grew by 11%, from 329 billion to 365.3 billion rubles, due to the two lump-sum payments at an amount of 20,000 rubles and 25,000 rubles, respectively, from maternity capital funds.

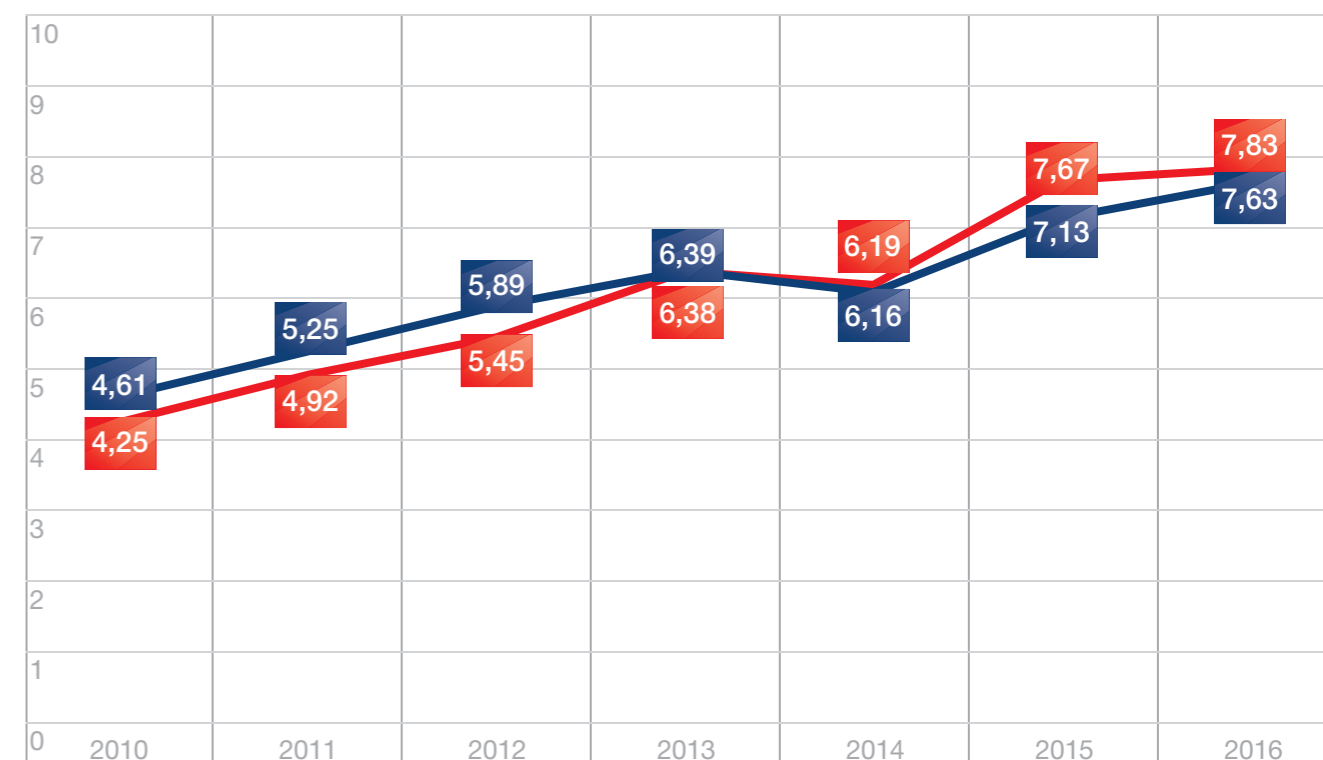
- Term payment of pension savings to participants in the state pension co-funding program – expenditures tripled, from 53 million to 159 million rubles, due to the triple increase of the number of pensioners who had the payment assigned during the year, from 4,700 to 14,300.

PFR budget expenditures topped revenue by 204.4 billion rubles in the end of 2016. Most of those funds (167 billion rubles) resulted from citizens' transfers of their pension savings (280 billion rubles) from the Russian Pension Fund to private pension funds, which is actually a technical deficit. The thing is that pension savings are transferred to private pension funds not from PFR itself but from management companies to which the Fund refers all funded pension contributions. PFR pension savings operated by management companies (over 2 trillion

## Russian Pension Fund budget

trln rubles

■ Revenue ■ Expenditures



*A primary reason why budget expenditures outweigh revenue is the transfer of pension savings from the Russian Pension Fund to private pension funds at citizens' initiative.*

rubles in 2016) are not included in the PFR budget revenue, while funds transferred to private pension funds are listed as expenditures, which results in a technical budget deficit.

In the budget's part unrelated to the formation of pension savings, the deficit stood at 37.5 billion rubles and was fully covered by transferable funds of the PFR budget.



# 1.4.

## PFR infrastructural development and improvement of its efficiency

The development of PFR infrastructure creates a comfortable environment for client service visitors and proper working conditions for employees, as well as cuts expenditures on PFR current operations

PFR unveiled 16 new premises in 2016, including six built and ten acquired. The Russian Pension Fund's expenditures on capital construction, acquisition and overhaul of real estate properties reduced by 42.2% or 1.34 billion rubles during the year to 1.84 billion rubles.

By the end of the year, the PFR territorial network consisted of 4,100 facilities with a total floor space of 2,275 thousand square meters.

Most commissioned buildings and premises were used by PFR offices directly providing services to citizens and entities. New offices of the Russian Pension Fund comply with modern requirements to client services and provide everything necessary for the work of their specialists and quality and comfortable service to visitors, including people with disabilities.

The deficit of premises in addition to the absence of conditions for receiving citizens is the main reason for the construction of new PFR

facilities. A decision to buy buildings and premises instead of constructing them is made whenever the acquisition costs less or regional authorities cannot provide land lots for building PFR offices in places accessible to citizens.

Seeking to minimize annual expenditures on the construction and acquisition of premises, the Fund has been reproducing construction projects. This helps save money on design documentation. Information regarding eight construction projects developed and fulfilled by the Russian Pension Fund was added to the register of standard project documentation of the Russian Ministry of Construction, Housing and Utilities as efficient re-use projects. The standardized construction practice has been successfully applied by PFR offices in the Republic of Adygeya and the Tambov, Volgograd and Belgorod regions.

The Fund relies on standard requirements to the finishing of buildings and

SEEKING TO **MINIMIZE ANNUAL EXPENDITURES ON THE CONSTRUCTION** AND ACQUISITION OF PREMISES, THE FUND HAS BEEN REPRODUCING CONSTRUCTION PROJECTS

premises, as well as the Construction and Public Utilities Ministry's regulations, which set maximal limits for the space of PFR administrative buildings, in the course of construction, overhaul and maintenance projects.

While drawing project estimates, PFR territorial divisions use local construction and finishing materials, including those expensive, to the fullest extent. With the consent of the authorities, a primary condition of the allotment of land for building new offices is their location in areas with developed transport and utility networks.

Russian Pension Fund officers coordinating construction projects with city development authorities insist that only simple architectural solutions be used (façade finishing, building configuration, etc.), in order to avoid excessive construction costs or an illusion of 'excess and luxury'.

Much attention is given in the construction and acquisition of premises to the compliance with standards of the 'Accessible Environment' state program, energy saving, fire safety, construction norms and labor laws.

## Public Hearings on PFR Real Properties Capital Construction, Overhaul and Maintenance Projects

The Russian Pension Fund regularly holds public hearings on planned construction and repairs of its real properties and acquisition of new buildings and premises for the Fund's needs. Public hearings involve citizens, representatives of the Union of Pensioners, the all-Russia Society of Persons with Disabilities, trade unions, non-governmental associations and unions of small, medium and big business employers, member organizations of the All-Russia People's Front and the media. All PFR projects of capital

construction, overhaul, maintenance and acquisition of premises with a cost of 5 million rubles or more are subject to public hearings and require mandatory approval.

In 2016 PFR territorial divisions initiated and held 70 public hearings in 35 Russian constituent territories (83 hearings were held in 44 constituent territories in 2015).

All PFR projects were approved. The cost of projects reduced from 1% to 15% of the initial sum as a result of six hearings.

RUSSIAN PENSION FUND INITIATED AND HELD **70 PUBLIC HEARINGS** ON PROJECTS OF CAPITAL CONSTRUCTION, OVERHAUL AND ACQUISITION OF PREMISES AND BUILDINGS **IN 35 RUSSIAN CONSTITUENT TERRITORIES** IN 2016

## Safe and Accessible Environment

PFR territorial offices receiving and serving citizens shall mandatory comply with the standards of the Accessible Environment state program, in addition to such basic requirements as fire safety or energy saving. All new buildings of the Russian Pension Fund are designed and built consistent with the requirements providing the appropriate level of accessibility to people with disabilities and reduced capacities. Buildings acquired by the Russian Pension Fund from third parties undergo adjustments for

creating a comfortable environment for people with impaired mobility.

The number of PFR facilities with the maximal degree of accessibility for persons with disabilities grew by 4.1% to 656 buildings in 2016. Expenditures on the compliance with standards of the state program Accessible Environment reached 103 million rubles in 2016. The funds were spent on entrance zones, bathrooms, tactile and sound alert devices, and parking lots for vehicles driven by persons with disabilities.

## 1.5.

## Prevention of corruptive practices in PFR system

Prevention of corruptive practices in the Russian Pension Fund is systemic and based on the fulfillment of all norms of Russian laws regarding the prevention of corruptive practices

In 2016, the Russian Pension Fund was countering corruptive practices under anti-corruption laws and the anti-corruption plan for PFR and its territorial divisions in the period of 2016-2017.

Last year, citizens made 209 statements reporting suspected corruptive practices: 68 statements were received by operators of the PFR consulting center on the phone, 121 were mailed, 19 were sent via the Fund website, and one statement was made at an in-person meeting.

The statements made by citizens were verified, and one suspected case was confirmed. Verification materials were looked into at a meeting of the PFR Commission on Compliance with the Rules of Conduct in Office and Conflict of Interest Management. One PFR employee was dismissed as a result. All authors of the reports received answers and explanations.

PFR territorial divisions' commissions on the compliance with the rules of conduct in office and conflict of interest management held 1,762 meetings in 2016 (998 meetings in 2015). They uncovered 551 violations of anti-corruption laws, which led to disciplinary punishment of 209 Pension Fund employees. Both indicators exhibited a downward trend since 2015, when 660 violations were uncovered and 372 employees were held liable.

Nineteen checks were conducted in 2016 to verify the authenticity and fullness of information about assets and proprietary liabilities of Russian Pension Fund employees (69 checks of the kind were held in 2015). Six PFR employees faced disciplinary penalties as a result.

In addition, the Fund held 12 checks of information about PFR employee's expenditures and 629 checks of PFR employee's compliance with limitations, bans and requirements of the prevention and settlement of conflicts of interest. Ten PFR employees faced disciplinary penalties.

Seeking to improve anti-corruption measures at PFR, 105 employees tasked to organize anti-corruption activity took professional development courses titled 'Information Analysis for Security and Anti-Corruption Purposes. Minimization of Corruption Risks in PFR Operations' in 2016.

Thirty-three inspections were held in 2016 in order to step up control over the implementation of the maternity capital program. Proposals were made to the Russian Labor and Social Protection Ministry regarding higher efficiency of the provision of maternity capital funds.

Last year, PFR made anti-corruption evaluation of 42 projects and 23 current normative legal acts of the Fund. Three drafts of legal acts appeared to have

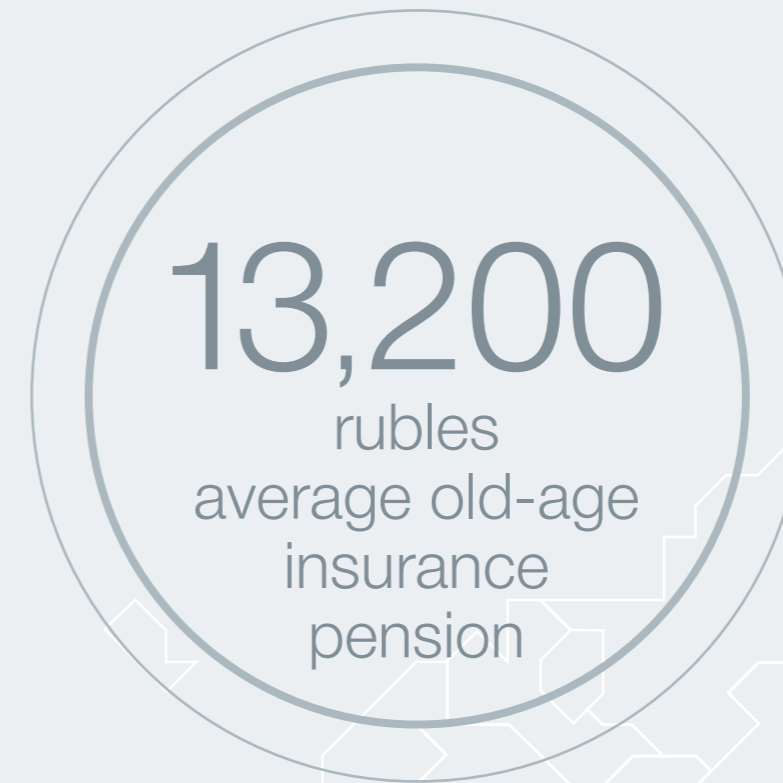


**COMMISSIONS ON THE COMPLIANCE WITH THE RULES OF CONDUCT IN OFFICE AND CONFLICT OF INTEREST MANAGEMENT OPERATING UNDER THE RUSSIAN PENSION FUND AND ITS TERRITORIAL DIVISIONS HELD 1,762 MEETINGS IN 2016**

factors leading to corruptive practices. The documents were submitted for improvement and elimination of factors leading to corruption practices. A repeat anti-corruption check did not reveal such factors.

All drafts of the Russian Pension Fund's normative legal acts are

published on the Fund website and are open to independent evaluation, which can be done by experts accredited by the Russian Justice Ministry. No expert evaluations of normative legal acts and draft normative legal acts of the Russian Pension Fund published in 2016 were submitted.



**2. Russian Pension Fund activities**



## 2.1.

# Assignment and payment of insurance and state pensions

The Russian Pension Fund assigned 2.27 million insurance pensions and 0.3 million state pensions in 2016. The number of PFR pensioners grew by 486,000 to 42.9 million people over the year

## Assignment of Pensions

Old-age insurance pension qualifications changed in 2016: the minimal number of pension points increased from 6.6 to 9, and the labor record's length grew from six to seven years. The retirement age did not change and remained at 55 years for women and 60 years for men.

PFR territorial divisions assigned 2.27 million insurance pensions during the year, including 1.82 million (80.3%) old-age pensions, 0.25 million disability pensions, and 0.2 million loss-of-breadwinner (survivor) pensions. Most insurance pensions were assigned for the first time (1.85 million), while the rest (419,000) were transfers from one type of pension to another.

Employees of enterprises with hard and hazardous labor conditions, mothers of many children, persons with a labor record earned in the Extreme North and some other categories of workers who qualify for early retirement were assigned 413,300 old-age insurance pensions or 22.7%

of all old-age pensions. A total of 18,200 old-age insurance pensions were assigned to persons who had delayed their request for the assignment of pensions or the payment of their assigned pensions for a year or more consistent with the terms of delayed retirement. Those pensions were assigned in a higher amount, as prescribed by the law.

The scope of assignment of state pensions is smaller than that of insurance pensions. On the average, there is one state pension assigned per seven insurance pensions. For instance, 305,200 state pensions were assigned in 2016 (307,800 in 2015). A lion's share of those pensions (85%) was social, 259,600.

On the whole, the Pension Fund assigned 2.57 million insurance and state pensions. The percentage of citizens applying for the assignment of pensions online markedly increased in 2016. Almost one million pensions were assigned by means of online

**18,200 CITIZENS WERE ASSIGNED OLD-AGE INSURANCE PENSIONS ON DELAYED RETIREMENT TERMS IN 2016**

## RUSSIAN PENSION FUND ASSIGNED 2.57 MILLION INSURANCE AND STATE PENSIONS DURING THE YEAR

services on the PFR and Public Services Portal website. In 66% of cases the assignment of pension was done fully in the online mode, without a personal visit to a PFR territorial office. That became possible thanks to the system of individual account of pension rights introduced by the Fund in 1997. The information system

contains every key parameter of the formation of a pension, which are required for its assignment. A person contacts the Pension Fund to present personal-storage documents or additional information concerning the assignment of one's pension, for instance, documents confirming uninsured periods.

## Assignment of Pensions via Employer

PFR assigns a considerable number of pensions as a result of preliminary interaction with citizens and their employers. Shortly before their retirement, would-be pensioners may contact the Pension Fund to receive information about types of pensions, to assess the size of their pension rights, including the number of pension points and labor record, and to check the availability of documents required for the assignment of their pension. PFR and employers are boosting their online interaction to that end.

Human resources departments of enterprises supply the Fund with information and copies of documents of their employees preparing to retire in advance. The Pension Fund has

entered into interaction agreements with 652,000 entities, including such big organizations as RZD, Sberbank, Gazprombank and others.

A total of 103,000 pensions were assigned in 2016 as a result of interaction with employers. The rates were the highest in St. Petersburg, the Leningrad region, the Chelyabinsk region, the Krasnodar territory, the Perm territory, and the Republic of Bashkortostan. Last year, the Pension Fund concluded new agreements broadening the exchange of information pertaining to the assignment of pensions with such major employers as Russian Post and RusHydro and the Federation of Independent Trade Unions of Russia.

**THE NUMBER OF PFR PENSION RECIPIENTS INCREASED BY 486,000 TO 42.914 MILLION PERSONS IN 2016**

## Number of pensioners and size of PFR pensions in 2016 (as of December 31)

Pension type	Number of pensioners, thousand persons	Yearly dynamics of pensioners' numbers, thousand persons	Average size, rubles	Average size growth, rubles
<b>Insurance pension:</b>	<b>39 548</b>	<b>378</b>	<b>12 725</b>	<b>345</b>
◆ old age	36 008	449	13 172	342
◆ disability	2 141	-82	8 177	208
◆ loss of breadwinner (survivor)	1 399	11	8 166	251
<b>State pension:</b>	<b>3 635</b>	<b>71</b>	<b>9 170</b>	<b>375</b>
◆ old age	376	50	11 229	496
◆ disability	46	-2	12 496	429
◆ loss of breadwinner (survivor)	7	-1	9 870	425
◆ long service	69	-3	19 360	444
◆ <b>Social pension:</b>	<b>3 136</b>	<b>26</b>	<b>8 645</b>	<b>343</b>
old age	47	1	5 980	137
loss of breadwinner (survivor)	1 081	-5	6 310	217
Disability, including:	2 008	30	9 964	392
Children with disabilities and persons with life-long disabilities	1 563	36	11 101	390
<b>Total</b>	<b>42 914*</b>	<b>486*</b>	<b>×</b>	<b>×</b>

\* Including recipients of two pensions

## Payment of Pensions

Considering the assignment of new pensions, the number of PFR pension recipients reached 43.2 million people in late 2016, thus demonstrating a year-on-year growth by 449,500 persons; 36 million pensioners were receiving an old-age pension averaging 13,200 rubles, and 3.64 million pensioners were receiving a state pension averaging 9,200 rubles.

As many as 11.45 million pensioners or 31.8% of the entire number of old-age insurance pension recipients were receiving their pensions on the early retirement terms. Some

2.65 million of them were younger than the prescribed retirement age. The increase in the number of early retirements drastically reduced in 2016, compared to the previous years, and amounted to 25,000 (116,000 persons in 2015, and 70,000 in 2014). The percentage of such pensioners has also been on decline in recent years, mostly due to the lesser number of jobs with harmful and hard labor conditions. Back in 2012, the ratio of early retirement pensions stood at 33.1% of all old-age retirement pensions, and it declined to 31.8% in 2016. About

269,000 pensioners were receiving two PFR pensions in 2016, such as persons with war disabilities and WWII veterans (with pensions averaging 29,400 and 32,900 rubles, respectively), parents and widows of servicemen killed in the line of duty (pensions averaging 22,800 and 23,800 rubles, respectively), and Leningrad Siege survivors (an average

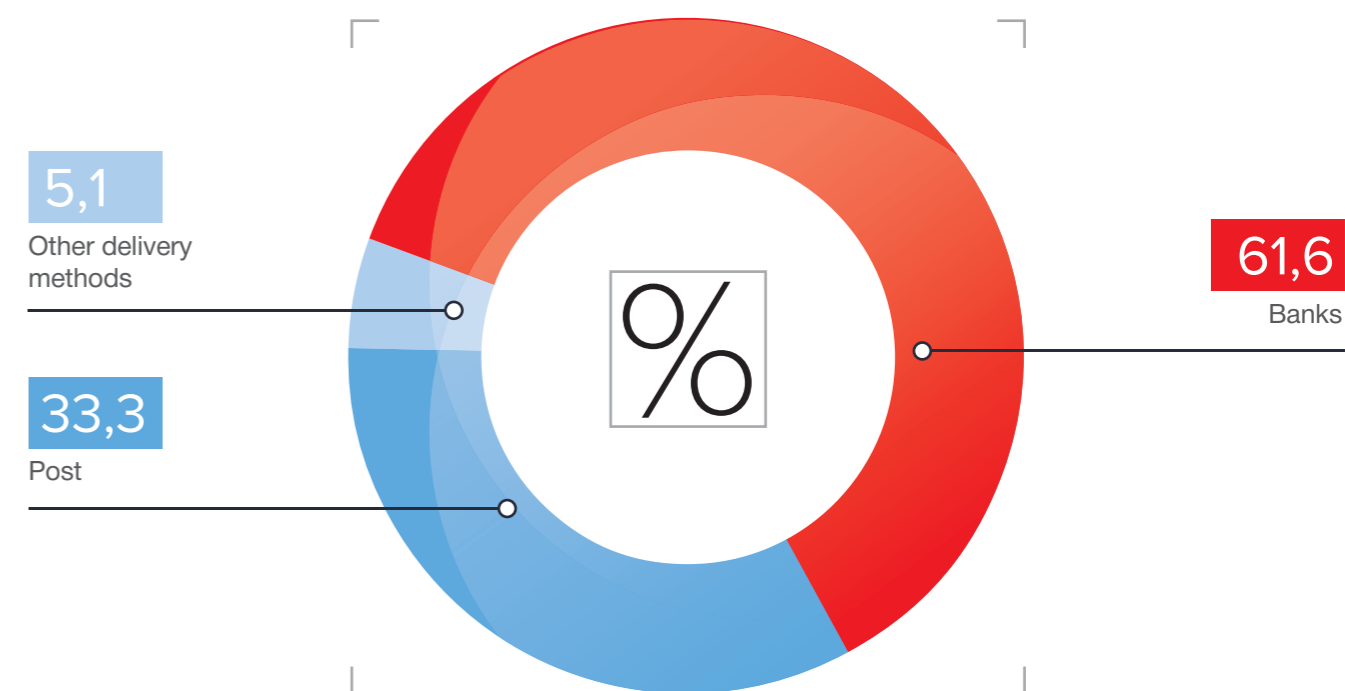
pension of 25,600 rubles). A total of 6,465 billion rubles worth of insurance and state pensions were paid in 2016, or 284 billion rubles more than in 2015. Most funds (6,017.6 billion rubles) were paid as insurance pensions to 39.6 million pensioners. Some 3.6 million pensioners received state pensions totaling 413 billion rubles.

## Indexation of Pensions

Every pension paid by the Russian Pension Fund is subject to an annual increase. Insurance pensions of non-working pensioners grew by 4% in February 1, 2016. The raise was applied to pensions of 29.7 million persons. An average old-age insurance pension

increased from 12,800 to 13,100 rubles and reached 13,200 by the end of the year. Alongside insurance pensions, the pension-point value and the fixed payment, which are used to calculate the amount of the insurance pension, also grew by 4%. The pension-point value

## Delivery of Pensions and Social Benefits in 2016



Posts, banks and other organizations which have agreements with the Russian Pension Fund deliver pensions to pensioners. Most pensions are delivered by Russian Post and Sberbank. As many as 16.7 million pensions have their pensions transferred to their bank card accounts.

## THE RUSSIAN PENSION FUND BUDGET ASSIGNED 171.6 BILLION RUBLES FOR RAISING INSURANCE PENSIONS IN 2016

went up from 71.41 to 74.27 rubles, and the fixed payment increased from 4,383.59 to 4,558.93 rubles.

The Pension Fund budget assigned 171.6 billion rubles for raising the pensions.

State pensions also grew by 4% on April 1. The raise was given to 3.9 million people, and an average social pension increased from 8,300 to 8,600 rubles.

The 2016 indexation of pensions had two peculiarities deriving from Russian laws adopted in late 2015. According to those laws, pensions were raised on a targeted principle, rather than consistent with the actual rise of consumer prices, and did not apply to insurance pensions of working pensioners for the first time ever. Their pensions will be increased when their career is over.

Same as before, all working pensioners had their insurance pensions adjusted on August 1, depending on

the size of their insurance contributions. Pensions were revised for 12.9 million pensioners, whose pensions grew by 149.8 rubles on the average (11.9 million pensioners in 2015).

Seeking to reimburse pensioners for the actual growth of consumer prices against the backdrop of limited budget capacities, it was decided to pay a lump-sum of 5,000 rubles in January 2017. All recipients of insurance and state pensions, both working and non-working, were entitled to that payment – about 43.7 million persons, in all. The Russian Pension Fund's 2017 budget assigned 221.7 billion rubles for those purposes. As a result of the pension raise, an average old-age insurance pension reached a 1.6-fold amount of the Russian pensioner's subsistence minimum in 2016. In the end of the year, the ratio of wage compensation with pension amounted to 36%.

## Paying Pensions Abroad

The Russian Pension Fund is paying pensions to Russian and foreign citizens within the national system preserving pension rights in case of resettlement and under international treaties of the Russian Federation with foreign countries in the field of social security. PFR pensions are paid irrespective of the country of residence and citizenship. Pensions are also guaranteed to foreign citizens who worked in Russia and retired in their home country in case Russia and the relevant foreign state have a mutual social security agreement. Cooperation

between Russia and foreign countries in the social security field is mostly based on two types of agreements: territorial and proportionate. In the first case pension rights acquired in Russia, for example, the labor record, are taken into account in the assignment of pensions in a foreign country but the pension itself is assigned under the laws of the foreign state and at its expense. Agreements based on the proportionate principle bind each country to fund pension rights acquired on its territory irrespective of laws of which country the

pension is assigned under. Most Russian agreements with foreign countries on pension benefits are based on the proportionate principle and signed with former Soviet republics, which demonstrate extensive processes of migration to Russia. Agreements based on the territorial principle are gradually falling out of use, as they fail to meet modern requirements of national social security systems. In 2016 the Russian Federation had 17 international agreements regulating its relations with 21 countries in the field of pension benefits. Under these treaties, Pension Fund payments were made to 43,400 pensioners abroad (40,500 in 2015), and PFR expenditures in this area grew by 12% to 3.5 billion rubles at the end of the year (3.1 billion rubles in 2015). The number of pensioners residing in Russia and receiving payments under the aforesaid international agreements was much smaller – 3,400 (2,400 persons in 2015). PFR expenditures on their pensions amounted to 323 million rubles or nearly 49% more than in the previous year – 216.8 million rubles. In all, the Pension Fund was paying pension benefits in 126 countries of the world. The total number of PFR pension recipients living abroad increased by 2.7% or 7,900 persons year-on-year to 296,600 persons by the end of 2016. Pensioners residing abroad who are permanently registered in the territory of Russia receive their pensions to their bank account or the account of their lawful representative in Russia. Such pensions were

paid to 158,800 pensioners and totaled 23.2 billion rubles in 2016. The other 137,700 pensioners living abroad were paid by PFR in countries of their residence in local currencies. Such payments amounted to 15.4 billion rubles. Pensions assigned after January 1, 2015, are paid to Russian pensioners residing abroad only in the territory of Russia, via Russian banks, or to pensioners' representatives. PFR expenditures on paying pensions abroad amounted to 38.7 billion rubles, or almost 6.9% more than in 2015.

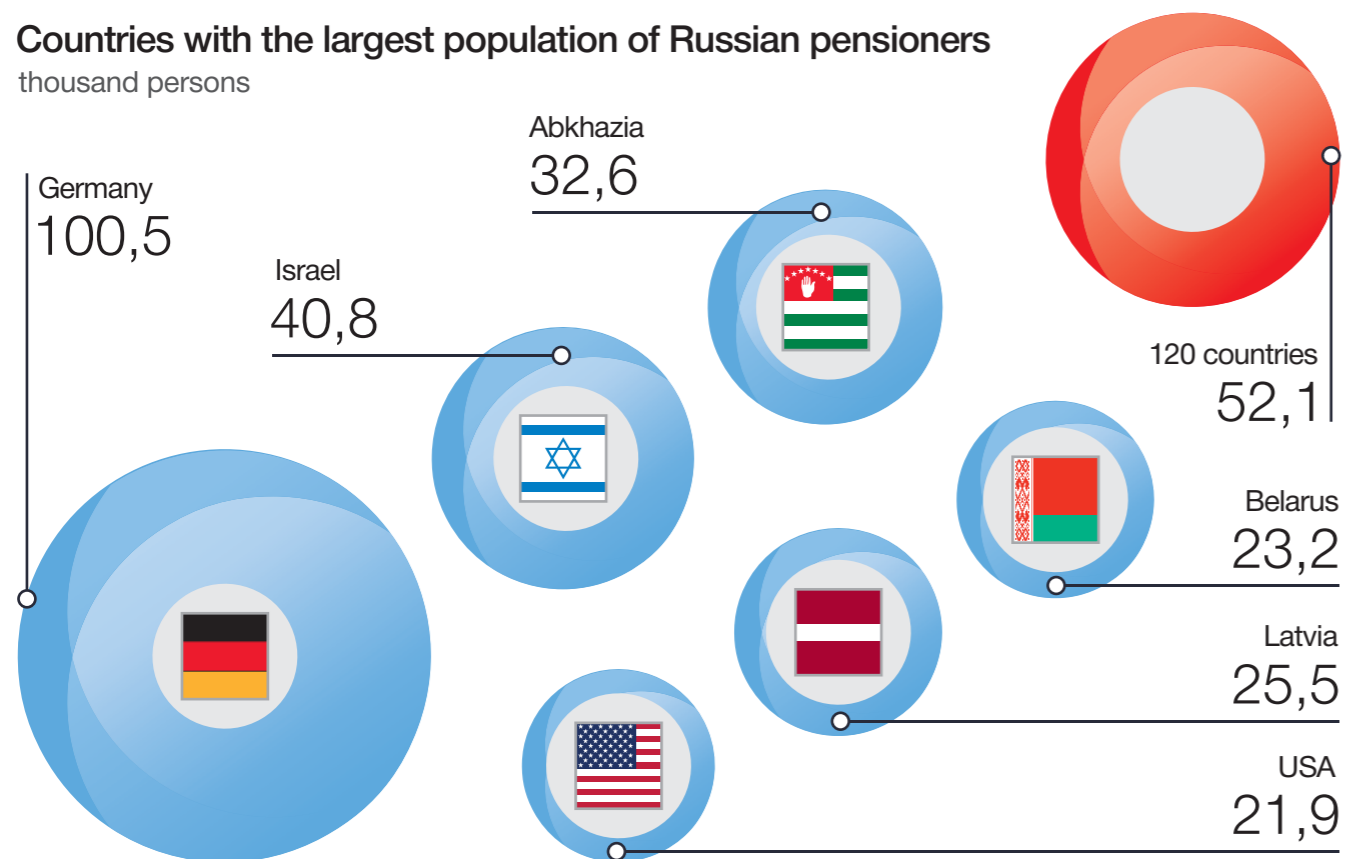
In addition to organizing the payment of pensions in foreign countries, Pension Fund specialists contributed to the improvement of reciprocal provision of pension benefits between Russia and other countries:

- ♦ Russia and Israel developed a social security agreement and signed it in June 2016. It will be implemented consistent with the administration document elaborated by the PFR and pending to be signed.
- ♦ The agreement on online interaction between the Russian Pension Fund and the Russian Foreign Ministry in the field of the assignment and payment of pensions has been implemented. During 2016 PFR specialists processed documents supplied by the Foreign Ministry online with regard to 164,000 Russian pensioners residing abroad (69% of all pensioners living in foreign countries).
- ♦ The agreement Russia and Abkhazia signed in April 2015 on the payment of

**ALL PENSIONERS RECEIVED A LUMP-SUM PAYMENT OF 5,000 RUBLES IN JANUARY 2017 TO COMPENSATE FOR THE ACTUAL GROWTH OF CONSUMER PRICES AGAINST THE BACKDROP OF LIMITED BUDGET CAPACITIES**

## Countries with the largest population of Russian pensioners

thousand persons



Amongst countries, which have mutual social security agreements with Russia, most Russian pensioners live in Abkhazia, Belarus, Latvia, Bulgaria and Estonia. The population of Russian pensioners is the largest in Germany, Israel, the United States, Finland and Canada amongst countries which have no such agreements with Russia.

pensions to Russian citizens permanently residing in Abkhazia has been implemented. The agreement regulates payments to 32,500 pensioners. In addition, Russia and South Ossetia elaborated and signed in November 2016 an agreement on the payment of pensions to Russian citizens permanently residing in South Ossetia.

- Measures have been taken to develop social and labor laws of the republics of South Ossetia and Abkhazia. For instance, Abkhazian laws 'On Mandatory Pension Insurance',

'On Individual (Personal) Account in the Mandatory Pension Insurance System', 'On State Pension Benefits' and a number of other normative legal acts regulating the enforcement of those laws, have been developed.

PFR specialists held negotiations with foreign partners on the implementation of the earlier international agreements and the achievement of new international agreements with Belarus, Israel, Turkey, Serbia, Slovenia, Macedonia, Japan, and member countries of the Eurasian Economic Union.

**RUSSIAN PENSION FUND PAYING PENSIONS TO 296,600 RECIPIENTS**  
IN 126 COUNTRIES OF THE WORLD

## 2.2.

# Formation and Payment of Pension Savings

The Russian Pension Fund was paying funded pensions to 1.263 million citizens in 2016; the payments totaled 18.3 billion rubles.

## Formation of Pension Savings

As of late 2016, 76.4 million citizens formed their pension savings in the mandatory pension insurance system, including 46.5 million who did so via the Russian Pension Fund.

The return on investment of pension savings by the Vnesheconombank state-run management company and private management companies operating under an agreement with the Russian Pension Fund amounted to 201.4 billion rubles. Funded pension contributions reached 0.6 billion rubles (the arrears and debts of the previous years) in 2016. The return on PFR's depositing of pension savings stood at 2.98 billion rubles. Voluntary contributions of citizens under the pension savings co-funding program reached 5.7 billion rubles in 2016,

while the government contributed 6.8 billion rubles to co-fund the payments made by citizens in 2015 (by law, the government co-funds contributions, which are made in the previous year).

Some 11.2 billion rubles were transferred to PFR from private pension funds and another 24.4 billion rubles from the Central Bank following the revocation of mandatory pension insurance licenses of a number of private pension funds during the year. For its part, the Pension Fund transferred 279.7 billion rubles to private pension funds, including 265 billion rubles in the course of transitions initiated in 2015. Another 18.4 billion rubles were assigned for payments to pensioners and survivors.

## Funded Pension System and Its Participants

(As of December 31, 2016)

### Insured persons

Most working Russians are forming pension savings. First of all, these are people born in 1967 or younger

(55 million people), participants in the program of state co-funding of pensions (2.5 million people) and maternity capital holders who assigned

RETURN ON INVESTMENT OF PENSION SAVINGS FORMED VIA  
THE RUSSIAN PENSION FUND **STOOD AT 201.4 BILLION RUBLES IN 2016**





part of their funds for the formation of funded pensions (3,300 persons). The total number of persons forming pension savings is 76.4 million people.

#### **Pensioners**

The payment of pension savings to pensioners began in July 2012. Most pensioners receive lump-sum payments as their savings were formed within a short period and amounted to small sums. In 2016 lump-sum payments of pension savings were made to 1.2 million people, while 52,500 pensioners receive their pension savings within monthly pensions.

#### **Insuring parties**

Pension savings of Russians have been mostly formed with mandatory insurance contributions paid by employers. The contributions were made from 2002 till 2013. Funded pension contributions were suspended for the period from 2014 till 2019 by law.

#### **Russian Pension Fund (PFR)**

The Fund operates as an insurer of pension savings. All insurance

contributions for the funded pension are received by PFR, which transfers them to management companies or private pension funds, in accordance with the choice made by citizens. Pension savings of citizens, who have chosen PFR to be their insurer, are invested by the Vnesheconombank state management company and 32 private management companies, offering today 38 investment portfolios. They are forming pension savings for 46.5 million persons. The total sum of savings is 2 010 billion rubles.

#### **Private pension funds (PPF)**

Same as the Russian Pension Fund, private pension funds operate as insurers in the formation of pension savings. They enter into mandatory pension insurance agreements with insured persons and investment agreements with management companies and administer funds transferred from PFR. Some 29.8 million persons are forming pension savings with 41 private pension funds. According to the Central Bank, the sum of pension savings accumulated

#### **PFR participation in guaranteeing pension savings**

The Russian Pension Fund is a party to the system guaranteeing pension savings. The system operates on two levels. The first level guarantees the security of pension funds with pension funds' own reserves. Whenever a pension fund has a shortage of own reserves, the security is guaranteed on the second level, by the Deposit Insurance Agency (DIA) with the contingency money annually contributed by all funds. In 2016, the Pension Fund assigned 2.45 billion rubles to its pension savings contingency fund, in addition to 239 million rubles assigned to the Deposit Insurance Agency, which corresponded to the 2015 level.

In addition, within the framework of the system guaranteeing pension savings, PFR ensures crediting to personal accounts of citizens of the funds received from the Central Bank following the revocation of licenses from private pension funds. The compensations stood at 66.9 billion rubles in 2015-2016.

in private pension funds stands at 2 115 billion rubles.

#### **Management companies (MC)**

They invest pension savings in financial assets and receive return on those investments. A person who has never transferred pension savings from PFR and has not chosen a management company has one's pension savings transferred by default to Vnesheconombank, the state management company servicing the largest number of insured persons (46.1 million persons) and handling the largest amount of pension savings (1 968 billion rubles). PFR is also interacting with 32 private managing companies, which have accumulated 42.1 billion ruble pension savings of 430,000 persons.

#### **Deposit Insurance Agency (DIA)**

DIA has been administering the Pension Savings Guarantee Fund since 2015. The agency collects, controls and invests contributions. It provides guaranteed reimbursement of citizens in case of an insured event. It also acts as the liquidator of private pension funds whose licenses are revoked.

#### **Central Bank (CB)**

Acts as the funded pension regulator, controls the activity of management companies and private pension funds in accordance with the existent requirements, and protects rights and lawful interests of insured persons in the formation of pension savings.

## Transfer of Pension Savings to Management Companies and Private Pension Funds

The Russian Pension Fund transfers all pension savings to management companies, which have agreements with PFR, or private pension funds forming pension savings within the mandatory pension insurance system in accordance with the choice made by citizens.

The Russian Pension Fund not only distributes new funds coming to the funded system, but also redistributes pension savings, also consistent with citizens' choice.

In 2016, the Russian Pension Fund received about 12 million applications from insured persons for transferring their pension savings, about 0.5 million more than the year before. Those included the applications filed in 2013-2015 which had been denied processing earlier due to the pending affiliation of the designated pension funds to the system guaranteeing pension savings in 2015. A total of 6.5 million requests were granted (54.2% of the entire number), while 5.2 million requests were dismissed for various reasons.

Same as before, most applications were denied due to the fact of multiple filing: the law allows to process only one application submitted at the latest date. As many as 2.9 million applications (55.8% of the total number of rejected requests) were turned down for that reason. The reason why 1.6 million applications were denied (30.8% of all dismissed requests) is the absence of an agreement between the insured person and the private pension fund, which is a mandatory

condition in the case of pension savings' transfer.

About 0.5 million applications (10.1%) were rejected because of mistakes, such as a wrong type of application (0.23 million), a breach of the filing procedure (0.15 million), and a wish to transfer pension funds to the fund, which was already managing them (0.15 million). Another 0.12 million applications (2.3%) were rejected because the designated private pension funds were not operating in the field of mandatory pension insurance.

Following the approval of their requests, 4.7 million persons (72.3% of all citizens transferring their funds) moved their funds from the Russian Pension Fund to private pension funds, 79,300 insured persons (1.2%) moved their funds back, and 1.7 million persons (26.2%) changed one private pension fund for another. Some 9,100 persons (14%) chose a new management company or investment portfolio for their pension savings, while keeping the Russian Pension Fund as their insurer.

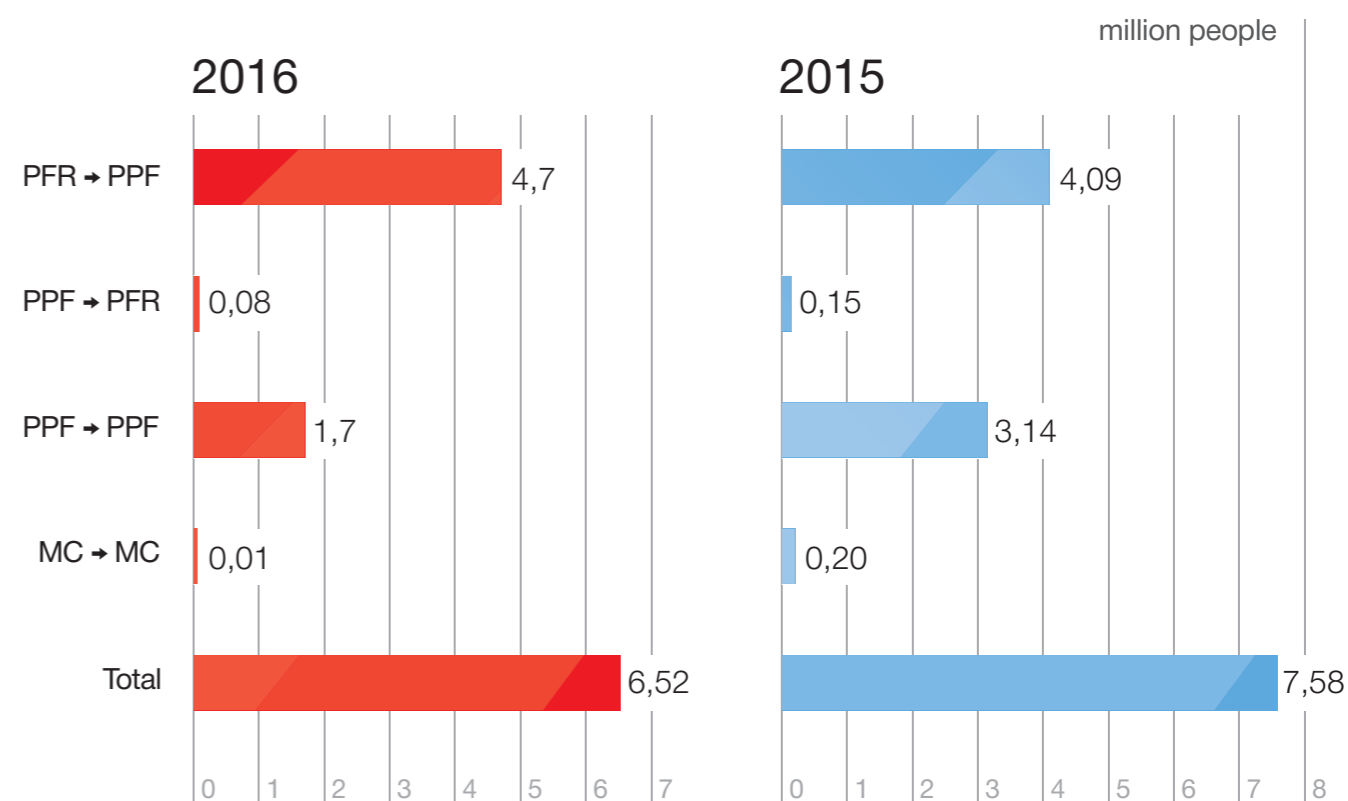
An absolute majority of citizens, who requested the transfer of funds, 6.45 million people or 99.1% of the entire number, transferred their pension savings prematurely, before the five-year period of pension funds' management expired. Some 4.65 million persons prematurely moved their money from PFR to private pension funds (99.1% of transfers), 1.7 million persons re-assigned their funds from one private pension fund to another (99.2% of transfers), and 72,000 persons moved

## THE RUSSIAN PENSION FUND RECEIVED ABOUT 12 MILLION APPLICATIONS FROM CITIZENS WISHING TO TRANSFER THEIR PENSION SAVINGS IN 2016

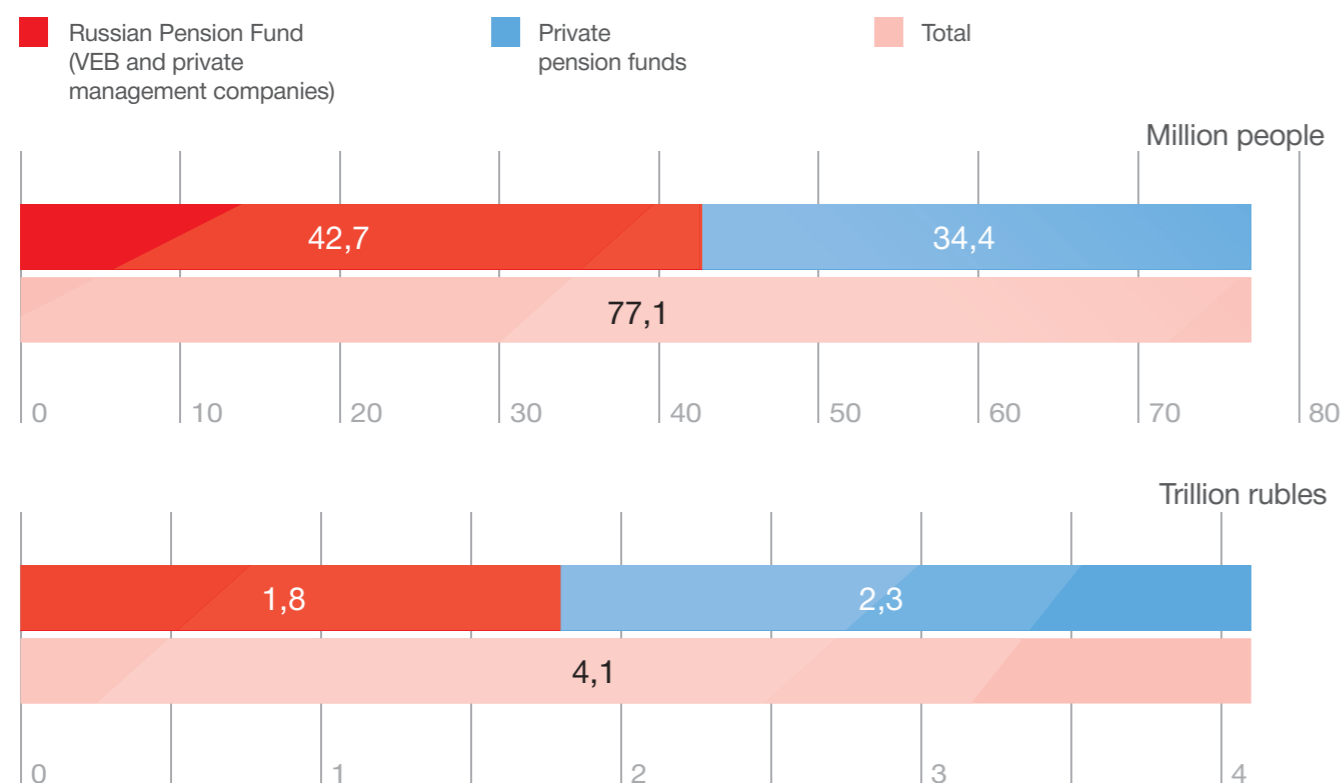
their money from private pension funds to PFR (90.8% of transfers). According to the rules, pension savings transferred prematurely do not include the return on investment made by the previous fund since the day of the previous reassignment of funds.

Some 250,000 persons who applied for transferring their funds agreed to the term transfer, and their money will be reassigned to another fund in 2021, upon the expiry of the five-year period, including the entire return on investment.

### Number of citizens who changed managers of their pension savings



## Division of insured persons and pension savings between pension funds following 2016 transfers



## Temporary Placing of Pension Savings

The Russian Pension Fund reassigns all funded pension contributions to management companies and private pension funds for investment purposes. The reassignment does not happen immediately due to the legislative regulations on the formation of pension savings.

Hence, the Pension Fund temporarily invests pension savings, mostly deposits them with Russian banks. Seventeen deposit auctions were held

in 2016, and 38 deposit agreements were concluded. The money was deposited for the period of 17 to 129 days at a rate of 9.61% to 11.75%. In all, 311.3 billion rubles were temporarily placed in deposits during the year, and the return on deposits stood at 2.98 billion rubles. Only those financial entities which qualify for such operations by law are permitted to have pension savings on their deposits.

PENSION SAVING FUNDS WERE PAID TO **1.263 MILLION** CITIZENS IN 2016

## Assignment and Payment of Pension Savings

In 2016, PFR assigned 1.397 million payments of pension savings, or 164,000 less than a year before. Only **term payments** to participants in the program of state co-funding of pension savings out of four types of pension savings payments demonstrated an upward trend during the year. The number of such assignments grew 5.2-fold to almost 12,000. The growth resulted from the funds moved by citizens from private pension funds, which lost their licenses, to PFR.

Same as before, a majority of pension savings payments, 1.139 million, were **lump-sum** and received by those whose pension savings account for less than 5% of the total insurance and funded pension money. Pension savings of those people were formed within a brief period of time and amounted to a small sum, which can be paid at once.

Considering new assignments, the number of pensioners receiving pension savings together with their monthly pension (**funded pension or term payment**) increased by 19,200

to 52,500 people by the end of 2016 (33,300 persons during 2015).

A total of 486.4 million rubles were spent on the payment of those pensions, which was 204 million rubles more than in 2015. Pension savings were paid as a **lump sum** to 1.210 million pensioners and survivors, which was 65,000 less than in 2015. The overall payments declined to 17.9 billion rubles (19 billion rubles in 2015).

The payment of pension savings increased on August 1 for 533,000 pensioners due to the annual adjustment to new insurance contributions for the formation of pension savings or return on pension savings' investment. The funded pension grew for 30,500 pensioners, while 5,300 pensioners received larger payments under the program of state co-funding of pension savings (an average payment stood at 1,226 rubles after the adjustment), and 497,600 were entitled to the supplement to the lump-sum payment of pension savings (an average supplement stood at 3,600 rubles).

### Assignment and payment of pension savings (as of December 31, 2016)

Type of payment	Number of assignments, thousand	Number of recipients, thousand	Average amount, rubles	Total payments, million rubbles
Funded pension	10,1	38,2	802	327,5
Term pension payment	12,0	14,3	1 052	158,9
Lump-sum payment	1 139,1*	1 086,5	10 184	14 505,4
Payment to survivors	235,7*	123,7	—	3 353,8
<b>Total</b>	<b>1 396,9</b>	<b>1 262,7</b>	<b>—</b>	<b>18 345,6</b>

\* Including possible gap between the assignment and payment of pension savings

**Online services for managing pension savings**

In 2016, PFR public services in the field of the formation and payment of pension savings became accessible in the personal account section of the PFR website. There are online services for every type of operation, such the transfer of savings between funds, the choice of the management company and the investment portfolio, the choice of survivors entitled to pension savings, the decision to stop paying contributions for the funded pension, and the assignment of a payment of pension savings funds.

Participants in the program of state co-funding of pensions, who are forming their pension savings with the assistance of the government, also have an online service for filing for the payment of those funds upon retirement.

PFR online services enable citizens to control and manage their pension savings on the Internet, without paying a visit to the PFR client service or a multifunctional center. Some online services of the Russian Pension Fund still require the submission of documents to the Fund's client service (for instance, personal-storage documents), but the entire process is electronic in the case of pension savings. However, applications for pension savings' management filed via the personal account must be certified with an advanced electronic signature, which any registered user of the Public Services Portal can receive.

**2.3.****Individual account of pension and social rights**

Pension rights of millions of Russians are accounted and payments are assigned in strict compliance with those rights thanks to the PFR information system containing every key piece of information about the formation of citizens' rights to mandatory pension insurance.

The principal services of the PFR information system accounting pension rights of citizens are the registration of new participants, the update of their individual account data, the notification of citizens of their pension rights, savings and ongoing payments, and the protection of personal data.

**Registration of citizens in the mandatory pension insurance system**

The registration in the mandatory pension insurance system is a principal public service provided by the Russian Pension Fund, which starts the formation of citizens' pension rights. PFR opens an individual insurance account for a citizen and issues an individual insurance account number, SNILS, which contains information about the formed rights to pensions and social benefits and data essential for their size, such as labor record, wage, amount of insurance contributions, etc. In 2016 the Russian Pension Fund registered 2.5 million new participants in the mandatory pension insurance system, and the total number of current individual insurance accounts in the mandatory pension insurance system stood at 152.2 million. In 2016, PFR implemented the fast formation and issue of the SNILS insurance certificate, which reduced the document processing period to three minutes (the official regulations assign 21 days for the issue of this certificate).

**Update of information about pension rights of citizens**

Employers quarterly provide the Russian Pension Fund with information about accrued and paid mandatory pension insurance contributions for their workers. In 2016 PFR individual account services received the information from 2.6 million employers across the country. The new information regarding acquired pension rights was added to individual accounts of 56.7 million Russians. Given the new rules of indexation of pensions of working pensioners, PFR developed in 2016 a new form of

employer reports, which contains information about all workers, including pensioners. The new report form

made it possible to spare pensioners the duty to inform the Pension Fund of their employment or retirement.

## Notice of pension and social benefit rights

The Russian Pension Fund provides several kinds of notification to mandatory pension insurance system participants. The most popular type is the notice of acquired pension rights. The Pension Fund sent notices to

9.7 million people during the year 2016, including 1.3 million notified with paper documents via PFR client services, 2 million notified online via the PFR website, and 6.4 million notified online via the Public Services Portal.

## Protection of personal data

Information stored by PFR on individual accounts of insured persons is confidential.

Therefore, personal data is protected at all levels of the PFR system and at every stage of handling personal data, from the delivery of information by entities and individuals

to its storing either on paper and in the electronic form.

An emphasis is put on personal data safety in the data exchange between PFR territorial offices and in interaction with third parties providing pension and social security services.

## Data Validation in Online Interdepartmental Interaction System

The Russian Pension Fund is an active participant in the online Interdepartmental Interaction System, which enables governmental agencies to exchange information with the purpose of fast and efficient provision of public services to citizens.

In 2016, the Russian Pension Fund provided data from its information system on 157 million inquiries seeking confirmation of personal data of citizens, including the type and amount of PFR payments and so on.

## Modernization of PFR Information System

The four-year project implementing the second-generation automated information system of the Russian Pension Fund (AIS PFR-2) came to an end in 2016; the modern system enabled the Fund to shift

to brand-new mechanisms of operation, to raise the efficiency of territorial offices across the country, and to improve the quality and accelerate the provision of public services to citizens.

### Key capacities of AIS PFR-2

- ♦ Automation of all PFR principal functions and lesser scope of manual operations
- ♦ Rapider access to PFR information resources
- ♦ Centralization and consolidation of databases
- ♦ Unification of program complexes
- ♦ Higher reliability and protection of data
- ♦ Possibility to implement the Federal Register of Disabled Persons and the Unified State Social Security Information System
- ♦ An opportunity of phased substitution of imports

### Practical outcome of AIS PFR-2 implementation

- ♦ Provision of PFR public services by various methods, such as PFR client services, MFC, the PFR website and the Public Services Portal
- ♦ Provision of every principal type of PFR services online
- ♦ Larger number of PFR public services rendered via MFC through online interaction with MFC
- ♦ Extraterritorial provision of PFR public services to citizens
- ♦ Implementation of the technology issuing SNILS within several minutes
- ♦ Elaboration of a maternity capital certificate issue technology
- ♦ Creation of a reliable and high-speed data transfer network, which cuts the period of provision of public services
- ♦ Creation of a unified federal database of pensioners
- ♦ Rapid addition of employer's information to personal accounts of citizens: quarterly reports are processed within 20 working days, and monthly reports are processed within five working days
- ♦ The possibility of shifting from paper 'pension files' to only electronic documents and data from PFR databases
- ♦ Broadening of the analytical potential of PFR information
- ♦ The possibility of a structural reform of PFR entities

## Federal Register of Disabled Persons

The Pension Fund launched a major project of the Federal Register of Disabled Persons (FRDP) in 2016. This is an extensive database to contain the fullest information about every person with disability.

Once the Federal Register is commenced, it will combine information from various agencies and their affiliates which render services to persons with disabilities. These are primarily disability assessment institutions, state off-budget funds, ministries, and regional and municipal authorities, which are bound to supply information for the register and to keep it updated.

As an institution with proper technical facilities and successful practices of the implementation of the system of individual account of pension rights, the Russian Pension Fund has been appointed the operator of the Federal Register of Disabled Persons.

Information contained in the new Register shall embrace every important parameter of the life of persons with disability, including health disorders, restrictions imposed by their medical condition on daily life and professional activity, ongoing rehabilitation and habilitation, the group of disability, the received social benefits and pensions,

and other social protection measures. The full package of information to be constantly updated and accessible to various authorities will help improve the quality of public services rendered to persons with disabilities in accordance with their needs.

The Federal Register of Disabled Persons will be worked on in three stages. The first stage was successfully completed in late 2016; it comprised the pre-project examination, the design and the creation of the register as an information system. The register was tested and launched in November, and primary information about persons with disabilities provided by a number of federal agencies was put into it before the end of the year.

At the second stage, which will last until the end of 2017, information will be supplied on a regular basis, and its fullness and credibility will be checked. Once that is done, the register will open to users. Persons with disabilities will then receive access to the register via their personal account on the PFR website. The personal account will contain the entire information needed by a person with disability, including social protection measures he or she is entitled to and progress of his or her rehabilitation program.

For the next two years, the register will be improved, and the list and composition of data will be expanded. That stage will also witness the register's integration with the Unified State Social Security Information System (USSSIF), which is also being developed by PFR.

### Measures towards the creation of the Federal Register of Disabled Persons taken in 2016

- ◆ The government adopted normative legal acts to regulate the project and the creation of FRDP, and the Labor and Social Protection Ministry adopted acts to regulate the list of data pertaining to persons with disabilities and their entitlements to be included in FRDP
- ◆ FRDP registered in the system of online interdepartmental interaction
- ◆ FRDP software developed
- ◆ Formats of data transfer to FRDP coordinated with data suppliers
- ◆ FRDP completes trial run
- ◆ Plans of interaction between PFR and main suppliers of FRDP data are signed
- ◆ Agreements are signed with federal data suppliers on comparing their data concerning persons with disabilities with relevant PFR information
- ◆ Agreements on data transfer to PFR signed with data suppliers and an initial database is created
- ◆ The FRDP analytical subsystem implemented for being accessed by all suppliers and recipients of information, as well as federal executive agencies participating in social protection of persons with disabilities
- ◆ The FRDP analytical system implemented instruments for the creation of reports on the number of persons with disabilities, their division into groups of disability, age, gender, and causes of disability, provided rehabilitation means, etc.
- ◆ The disabled person's account section has been created and opened on the PFR website to offer necessary and useful information, including the group and period of disability, the individual rehabilitation and habilitation program, information about its progress, services rendered to the person with disabilities, life situations, etc.
- ◆ FRDP's commencement
- ◆ Beginning of regular expansion of FRDP with information from data suppliers, who will keep it updated, and verification of information's credibility and fullness

**THE FEDERAL REGISTER OF DISABLED PERSONS WILL IMPROVE QUALITY** OF PUBLIC AND MUNICIPAL SERVICES THEY RECEIVE AND ALSO HEIGHTEN THE EFFICIENCY OF PUBLIC MANAGEMENT IN THIS AREA

## Unified State Social Security Information System

Alongside the Federal Register of Disabled Persons, the Pension Fund started building the Unified State Social Security Information System (USSSIS) in 2016 consistent with Article 5 of Federal Law No 388-FZ dated 29.12.2015 'On Adjustment of Certain Laws of the Russian Federation in Part of the Account and Improvement of Social Security Measures Based on the Targeted Assistance Principles and Need Criterion'.

### USSSIS objectives

- ◆ To ensure social security (protection) measures taken by governmental agencies, local self-government and relevant entities
- ◆ To unify social security (protection) measures
- ◆ To provide possibility of forecasting social expenditures of the budgetary system
- ◆ To raise public awareness of social security measures and entitlements
- ◆ To ensure transition to social security measures based on the principles of targeted assistance and need

The first stage of the USSSIS project was accomplished in 2016. Three pilot regions were chosen for testing the new system: the Republic of Bashkortostan, the Altai territory, and the Kaluga region. Social security measures provided in those regions were analyzed. A classifier of social security measures and a list of categories of their recipients were

developed. Normative and legal acts were drafted by the end of 2016, and the first segment of the USSSIS was developed.

The testing of the USSSIS prototype will be finalized in 2017, users will be connected, and the system's industrial version will be upgraded.

The USSSIS will be put into operation on January 1, 2018.

**THE APPEARANCE OF FRDP AND USSSIS** MAKES THE RUSSIAN PENSION FUND THE NATIONAL CENTER OF INDIVIDUAL ACCOUNT OF RIGHTS AND EXPENDITURES OF THE ENTIRE SOCIAL SYSTEM, FROM THE MUNICIPAL TO STATE LEVEL

## 2.4.

## Administering of mandatory pension and healthcare insurance contributions

Mandatory pension insurance contributions grew by 6.9% in 2016 and topped 4 trillion rubles for the first time ever. Mandatory healthcare insurance contributions enlarged by 9.2% and exceeded 1 trillion rubles.

### Insurance contribution tariffs

#### Insurance contribution tariffs for insuring parties

The tariff of mandatory pension insurance contributions paid by insuring parties to the Russian Pension Fund for their employees did not change in 2016 and remained at the amount of 22% of the payroll fund of each employee. The maximum payroll fund for which contributions were paid at a rate of 22% grew to 796,000 rubles (as against 711,000 in 2014). Ten percent insurance contributions were paid above that amount.

In addition to collecting mandatory pension insurance contributions,

the Russian Pension Fund collected mandatory healthcare insurance contributions, which were transferred to the budget of the Federal Mandatory Healthcare Insurance Fund. The tariff of mandatory healthcare insurance contributions paid by employers stood at 5.1% of the payroll fund of each employee. Mandatory healthcare insurance contributions are paid from the entire amount of the payroll fund, unlike mandatory pension insurance contributions.

#### Insurance contribution tariffs for self-employed citizens

Self-employed citizens (sole proprietors, farm heads, lawyers, private notaries and some other categories of citizens) independently pay contributions for their mandatory pension and healthcare insurance. The contributions are paid once a year, at a fixed amount, which the law set at a lesser amount than contributions paid by employers as insuring parties, as they are based on the minimal wage rather than the payroll fund. The fixed amount of mandatory pension insurance

contributions for self-employed insuring parties was 19,356.48 rubles in 2016, while mandatory healthcare insurance contributions amounted to 3,796.85 rubles. Compared to 2015, those sums grew by 4% (from 18,610.8 rubles and 3,650.58 rubles, respectively). Self-employed insuring parties, which earned more than 300,000 rubles per year, paid an additional 1% of the excessive sum in mandatory pension insurance contributions but no more than 154,851.84 rubles.

## Additional tariffs of insurance contributions

Seeking to provide a source funding early retirement pensions for workers of harmful and hazardous enterprises, additional tariffs of mandatory pension insurance contributions were levied in 2016. Consistent with Federal Law No 426-FZ dated December 28, 2013, 'On Special Inspection of Working Conditions', an insuring party was compelled to pay an additional amount of insurance contributions varying from 2% to 8% depending on the degree of harm and/or hazard in the case the special inspection recognized

working conditions as harmful and/or hazardous. Results of workplace appraisals were used to calculate the additional tariff in case no special inspection was held. If those workplaces were found optimal or permissible, an insuring party paid the following additional tariffs of insurance contributions – 9% under List 1 and 6% under List 2 and shortlists.

The amount of insurance contributions paid to the Pension Fund under additional tariffs shrank by 2.1 billion rubles (2.9%) to 71 billion rubles in 2016.

## Payment of pension insurance contributions for foreign citizens

Mandatory insurance contributions are also paid for foreign citizens working in Russia. Employers shall register their foreign workers with the Russian Pension Fund and pay mandatory pension and healthcare insurance contributions on their behalf. If a foreign citizen is registered as a self-employed insuring party, for instance runs a business, he or she shall pay the mandatory pension insurance contributions oneself.

In 2016, the main tariff of insurance contributions paid for labor migrants was the same as the tariff paid for Russian citizens: 22% for mandatory pension insurance (plus 10% of the sum exceeding the payroll fund limit), and 5.1% for mandatory healthcare insurance. Additional and discount tariffs of insurance contributions apply to foreign workers as much as they do to other participants in the Russian mandatory social security system.

## Discount tariffs of insurance contributions

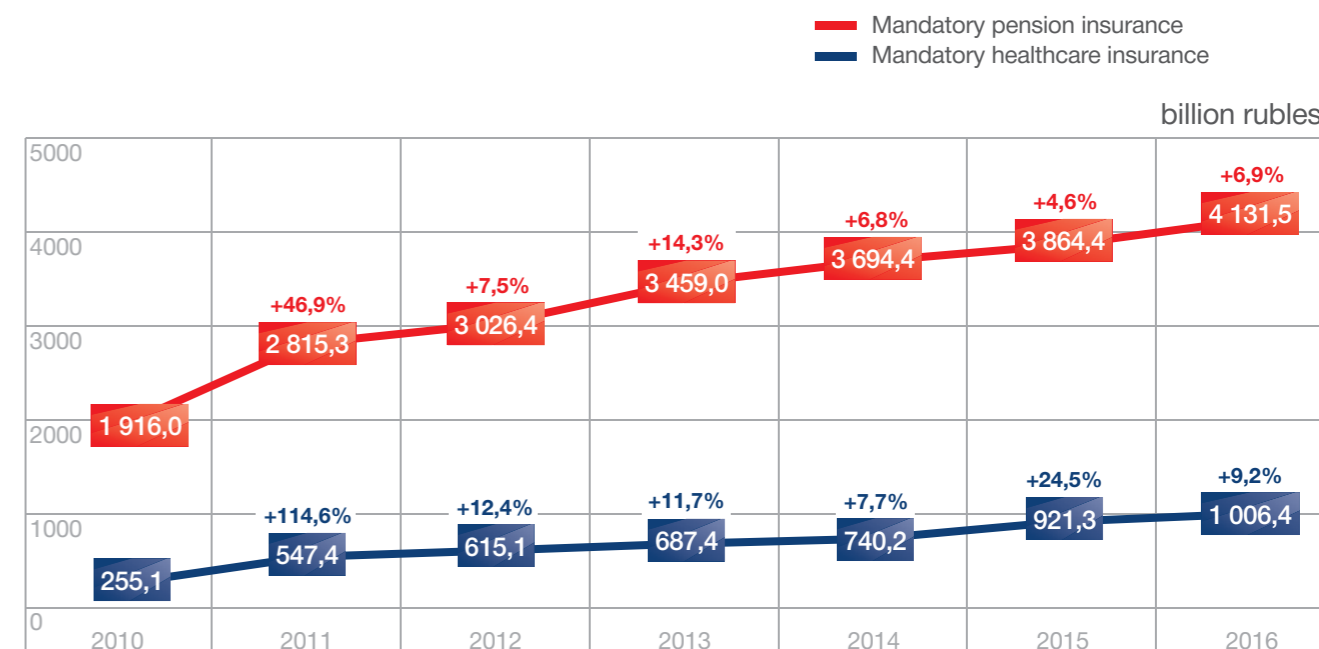
Some entities and enterprises enjoy state preferences and pay insurance contributions to the Russian Pension Fund at a discount rate. These are companies applying the simplified taxation system, residents of special economic zones, Skolkovo center participants and other categories of insuring parties. Pensions of employees of these companies

are fully formed as if insurance contributions were paid at the standard rate of 22% of their payroll fund. The federal budget compensates for the shortfall in pension insurance contributions. A total of 392 billion rubles were assigned for those purposes in 2016, which was 49.2 billion rubles or 14.3% more than in 2015 (342.9 billion rubles).

## Insuring parties paying mandatory pension and healthcare insurance contributions at discount rates, %

	MPI	MHI
Sole proprietors using patent taxation system	20	0
Pharmacies and businessmen holding pharmaceutical licenses	20	0
Entities and sole proprietors using simplified taxation system	20	0
Charity funds and non-profit organizations operating in the field of science, education, healthcare, culture, art, mass sport, social services and using simplified taxation system	20	0
Skolkovo innovations center participants	14	0
Economic entities formed by budget-funded research centers	8	4
Residents of technological development special economic zones	8	4
Insuring parties involved in tourism and recreation activity	8	4
IT entities	8	4
Participants in the free economic zone in the Republic of Crimea	6	0,1
Residents of rapid development territories	6	0,1
Residents of the free port of Vladivostok	6	0,1
Entities funding motor vessel crews	0	0

## Collection of mandatory pension and healthcare insurance contributions





## Collection of Insurance Contributions

The Russian Pension Fund ensured a year-on-year increase in the collection of mandatory pension insurance contributions by 267 billion rubles or 6.9% in 2016. In all, 4,131.5 billion rubles worth of mandatory pension insurance contributions were collected. Most of those funds (4,040 billion rubles or 97.8%) came from entities paying mandatory pension insurance contributions for their employees. Their contributions grew by 6.7% (254 billion rubles) year-on-year.

Contributions of self-employed insuring parties amounted to 91.7 billion rubles or 2.2% of the total amount of mandatory pension insurance contributions and posted an increase of 17% (13.3 billion rubles) since 2015.

The collection of mandatory healthcare insurance contributions grew by 85.1 billion rubles or 9.2% in 2016 to 1 trillion rubles, including 995 billion rubles paid by insuring parties for their employees, and 11.2 billion rubles paid by self-employed insuring parties.

## Control over payment of insurance contributions

The Russian Pension Fund annually controls the payment of mandatory pension and healthcare insurance contributions during site and offsite inspections.

A total of 75,600 site inspections were held in 2016. Some 63.5% of inspections revealed various kinds of violations. A total of 3.4 billion rubles worth of mandatory pension and healthcare insurance contributions were accrued as a result of

the inspections, which was 21.4% or 604.5 million rubles more than in 2015, thus proving the efficiency of PFR controlling measures.

Territorial offices of the Russian Pension Fund also held 17.6 million offsite inspections, 3.3% of which uncovered violations. Some 14.6 billion rubles worth of mandatory pension and healthcare insurance contributions were accrued, which was 21.7% more than in 2015.

### Legalization of Employment

In 2015-2016, the Russian Pension Fund was taking efforts towards reducing the scope of illegal employment in collaboration with the Labor and Social Protection Ministry, the Federal Labor and Employment Service, and the regional authorities. As a result, insurance contributions were accrued for 1.9 million persons and amounted to 27.4 billion rubles. Due to the Russian Pension Fund's efforts towards legalization of employment, 37,900 employers raised remuneration of their employees to the minimal wage, and 63,200 employers provided a wage raise to the subsistence minimum. Almost 1 billion rubles worth of insurance contributions were paid thanks to those measures in 2015-2016, including more than 770 million rubles in 2016.

### Reassignment of insurance contributions' administering function

Starting on January 1, 2017, the administering of mandatory pension and healthcare insurance contributions was reassigned to the Federal Tax Service. At the same time, the Russian Pension Fund retained certain administering functions. The Federal Tax Service is collecting mandatory pension and healthcare insurance contributions accrued after January 1, 2017. The Russian Pension Fund still operates in the following areas:

- ♦ All functions pertaining to individual account of pension rights of citizens, including reports on working citizens submitted by insuring parties;
- ♦ Administering of additional insurance contributions for the funded pension (within the framework of the program of state co-funding of pensions).

In the traditional period of 2017-2019, the Russian Pension Fund retains the following functions:

- ♦ Acceptance and processing of estimates, including updated estimates, of insurance contributions in the periods, which expired on January 1, 2017;
- ♦ Offsite and visiting inspections, including repeat inspections, for the periods which expired before January 1, 2017, as well as decisions to hold or not to hold anyone liable on results of those inspections;
- ♦ Decisions on refunding the paid (collected) excessive insurance contributions for periods, which expired on January 1, 2017;
- ♦ Writing off unrecoverable arrears on insurance contributions, penalties and fines for periods, which expired on January 1, 2017.

## Recovery of Arrears on Insurance Contributions, Penalties and Fines

The collection of arrears is an important area of the Russian Pension's Fund administering of insurance contributions. If entities and sole proprietors fail to pay insurance contributions on time or fully, the fulfillment of this obligation is enforced. Before enforcing the collection of contributions, PFR sends a request for paying the arrears on contributions, penalties and fines. If the request is not met on time, PFR decides to enforce the collection and notifies insuring parties about its decision.

For the past few years, the amount of arrears on mandatory pension insurance contributions has been less than 1.2% of the total amount of accrued contributions. The arrears on

mandatory healthcare insurance do not exceed 1.3% of the total amount of accrued contributions either.

Territorial offices of the Russian Pension Fund enforce the collection of insurance contributions by means of collection orders sent to financial institutions where debtors have their accounts. PFR territorial offices sent 9.8 million collection orders to financial institutions in 2016 to a total sum of 138.2 billion rubles.

Insurance contributions collected under writs of enforcement presented by the Russian Pension Fund to the Federal Bailiff Service for the collection of arrears, amounted to 29.8 billion rubles.



PFR also continued to collect arrears on insurance contributions for 2002-2009, when contributions were administered by the Federal Tax

Service. As of early 2016 arrears on those contributions stood at 17 billion rubles; the amount reduced by 54.1% to 7.8 billion rubles by late 2016.

## 2.5.

# Execution of pensions' state co-funding program

During eight years of the execution of the pensions' state co-funding program, 2.5 million participants have paid 51.1 billion voluntary contributions for their pensions and have received state support in an amount of 49.8 billion rubles.

The pension co-funding program launched in 2008 allows its participants to make voluntary contributions for their future pension and to enjoy state co-funding of their contributions to an approved limit, from 2,000 to 12,000 rubles a year.

As many as 758,300 program participants made voluntary contributions to their pension savings in 2016. Their contributions totaled 5.7 billion rubles, with an average sum of contribution standing at 9,700 rubles.

Contributions of employers, which are also permitted to join the program and contribute to future pensions of their employees, stood at 107.4 million rubles.

During the year 2016, the government contributed 5.5 billion rubles to co-fund voluntary contributions of citizens. The money was credited to personal accounts of citizens in May 2017. Back in May 2016, the Russian Pension Fund transferred 6.8 billion rubles contributed by the government

as 2015 co-funding to personal accounts of citizens.

Since the time the program was launched the sum of voluntary contributions paid by participants reached 51.1 billion rubles. The government contributed 49.8 billion rubles, and another 788.3 million rubles were paid for pensions of program participants by their employers. As a result, the pensions' state co-funding program accumulated over 101.7 billion rubles in 2009-2016.

Last year saw a considerable growth in the assignment of payments under the pension co-funding program. Compared to 2015, the assignment of pensions increased by more than five times to 12,000. The number of pensioners receiving payments under the pension co-funding program tripled over the year to 14,300. The total amount of payments also tripled to 159.2 million rubles. An average pension paid under the program reached 1,050 rubles.

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**AN AVERAGE CONTRIBUTION** OF STATE PENSION CO-FUNDING PROGRAM AMOUNTED TO 9,700 RUBLES **IN 2016**, WHICH WAS THE HIGHEST INDICATOR OVER THE ENTIRE PROGRAM PERIOD

## Indicators of state pension co-funding program

		2009	2010	2011	2012	2013	2014	2015	2016	total
Contributing program participants	Mln persons	0,6	0,7	0,8	1,0	1,8	1,2	0,9	0,8	-
Contributions of program participants	Bln rubles	2,6	3,6	3,9	6,1	12,6	9,6	7,0	5,7	51,1
Average contribution of program participants	Thousand rubles	4,2	4,9	5,1	6,4	7,0	7,7	7,6	9,7	-
Contributions of employers	Bln rubles	- <sup>1</sup>	- <sup>1</sup>	0,098	0,126	0,117	0,201	0,129	0,107	0,788
State co-funding	Bln rubles	2,5	3,4	3,9	5,9	12,4	9,4	6,8	5,5	49,8
Monthly payments of participants – pensioners <sup>2</sup>	rub	-	-	-	735	739	832	916	1 052	-
Total	Mln rub	-	-	-	1,6	11,1	24,0	53,1	159,2	249,0

<sup>1</sup> Included in contributions made by program participants in 2009.

<sup>2</sup> An average size of contributions. The payment of pension savings, including those formed under the state pension co-funding program began in July 2012.

## 2.6.

## Execution of maternity (family) capital program

The year 2016 marked an anniversary of the maternity capital program and inaugurated a new option for spending maternity capital funds – payment for goods and services used in social adaptation and integration of children with disabilities. As many as 4.6 million families received the government's assistance in the form of maternity capital over the decade, and the payments totaled 1.7 trillion rubles.

The maternity (family) capital is a method of state support to families to which a second or next child was either born or adopted after January 1, 2007, in case maternity capital rights were not formed or registered prior to that birth or adoption. The Russian Pension Fund is the administrator of the maternity capital program, which issues state certificates of maternity capital and assigns funds for purposes chosen by families. In 2016, the Pension Fund issued 924,800 maternity capital certificates. The total number of certificates issued since the program kicked off in 2007 reached 7.6 million. Funds assigned for 4.2 million maternity capital certificates have been spent in full. The size of maternity capital stood at 453,026 rubles in 2016.

### Lump-sum payment of 25,000 rubles

A lump-sum payment of 25,000 rubles from the maternity capital funds was offered to Russian families in 2016; the money could be spent for any purposes and on any need of the families' choice. That was the fourth and biggest lump-sum payment from the maternity capital funds. Families could apply for the money in the period from July till November 2016 by filing their requests with the Pension Fund's client services or multifunctional centers. Considering the great demand for the lump-sum payment, PFR launched an online service for the convenience of certificate holders, who would file for the 25,000-ruble payment via their personal account on the Fund's website. A total of 255,000 families requested the lump-sum payment online. In all, the payment was made to 2.15 million families and totaled 45.2 billion rubles.

### Maternity capital for children with disabilities

The appearance of a new option of spending maternity capital funds on goods and services for social adaptation and integration of children with disabilities was an important event of the maternity capital

program in 2016. The list of such goods was approved by a governmental resolution and included mechanically regulated beds, functional chairs, lifting devices, computers, tactile displays, keyboards and other gadgets. In all, there are 48 eligible

goods and services, mostly devices and appliances and only one service of a reader for persons with impaired eyesight. The Russian Pension Fund assigned about 1 million rubles for the new option of spending maternity capital funds.

## Use of Maternity Capital Funds

The opportunity of a lump-sum payment of maternity capital funds traditionally increases the number of payment requests filed by families.

The number of applications for using maternity capital grew year-on-year by 299.300 (11%) to slightly more than 3 million. Besides, requests were filed for lump-sum payments, which amounted to 71.2% of all applications or 2.15 million. The number of applications for spending maternity capital funds for primary purposes grew by 6.25% (51,100). The year 2015 saw a growth of 5.44% (42,200 requests).

On the whole, requests for lump-sum payments constituted a majority of the applications (7.4 million), and most funds were requested for an improvement of living conditions (1.6 trillion rubles). The spending of maternity capital funds on education of children demonstrated the highest dynamics in both groups.

In the past three years the number of families which decided to spend

maternity capital funds on education has been growing by 26.8% per annum on the average.

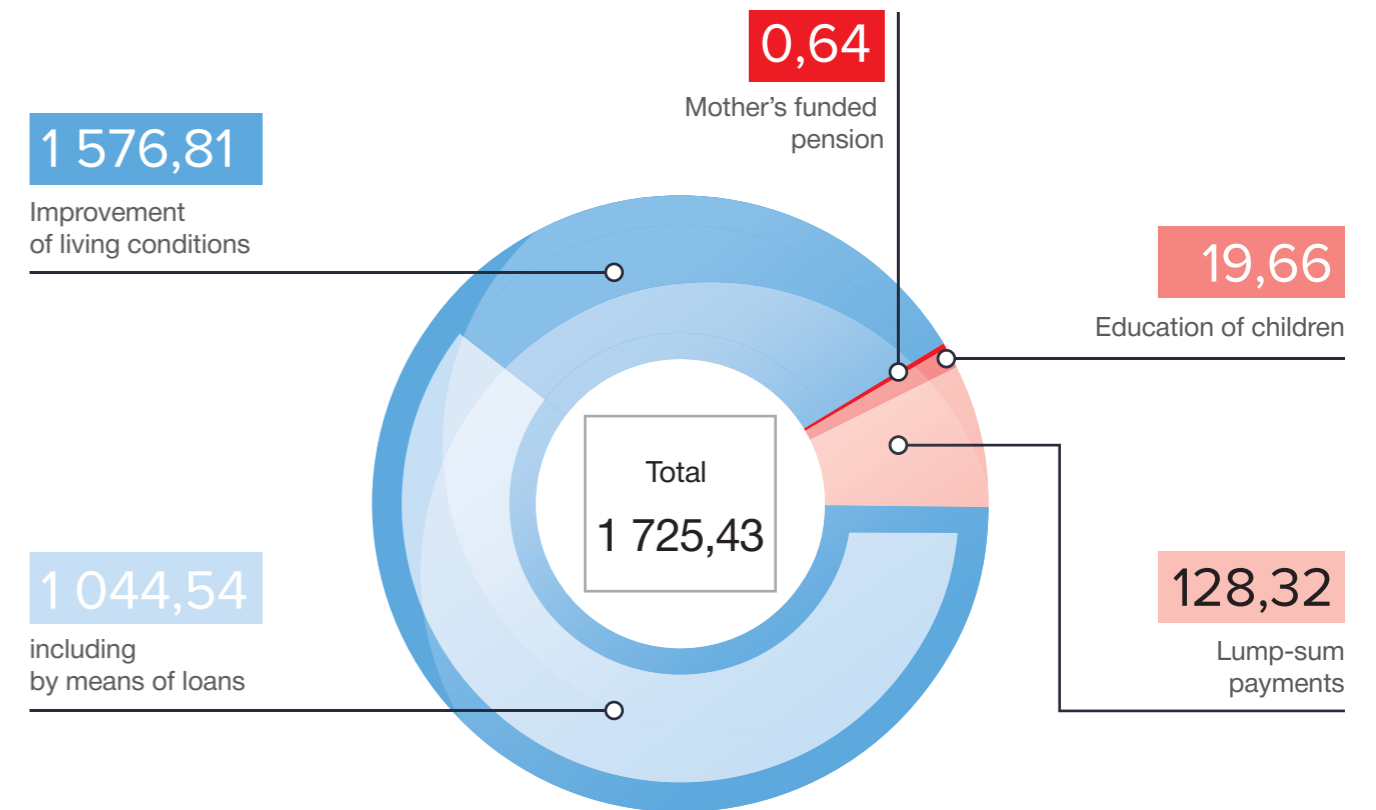
The amount of funds assigned for those purposes has been growing by 40.4% per year. Meanwhile, the number of families which spent maternity capital funds on a better home was growing less intensively, by an approximate 5.8% per year, while home improvement expenses increased 9.3% per year.

In 2016, the Pension Fund assigned 365.3 billion rubles by request of certificate holders who had chosen how to spend their money. That was 36.6 billion rubles more than in the previous year (328.7 billion rubles).

On the whole, the Pension Fund has met 12 million requests of families for using the governmental aid over the past decade. A total of 1.7 trillion rubles were paid. As a result, 4.2 million certificate holders (55%) have fully spent their maternity capital, and 440,000 families (6%) have partially spent their funds.

## Use of maternity capital funds (including all time of this Program)

bln rubles





## 2.7. Social benefits

More than 20 million Russians received social benefits and supplements to a total sum of 572 billion rubles from the Russian Pension Fund in 2016.

### Types of PFR social benefits (as of december 31, 2016)

<b>Monthly social benefit (MSB)</b>	Assigned for participants in WWII and other combat operations, persons with war-related disabilities, members of their families, citizens impacted by nuclear accidents and tests, persons with disabilities of all groups, children with disabilities and some other categories of citizens <b>Recipients</b> – 15.6 mln people <b>Size from</b> 480 to 56 539 rubles, depending on category of the recipient <b>Yearly payments</b> – 383.4 bln rubles
<b>Package of social services (PSS)</b>	This is an element of the monthly social benefit, which includes free medicines and medical items, healthcare resort vouchers and free transit to a healthcare resort. The package can be monetized fully or partially <b>Recipients</b> – 5.4 mln people (services), 10.2 mln people (money) <b>The monetary equivalent</b> of the package of social services is 995 rubles <b>Yearly payments</b> within the monthly social benefit
<b>Federal social supplement to pension (FSS)</b>	Assigned for non-working pensioners, whose total pensions and social benefits are smaller than the regional pensioner's subsistence minimum, in case the regional pensioner's subsistence minimum is smaller than the federal pensioner's subsistence minimum <b>Recipients</b> – 4.1 mln people <b>Average size</b> – 1 950.5 rubles <b>Yearly payments</b> – 99.8 billion rubles
<b>Monthly social benefit supplement (MSBS) for WWII veterans</b>	Assigned for WWII veterans and persons with WWII-related disabilities, former inmates of prison camps, persons decorated with the badge of "Besieged Leningrad Resident" and some other categories of citizens for improving their material status <b>Recipients</b> – 532,500 people <b>Size</b> – 500 or 1,000 rubles, depending on category of the recipient <b>Yearly payments</b> – 5.3 billion rubles

<b>Additional material support for achievements and merits</b>	Assigned to Heroes of the Soviet Union and Russia, Heroes of Socialist Labor, Russian Heroes of Labor, citizens decorated with Glory and Labor Glory orders and Order of Merits, Olympic champions and some other categories of citizens <b>Recipients</b> – 19,200 persons <b>Size</b> – 12 400, 16 368 or 20 583 rubles, depending on category of the recipient <b>Yearly payments</b> – 3.8 billion rubles
<b>Benefits paid for taking care of unemployable citizens</b>	Compensate for the lost wage of non-working able-bodied citizens taking care of unemployable persons: persons with disabilities of the first group and citizens older than 80 who need constant care <b>Recipients</b> – 1.8 mln people <b>Size</b> – 1,200 rubles <b>Yearly payments</b> – 36.9 billion rubles
<b>Benefits paid for taking care of children with disabilities</b>	Compensate for the lost wage of non-working able-bodied citizens taking care of children with disabilities and persons with life-long disabilities of the first group <b>Recipients</b> – 514,000 people <b>Size</b> – 1 200 or 5 500 rubles <b>Yearly payments</b> – 30.3 billion rubles
<b>Transit benefit</b>	Paid to non-working pensioners who live in Extreme North territories to compensate for their transit to a place of vacation in the territory of Russia <b>Recipients</b> – 223,000 people (money), 5,000 people (ticket). <b>Average size</b> – 13 530 rubles (money), 36 640 rubles (ticket) <b>Yearly payments</b> – 3.2 billion rubles
<b>Compensation of resettlement transportation costs</b>	Paid to non-working pensioners who live in Extreme North territories to compensate for their resettlement <b>Recipients</b> – 6,200 people <b>Average size</b> – 33 870 rubles <b>Yearly payments</b> – 0.2 billion rubles
<b>Pensioner burial benefit</b>	Paid to families of deceased pensioners <b>Recipients</b> – 1.4 million people <b>Size</b> – 5 277 rubles <b>Yearly payments</b> – 8 billion rubles



## 2.8.

# Co-funding of social programs in Russian constituent territories

The Russian Pension Fund is participating in co-funding of social programs in constituent territories of the Russian Federation.

Subsidies to budgets of Russian constituent territories for co-funding social programs are provided under agreements between the Pension Fund and the executive authorities of Russian constituent territories.

In 2016, 82 Russian constituent territories received PFR subsidies to a total sum of 1.1 billion rubles, or 12.6% (124.1 million rubles) more than in 2015 (987.8 million rubles).

Most funds allotted by the Russian Pension Fund are traditionally spent on the development of infrastructures of social service institutions. Such subsidies amounted to 1 038.8 million rubles in 2016. Most funds (563.6 million rubles) financed construction and renovation of facilities offering social services to elderly people and persons with disabilities. Construction projects backed with PFF subsidies were accomplished in social service institutions in seven constituent territories (Voronezh, Tambov, Yaroslavl, Murmansk, Pskov and Volgograd regions and the Chechen republic), while renovation projects took place in four constituent territories (the Vladimir, Lipetsk and Ulyanovsk regions and the Republic of Udmurtia).

Some 196 social service institutions in 69 Russian constituent territories repaired their facades and

roofs, living quarters and engineering networks, built ramps for persons with disabilities, and improved fire safety. Those allocations stood at 380.6 million rubles.

The efforts improved living and serving conditions of over 42,000 senior citizens and persons with disabilities. The capacity of social service institutions was increased by over 767 beds.

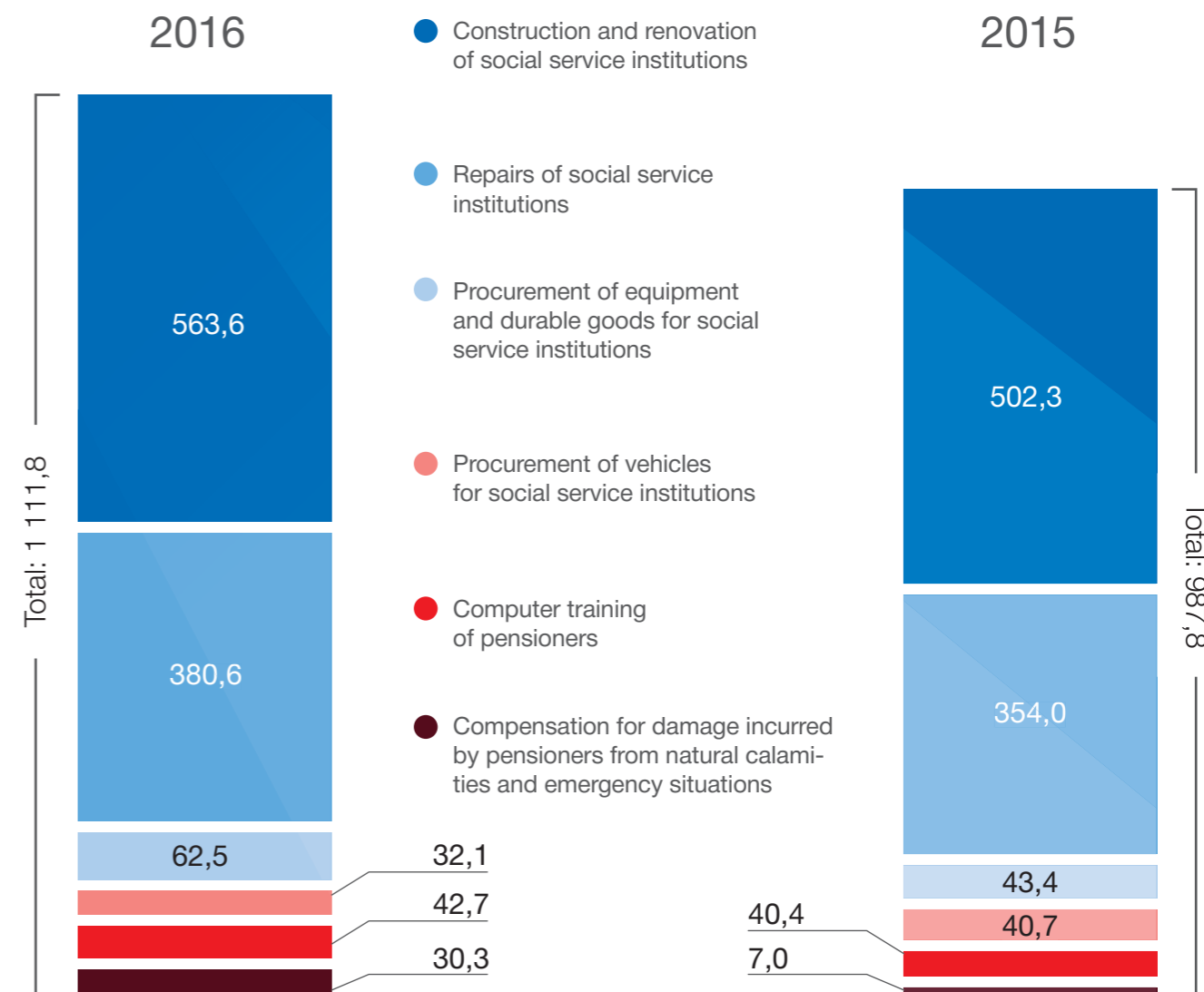
In addition, technological equipment and durable goods, such as furniture for living quarters and common areas, kitchen and household appliances to a total sum of 62.5 million rubles, were purchased for 77 social service institutions in 24 Russian constituent territories. A total of 38 vehicles with a total cost of 32.1 million rubles were purchased for mobile teams of 37 social institutions.

Targeted social aid to a total sum of 30.3 million rubles was provided to 5,100 non-working pensioners impacted by wildfires in the Amur region, spring freshets in the Omsk region, pouring rain in the Primorye territory, and water levels rising above the critical mark in the Vologda region.

In 2016, the Russian Pension Fund assigned 42.7 million rubles to provide basic computer training to more than 37,600 non-working pensioners in 68 constituent territories of Russia.

## PFR subsidies for social programs of Russian constituent territories

mln rubles





## 2.9. Processing of citizens' appeals

The Russian Pension Fund provides a variety of options for giving a feedback and filing applications on every level of PFR system.

It is possible to make a proposal, to ask a question or to file a statement or a complaint with the Russian Pension Fund either in person or in writing. Citizens and insuring parties can lodge their appeal at every level of the PFR system: either at one of 2,500 territorial offices of the Fund, or at 84 PFR divisions in every Russian constituent territory, or at the central executive body of the fund, the Executive Office headquartered in Moscow.

For citizens' convenience, the Russian Pension Fund website [www.pfrf.ru](http://www.pfrf.ru) provides an online service collecting appeals in the electronic form. Appeals of citizens and insuring parties are also collected by the PFR consulting center by means of a 24/7 free line and on the Internet.

The Russian Pension Fund saw an increase in the number of written appeals by 40.5% or 145,300 to 504,400 applications in 2016, including 49,400 (9.8%) lodged with the PFR Executive Office, 165,000 (32.7%) lodged with PFR offices in Russian constituent territories, and 290,000 (57.5%) lodged with PFR territorial offices in cities and districts.

Roughly a quarter of the appeals concerned the calculation of pensions and a possible pension raise, 16.8% were related to the investment of pension savings, and 14% focused on measures of social support and maternity capital. Eleven percent of the appeals highlighted the entitlement to pensions, including early retirement

pensions. There was a slight increase in the number of appeals regarding the payment of insurance contributions by sole proprietors and the indexation of pensions.

All appeals filed with PFR in 2016 by citizens and insuring parties were timely and fully processed, explanations were given to the applicants and, in some cases, public services were provided. Russian Pension Fund specialists analyzed proposals, statements and complaints coming from citizens and took measures to address mass cases. Reports of possible corruptive practices in PFR were scrutinized.

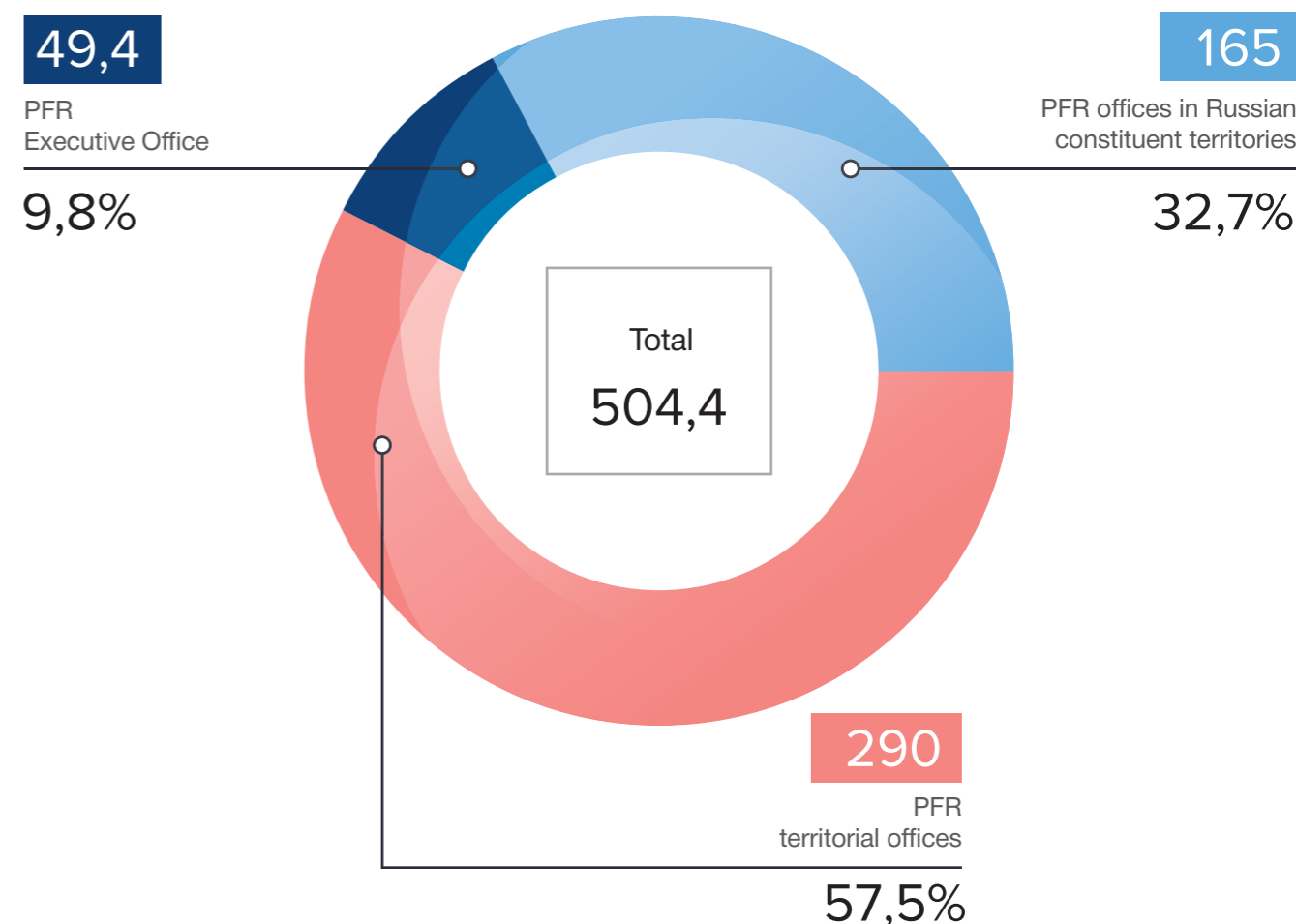
The Pension Fund provided information line services, which answered questions of about 910,000 persons during the year. In addition, more than 117,000 persons received consultations in-person.

PFR specialists also responded to complaints filed via the federal state information system, which supports pre-trial appeals against decisions and activity (inactivity) of PFR bodies and their officials in the provision of public services. A total of 3,500 appeals were filed with PFR institutions via that system in 2016.

On December 14, 2016, the Russian Pension Fund took part in the all-Russian Day of Reception of Citizens for the fourth time. Some 4,000 persons consulted PFR in-person or by video and teleconferencing means on that day.

### Citizens' appeals to Russian Pension Fund in 2016

thousand appeals





## 2.10. Information campaigns

In 2016 information campaigns of the Russian Pension Fund focused on new methods of the provision of PFR public services, the rules of forming the funded pension and the opportunity to heighten pension rights.

Measures raising citizens' awareness of the procedure of forming pension rights, the calculation of pensions, and PFR information support to the provision of pension and social security services, including in the online format, were the priority of information campaigns conducted by the Pension Fund in 2016. An emphasis was put on the assistance to the process of labor market legalization by forming a negative attitude of citizens to semi-legal and illegal employment.

Measures were taken to explain fundamentals of pension laws and ways of receiving PFR public services.

The broadest information channels, such as television, the radio, printed periodicals and the Internet, were used to deliver information.

Together with the Federation of Independent Trade Unions of Russia and trade unions, labor collectives were informed of principal provisions of federal laws improving the pension system.

According to PFR offices, 12,800 coaching events addressing pension issues were held for trade union activists, and more than 24,000 meetings were organized with labor collectives of enterprises. More than 1 million employees took part in those meetings. In addition, PFR employees provided visiting consultations to

930,000 employees of 47,000 entities on pension and social security matters.

In the course of meetings, consultative sessions with labor collectives and coaching seminars for trade union activists, the Russian Pension Fund distributed over 1.3 million copies of information leaflets and over 870,000 copies of brochures explaining the procedure of the formation of pension rights and the calculation of pensions

In 2016, corporate editions of employers and trade unions published more than 8,500 information materials related to pension and social security matters.

PFR conducted an information campaign on television, the radio, the Internet and printed media outlets; it prepared and distributed theme brochures, posters and leaflets on primary topics of pensions and social security.

The release of PFR departmental newspapers continued in 2016, among them the "Ya Rabotayu v PFR" ("I Work for PFR") newspaper for PFR employees and "Moi Pensionny Fond" ("My Pension Fund") newspaper for visitors and clients of PFR territorial offices.

Also, the Fund carried on the program raising pension and social security awareness of the young titled "Your Future Pension Depends on

You", which started in 2011. Classes were organized in general, vocational and higher education schools using the specialized textbook "All about Your Future Pension: for Studies and for Life" written and published by PFR. Fund specialists gave more than 25,000 lessons in education establishments of more than 9,000 populated localities across Russia.

Interaction with the media featured seminars for journalists, press conferences, press briefings, interviews of the PFR leadership with printed and online mass media outlets, regular press releases and hotlines for citizens hosted by the leading media.

An emphasis was put on explanations of the proper use of maternity (family) capital funds, detailed information about every aspect of the issue of maternity capital certificates, options in spending maternity capital funds, and the prevention of misuse of maternity capital money.

An active information campaign continued in the social media and Internet blogs. PFR information was regularly posted on the Fund's official accounts on the VKontakte and Facebook social networks and LiveJournal and Twitter services, and questions of citizens are regularly answered.

Systemic information campaigns were held on the regional level, as well.

PFR was using the broadest information channels, such as regional

television, radio stations, printed media, the Internet, outdoor display ads, advertisements in public areas and transport, and visiting consultations for labor collectives.

All client services were provided with information brochures and leaflets in 2016. Sixty-two types of PFR printed products were published to address principal areas of the information campaign and PFR services (brochures, leaflets, stickers, and posters).

For the purposes of raising pension and social security awareness of the Russian population, the federal telephone service of the Russian Pension Fund continued its activity in 2016 to answer for free the frequently asked questions about pension and social security laws and to provide information, for example, by SMS messages and the interactive service on the Internet.

Hence, the information campaign carried out by PFR in 2016 in every area of its activity was systemic and streamlined.

Seeking to achieve the maximal efficiency, every measure was incorporated into a single schedule, which was drawn up with due account of seasonal factors, coverage and division of the audience into various target groups.

The ad-based information campaign was continuous and information delivery methods were used

ACCORDING TO OPINION POLLS, RUSSIAN'S AWARENESS OF THE FORMATION OF THEIR FUTURE PENSIONS GREW FROM 40.8% TO 48.8% IN 2016



## IN 2016 PFR PREPARED AND DISTRIBUTED 62 TYPES OF PRINTED PRODUCTS REGARDING PRINCIPAL AREAS OF INFORMATION CAMPAIGN AND PFR SERVICES

on the principle of rotation during the year. According to VCIOM research, Russian citizens' awareness of the procedure of the formation of their pension grew from 40.8% in June 2015 to 48% in November 2016.

## 2.11. International cooperation

The Pension Fund has been taking systemic efforts to develop bilateral and multilateral relations with foreign partners with the purpose of strengthening Russia's positions in the field of pension benefits and social security.

PFR's international cooperation in the field of pension benefits and social security is an important area of Russia's integration with the international community. A majority of countries are dealing with the problems encountered by social security systems. The process includes the recognition of norms and principles of the international law, study and summarization of the best available national social security laws, the search for

consensus and compromises with the purpose of reconciliation of national norms which regulate national social security systems with universal norms and principles of the international law. The final goal of this process is the elaboration and improvement of national social security systems.

In 2016, the Russian Pension Fund was developing international cooperation in a number of aspects of pension benefits and social security.

### Cooperation with International Organizations

Ufa hosted a meeting of labor and employment ministers from the **BRICS member countries** on January 25-26, 2016, with the participation of PFR Board Chairman Alexey Drozdov in the capacity of the International Social Security Association (ISSA) Executive Committee of the BRICS Project.

PFR delegations led by the Board chairman took active part in major international forums, such as the World Social Security Forum under the theme 'Transforming Lives, Shaping Societies' in November 2016, the **ISSA Regional Social Security Forum** for Europe in Stockholm in April 2016, and bilateral business meetings with the ISSA secretary general and president and delegations from ISSA member countries (France, Hungary

and Croatia) in order to discuss cooperation and cooperation memoranda.

The ISSA Coordination Center on Eurasia opened in Moscow in March 2016 with the PFR support to interact with social security entities of Russia, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. The Russian Pension Fund was awarded the ISSA Certificate of Appreciation for the Coordination Center project.

In addition, PFR representatives joined Russian delegations for consultations with **International Labor Organization (ILO)** experts on the reform of Russia's pension system with due consideration of financial, demographic and legal aspects,

## PFR WAS AWARDED THE 2016 ISSA GOOD PRACTICE AWARD IN THE ACTUARIAL EXPECTATIONS NOMINATION

global trends, existent hindrances and regional trends and examples set by other countries from the angle of retirement age. PFR is also a fully-fledged participant in Russia's interaction with the Organization for Economic Cooperation and Development (OECD).

## PFR representatives to international organizations

### PFR Board Chairman A.V. Drozdov

- Member of the International Social Security Association (ISSA) Bureau
- Chairman of the ISSA Executive Committee of the BRICS project
- Member of the ISSA European network Executive Committee
- Member of the ISSA Committee Nominating/Election Committee

### PFR Board First Deputy Chairman A.V. Kurtin

- PFR Representative – member of the interdepartmental working group elaborating proposals for consideration of the OECD Committee on Insurance and Private Pensions
- Member of the Advisory Committee on Social Security, Pension Rights, Healthcare and Professional Activity of Working People in Eurasian Economic Union Member Countries
- Chairman of the International Association of Pension and Social Funds (IAPSF)

### PFR Board Deputy Chairman S.A. Afanasyev

- Deputy Chairman of the ISSA Technical Commission on Old-age, Invalidity and Survivors' Insurance

### PFR Board Chairman N. B. Kozlov

- ISSA Treasurer (unanimously elected at a meeting of the ISSA Council on November 18, 2016)
- Deputy Chairman of the ISSA Technical Commission on Investment of Social Security Funds (before November 18, 2016)

## Bilateral cooperation

A delegation of the Brazilian Labor and Employment Ministry had a meeting at PFR in 2016 to confer on social security systems of Russia and Brazil in general and their technicalities, such as pension benefits of workers of private and public sectors and agriculture, disability benefits in Russia and early retirement of certain categories of Russian citizens.

A bilateral meeting between representatives of PFR and German Pension Insurance for Mining, Railways and Marine (RKB) addressed the current development of pension laws in Russia and Germany.

In October 2016, a PFR delegation met with representatives of the

China National Committee on Ageing (CNCA) to discuss the development of national pension systems and bilateral cooperation.

International cooperation PFR has been conducting since the day of its founding enables a timely and appropriate response to challenges in the field of social security and pension benefits, to submit to the national leadership and ministries professional commentaries and proposals on the reform and modernization of the Russian pension system, and to provide high-level representation of Russia in the global pension and social security community.

# Annex 1.

## Contacts of PFR offices

	Head	Address	Telephone
1. PFR office in the Republic of Adygeya	Kulov Askarbiy Khadzhibachirovich	385000, 42, Pobedy Street, Maikop	(8-8772) 53-13-04 57-62-22
2. PFR office in the Republic of Altai	Ageyev Oleg Valeryevich	649000, 15/1, Kommunisticheskiy Side-Street, Gorno-Altaysk	(8-38822) 2-70-41
3. PFR office in the republic of Bashkortostan	Khantimerov Foat Galyautdinovich	450077, 55 Z. Validi Street, Ufa	(8-347) 273-58-78
4. PFR office in the Republic of Buryatia	Khankhalayev Yevgeny Kazakovich	670000, 45a, Kommunisticheskaya Street, Ulan-Ude	(8-3012) 29-12-00
5. PFR office in the Republic of Dagestan	Isayev Magomed Isayevich	367013, 16, Gamidov Avenue, Makhachkala	(8-8722) 68-15-82 98-73-01
6. PFR office in the Republic of Ingushetia	Seinaroyev Islam Akhmetovich	386001, 1, I. Zyazikova Avenue, Magas	(8-8734) 55-30-00
7. PFR office in the Republic of Kabardino-Balkaria	Bakov Nikolai Khachimovich	360051, 19a, Pacheva Street, Nalchik	(8-8662) 42-00-22
8. PFR office in the Republic of Kalmykia	Shurgchiyev Vladimir Ochirovich	358000, 9a, Gorkogo Street, Elista	(8-84722) 4-00-83
9. PFR office in the Republic of Karachayevo-Cherkessia	Suynchev Murat Khanafiyevich	369000, 3, Gorkogo Street, Cherkessk	(8-8782) 26-22-84
10. PFR office in the Republic of Karelia	Levin Nikolai Ivanovich	185910, 23, Kirova Street, Petrozavodsk	(8-8142) 79-52-01
11. PFR office in the Republic of Komi	Kolesnik Olga Mikhailovna	167981, 36, Kirova Street, GSP-3, Syktyvkar	(8-8212) 44-54-62
12. PFR office in the Republic of Crimea	Kudryavrtseva Lyudmila Alexandrovna	295000, 52, Karaimskaya Street, Simferopol	(8-3652) 51-87-88
13. PFR office in the Republic of Mari El	Orekhov Vladimir Vladimirovich	424000, 7, Pushkina Street, Yoshkar-Ola	(8-8362) 42-94-79 45-32-23
14. PFR office in the Republic of Mordovia	Vasilkin Vladimir Ilyich	430005, 52, Kommunisticheskaya Street, Saransk	(8-8342) 24-65-87
15. PFR office in the Republic of Sakha (Yakutia)	Stepanov Georgy Mikhailovich	678700, 4, Chernyshevskogo Street, Yakutsk	(8-4112) 45-00-10
16. PFR office in the Republic of North Ossetia – Alania	Tabolov Sergei Soltanbekovich	362031, 4/1, Leonova Street, Vladikavkaz	(8-8672) 40-97-21
17. PFR office in the Republic of Tatarstan	Vafin Eduard Yafasovich	420111, 8, Pushkina Street, Kazan	(8-843) 279-25-00
18. PFR office in the Republic of Tyva	Kenden Svetlana Dyrtyk-Kara (acting head)	667000, 18, Kochetkov Street, Kyzyl	(8-39422) 9-61-04 9-61-01
19. PFR office in the Republic of Udmurtia	Belyukov Alexei Vasilyevich	426008, 272a, Karla Marksa Street, Izhevsk	(8-3412) 63-03-02 60-75-02
20. PFR office in the Republic of Khakassia	Filonov Viktor Alexeyevich	655017, 72a, Krylova Street, Abakan	(8-3902) 22-94-99 28-81-00
21. PFR office in the Chechen Republic	Akhmadov Mokhmad-Emi Isayevich	364051, 4, Sheikh Ali Mitayev Street, Grozny	(8-8712) 62-86-25 22-24-83

	Head	Address	Telephone
22. PFR office in the Republic of Chuvashia	Kondratyeva Rosa Alexeyevna	428018, 87, Konstantina Ivanova Street, Cheboksary	(8-8352) 58-31-50 30-65-01
23. PFR office in the Altai territory	Trofimov Boris Alexandrovich	656049, 94, Partizanskaya Street, Barnaul	(8-3852) 39-98-10
24. PFR office in the Transbaikalian territory	Mikhailenko Galina Mikhailovna	672051, 160b, Chkalova Street, Chita	(8-3022) 36-94-04
25. PFR office in the Kamchatka territory	Melekhina Tatiana Viktorovna	683003, 124b, Leningradskaya Street, Petropavlovsk-Kamchatsky	(8-4152) 42-90-86 42-90-01
26. PFR office in the Krasnodar territory	Tkachenko Tatiana Alexandrovna (acting head)	350015, 8, Khakurate Street, Krasnodar	(8-861) 251-93-61, 251-72-80
27. PFR office in the Krasnoyarsk territory	Maiboroda Denis Alexandrovich (acting head)	660133, 44g, Partizana Zheleznyaka Street, Krasnoyarsk	(8-391) 229-00-01
28. PFR office in the Perm territory	Avronchuk Stanislav Yuryevich	614077, 78, Bulvar Gagarina Street, Perm	(8-342) 264-31-01
29. PFR office in the Primorye territory	Maslovets Alexander Ivanovich	690090, 16, Fontannaya Street, Vladivostok	(8-423) 249-86-01
30. PFR office in the Stavropol territory	Popov Vladimir Semyonovich	355035, 11, Sovetskaya Street, Stavropol	(8-8652) 95-56-96
31. PFR office in the Khabarovsk territory	Zverzhayeva Irina Gavrilovna	680000, 27, Lenina Street, Khabarovsk	(8-4212) 29-51-68 29-50-00
32. PFR office in the Amur region	Dorofeyev Vladimir Alexandrovich	675000, 173a, Zeiskaya Street, Blagoveshchensk	(8-4162) 20-23-05 20-23-01
33. PFR office in the Arkhangelsk region	Gavrilov Alexander Ivanovich	163000, 28, Severnoi Dviny Embankment, Arkhangelsk	(8-8182) 21-77-00 21-77-01 20-54-11
34. PFR office in the Astrakhan region	Zolotova Nonna Ivanovna	414040, office 1/9, 53, Pobedy Street/ Karla Marksa Square, Astrakhan	(8-8512) 61-19-33
35. PFR office in the Belgorod region	Khudayev Dmitry Vasilyevich	308000, 87, Preobrazhenskaya Street, Belgorod	(8-4722) 30-69-01
36. PFR office in the Bryansk region	Klyuyev Oleg Iosifovich	241050, 1, Lyubeznogo Street, Bryansk	(8-4832) 74-23-47 74-59-94
37. PFR office in the Vladimir region	Mazanko Alexander Alexeyevich	600007, 61d, Mira Street, Vladimir	(8-4922) 40-23-40 40-23-04
38. PFR office in the Volgograd region	Fyodorov Vladimir Alexandrovich	400001, 16, Raboche-Krestyanskaya Street, Volgograd	(8-8442) 24-94-57
39. PFR office in the Vologda region	Zhidkov Vasily Nikolayevich	160000, 18, Zosimovskaya Street, Vologda	(8-8172) 57-19-01
40. PFR office in the Voronezh region	Merkulov Alexander Fyodorovich	394036, 36b, Studencheskaya Street, Voronezh	(8-473) 269-77-65 269-70-60
41. PFR office in the Ivanovo region	Boldin Mikhail Vasilyevich	153000, 55, Bagayeva Street, Ivanovo	(8-4932) 41-42-64
42. PFR office in the Irkutsk region	Kozlova Nadezhda Sergeyevna	664007, 92, Dekabrskiy Sobytiy Street, GSP-46, Irkutsk	(8-3952) 26-83-02
43. PFR office in the Kaliningrad region	Malik Svetlana Albertovna	236010, 54, Engelsa Street, Kaliningrad	(8-4012) 21-32-42 99-83-55
44. PFR office in the Kaluga region	Loktev Mikhail Pavlovich	248003, 2a, Boldina Street, Kaluga	
45. PFR office in the Kemerovo region	Starikov Viktor Alexandrovich	650040, 74, Sovetsky Avenue, GSP, Kemerovo	(8-3842) 58-71-76



	Head	Address	Telephone
46. PFR office in the Kirov region	Pasynkov Nikolai Vladimirovich	610001, 34, Komsomolskaya Street, Kirov	(8-8332) 52-85-55 52-81-80
47. PFR office in the Kostroma region	Rusov Sergei Vladimirovich	156000, 31a, Komsomolskaya Street, Kostroma	(8-4942) 39-06-05 39-06-01
48. PFR office in the Kurgan region	Sapozhnikov Alexander Alexeyevich	640003, 15, R. Zorge Street, Kurgan	(8-3522) 44-03-50 48-80-00
49. PFR office in the Kursk region	Romanova Valentina Nikolayevna	305000, 5, Kati Zelenko Street, Kursk	(8-4712) 51-20-05
50. PFR office in the Lipetsk region	Savin Ivan Ivanovich	398050, 3, Sobornaya Square, Lipetsk	(8-4742) 42-91-00 42-91-01
51. PFR office in the Magadan region	Karunenko Svetlana Alexandrovna	685000, 52, Yakutskaya Street, Magadan	(8-4132) 69-80-00 69-80-01
52. PFR office in the Murmansk region	Chernyshova Galina Alexandrovna	183025, 26, Polyarnye Zori, Murmansk	(8-8152) 40-37-00 40-37-01
53. PFR office in the Nizhny Novgorod region	Tarasov Vladimir Eduardovich	603034, 35, Lenina Avenue, Nizhny Novgorod	(8-831) 244-46-00 244-47-00
54. PFR office in the Novosibirsk region	Terepa Alexander Grigoryevich	630007, 19/1, Serebrennikovskaya Street, Novosibirsk	(8-383) 210-16-88
55. PFR office in the Novgorod region	Isakova Tatiana Leonidovna (acting head)	173016, 9b, Zelinskogo Street, Veliky Novgorod	(8-8162) 62-06-73
56. PFR office in the Omsk region	Todorov Sergei Nikolayevich	644043, 71/1, Chapayeva Street, Omsk	(8-3812) 24-11-70
57. PFR office in the Orenburg region	Petrova Nadezhda Vladimirovna	460040, 18a, Mira Street, Orenburg	(8-3532) 70-74-47
58. PFR office in the Oryol region	Baranchikov Nikolai Mikhailovich	302026, 108, Komsomolskaya Street, Oryol	(8-4862) 72-92-00
59. PFR office in the Penza region	Budanov Mikhail Yuriyevich	440008, 20, Zakharova Street, Penza	(8-8412) 36-81-03 36-81-01
60. PFR office in the Pskov region	Melnikova Natalia Gennadiyevna	180007, 53, Petrovskaya Street, Pskov	(8-8112) 56-66-90 56-17-00
61. PFR office in the Rostov region	Petrov Yevgeny Mikhailovich	344000, entrance 2, 259, Varfolomeyeva Street, Rostov-on-Don	(8-863) 290-41-03
62. PFR office in the Ryazan region	Pashin Gennady Vasilievich	390013, 4, Moskovskoye Shosse, Ryazan	(8-4912) 30-30-06 30-30-01
63. PFR office in the Samara region	Zaitseva Anna Vyacheslavovna	443041, 175, Sadovaya Street, Samara	(8-846) 333-03-41
64. PFR office in the Saratov region	Romanov Alexander Sergeevich	410004, 11/13, Pugachyovskaya Street, Saratov	(8-8452) 52-22-01
65. PFR office in the Sakhalin region	Mazur Denis Vladimirovich	693020, 69a, Lenina Street, Yuzhno-Sakhalinsk	(8-4242) 49-55-00
66. PFR office in the Sverdlovsk region	Opaleva Tatiana Nikolayevna	620075, 17, Gorkogo Street, Yekaterinburg	(8-343) 257-25-10
67. PFR office in the Smolensk region	Seleznyov Yuri Alexandrovich	214019, 37a, Krupskoi Street, Smolensk	(8-4812) 62-49-12 55-12-34
68. PFR region in the Tambov region	Gordenkov Nikolai Dmitriyevich	392000, 37, Internatsionalnaya Street, Tambov	(8-4752) 79-43-05
69. PFR office in the Tver region	Shamakin Yevgeny Alexandrovich	170000, 9, Vagzhanova Street, Tver	(8-4822) 32-96-09
70. PFR office in the Tomsk region	Maltsev Dmitry Borisovich	634041, 41/1, Kirova Avenue, Tomsk	(8-3822) 48-55-00

	Head	Address	Telephone
71. PFR office in the Tula region	Krainev Nikolai Mikhailovich	300035, 107, L. Tolstogo Street, Tula	(8-4872) 32-18-00 32-18-01
72. PFR office in the Tyumen region	Chalkova Alefina Sergeevna	625048, 83a, Respubliki Street, Tyumen	(8-3452) 27-09-90
73. PFR region in the Ulyanovsk region	Chernyshev Alexander Vladimirovich	432011, 6, Koryukina Street, Ulyanovsk	(8-8422) 44-23-92
74. PFR office in the Chelyabinsk region	Chernobrovnik Viktor Pavlovich	454091, 95, Svobody Street, Chelyabinsk	(8-351) 282-28-01 282-28-32
75. PFR office in the Yaroslavl region	Komov Vladimir Pavlovich	150049, 5, Ukhtomskogo Proyezd, Yaroslavl	(8-4852) 59-01-00 59-01-02
76. PFR office in Moscow and the Moscow region	Andreyev Andrei Yevgenyevich	115419, office 2, 14, Stasovoi Street, Moscow	(8-495) 986-23-86
77. PFR office in Sevastopol	Bugayenko Svetlana Alexandrovna	299007, 54, Nikolaya Muzyki Street, Sevastopol	(8-692) 44-29-05
78. PFR office in St. Petersburg and the Leningrad region	Bakhchevanova Zinaida Vyacheslavovna	194214, 73, Engelsa Avenue, St. Petersburg	(8-812) 292-86-38
79. PFR office in the Jewish autonomous region	Tugarinov Viktor Anatolyevich	679016, 45, Sholom-Aleikhema Street, Birobidzhan	(8-42622) 9-24-00 9-24-27
80. PFR office in the Nenets autonomous region	Nosova Maria Vladimirovna	166000, 21, Lenina Street, Naryan-Mar	(8-81853) 4-23-53
81. PFR office in the Khanty-Mansi autonomous region – Yugra	Zaitseva Tatiana Sergeevna	628011, 34, Mira Street, Khanty-Mansiisk	(8-3467) 39-30-13 35-05-51
82. PFR office in the Chukchi autonomous district	Antonenko Inna Igorevna	689000, 16, Energetikov Street, Anadyr	(8-42722) 6-38-00 6-38-01
83. PFR office in the Yamal-Nenets autonomous region	Kolokolova Taisa Fyodorovna	629007, 47, Respubliki Street, Salekhard, Tyumen region	(8-34922) 3-68-01
84. PFR office in the town of Baikonur	Aimuratov Talgat Bakbergenovich	468320, 13, Kosmonavta G.S. Titova Street, Baikonur, Republic of Kazakhstan	(8-336-22) 7-34-37



## Annex 2.

### Contacts for filing appeals with PFR

Official website	<a href="http://www.pfrf.ru">www.pfrf.ru</a>
E-services portal	<a href="http://es.pfrf.ru">es.pfrf.ru</a>
Consulting center	8-800-302-2-302 (24/7 across Russia)
Online consultant	<a href="http://www.pfrf.ru/knopki/online_kons/online_konsult">www.pfrf.ru/knopki/online_kons/online_konsult</a>
Online liaison office	<a href="http://www.pfrf.ru/eservices/send_appeal/resident">www.pfrf.ru/eservices/send_appeal/resident</a> (for online written appeals of citizens and entities)
Online liaison office for citizens residing outside Russia	<a href="http://www.pfrf.ru/eservices/send_appeal/nonresident">www.pfrf.ru/eservices/send_appeal/nonresident</a> (for online written appeals of citizens residing outside Russia)
PFR Executive Office	119991, 4, Shabolovka Street, Moscow
Department of Liaison with Citizens, Insured Persons, Entities and Insuring parties	Address: 4, Slavyanskaya Square, Building 1, Moscow, 109240 tel: 8 495 987-8907, 8 495 987-8914
Department of Pensions for Persons Residing Abroad	Address: 20a, Akademika Anokhina Street, 119602 Moscow, tel 8 495 987-8030
Department of Pension Benefits of Public Sector Employees	Address: 21, Mytnaya Street, 115162 Moscow, tel: 8 495 982-4638
Official page on VKontakte	<a href="http://www.vk.com/pension_fond">www.vk.com/pension_fond</a>
Official page on Odnoklassniki	<a href="http://www.ok.ru/pensionfond">www.ok.ru/pensionfond</a>
Official page on Twitter	<a href="http://www.twitter.com/pension_fond">www.twitter.com/pension_fond</a>
Official page on Facebook	<a href="http://www.facebook.com/PensionFondRF">www.facebook.com/PensionFondRF</a>
Official page on LiveJournal	<a href="http://www.pensionnij-fond.livejournal.com">www.pensionnij-fond.livejournal.com</a>

