

2017

ANNUAL REPORT



Pension Fund
of the Russian Federation

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Address by Russian Pension Fund Board Chairman



The Russian Pension Fund has been fulfilling its social obligations to the fullest extent. In 2017, the PFR provided timely indexation and payment of all types of pensions and social benefits to pensioners and benefit holders. Insurance pensions of over 31 million non-working pensioners were increased by 5.8%. August 2017 saw the annual adjustment of insurance pensions of working pensioners. As a result, an average old-age insurance pension reached 13,800 rubles in 2017.

State pensions, including social pensions, were increased by 1.5% in April 2017 for 3.9 million pensioners. Monthly social benefits of 15.4 million federal benefit holders grew 5.4% in February. As a result, an average social pension reached 8,800 rubles in 2017. An average social benefit of children with disabilities and persons with lifelong first-degree disabilities stood at 13,200 rubles over the year.

In January 2017, more than 43.7 million pensioners received a lump-sum payment of 5,000 rubles. The PFR assigned 221.7 billion rubles for those purposes. On the whole, the Pension Fund spent 8.1 trillion rubles on pensions and social benefits in 2017.

Over the reporting year, the PFR adjusted and increased insurance pensions of more than 4 million persons with due account of «non-insured» periods. As a result, the Fund spent extra 30.7 billion rubles on pensions. The PFR reduced the dependence of its budget on federal budget transfers, nonetheless.

The transfers, which help balance the mandatory pension insurance system, amounted to 932.7 billion rubles or 5.7% less than in 2016. The trend will accelerate next year: the transfer for the mandatory pension insurance system is due to reduce by 25.6% year-on-year to 694 billion rubles in 2018.

The implementation of social programs is a key task of the PFR. Maternity (family) capital remains a priority project of the Fund. Since 2007, we have issued more than 8.3 million maternity capital certificates and enabled more than 5 million certificate holders to spend over 2 trillion rubles in maternity capital funds at their request. In 2017, the Fund issued 727,200 maternity capital certificates and paid 311.8 billion rubles under this program. Better living conditions of families with two children or more remain the most popular way of using the maternity capital funds (86.1% of all requests). The spending of maternity capital funds on children's education is also becoming popular (13.8%).

In addition, the PFR has been actively co-funding social programs in Russian constituent territories. In 2017, the Fund assigned over 1.03 billion rubles for building and renovating social facilities, forming mobile social-service teams, and raising computer awareness of pensioners in 84 regions of Russia.

The reporting year passed under the auspices of a broader range of public services provided by the PFR online.

On the order from the Russian president, the PFR was due to provide over 70% of its services in the electronic format by January 1, 2018. And we managed to do so! During the year 2017, the PFR received more than 46.7 million online requests for public services, which exceeded 70.3% of the total number. Notably, the most popular services were related to the PFR's principal functions, such as the assignment and adjustment of pensions and the replacement of one type of pension with another.

In 2017, online services were provided to 7.5 million people or 420% more than the year before.

The number of online requests for choosing or changing the pension delivery method increased 210% (vs. 3.8 million people in 2017). The number of online applications for maternity capital certificates grew 150% (to 788,000 persons).

The implementation of new technologies enabled the start of two major federal information projects developed and operated by the Russian Pension Fund: the Unified State Social-Security Information System (USSSIS) and the Federal Register of Disabled Persons (FRDP). The purpose of both systems is to improve public services rendered to socially vulnerable categories of citizens while raising the efficiency of budget expenditures. The launch of the USSSIS and the FRDP is the result of active efforts taken by the PFR in collaboration with major federal agencies and executive authorities in all Russian constituent territories.

Being the largest high-tech social system in the country, the PFR is contributing to the creation of the digital economy. Cloud technologies, big data operation, and robotization have become a reality of the PFR automated information system, PFR AIS – 2.

We are set to further our system, which will evolve into PFR AIS – 3, and use artificial intelligence, remote identification, virtual client services, and a unified cyber-security center. The groundwork was laid in 2017. However, the shift to the digital mode is not a goal in itself. The development of the

Fund's IT complex has an applied nature, above all. The task of modern technologies is to raise the accessibility and quality of public services in the field of pensions and social security.

A no less important area of our activity is information campaigns, which raise the level of pension and social security awareness, foster knowledge of pension-forming mechanisms, and involve citizens in the accumulation of their pensions. All our efforts taken in this area have been fruitful. Independent sociological surveys prove that the level of awareness of the pension-forming procedure has been growing in Russia. According to the VCIOM, the level of awareness has grown from 40.8% in 2015 to 52.2% in 2017. As many as 88% citizens know that their future pension depends on insurance contributions and pension points they score.

Despite the advancement of new technologies, the man will always be the cornerstone of the PFR system. Our interaction with citizens remains a priority development area. According to independent opinion polls, 97.2% of citizens who contacted the PFR in 2017 were satisfied with the quality of public service (96.3% in 2016). An average score stood at 4.86 points (compared to 4.82 in 2016). The PFR has set a high bar of improving these indicators in 2018. I am confident that the streamlined work of Russian Pension Fund offices and each of our 108,800 employees will be appreciated by citizens of our country, for whose benefit we are working.

Anton DROZDOV

Events of the year

JANUARY

- ▶ 5,000-ruble lump-sum bonus paid to 43.7 mln pensioners
- ▶ Maternity capital program marks 10th anniversary
- ▶ PFR provides online access to package of social services

FEBRUARY

- ▶ Insurance pensions of 31.4 mln non-working pensioners raised 5.4 %
- ▶ PFR launches online pension-adjustment service

MARCH

- ▶ PFR launches online service for shifting from one type of pension to another

APRIL

- ▶ Insurance pensions of 31.4 mln non-working pensioners raised again to reach 5.8% total
- ▶ State pensions of 3.9 million pensioners increased 1.5%
- ▶ PFR launches smart-phone application for accessing public services

MAY

- ▶ Voluntary pension contributions co-funded at the total amount of 5.5 bln rubles
- ▶ Assistance given to residents of fire-stricken Republic of Buryatia and Irkutsk region
- ▶ PFR launches online service to assign federal social supplement to pensions

JUNE

- ▶ Eight millionth maternity capital certificate issued
- ▶ Assisted living residence co-funded by PFR opens in Ulyanovsk region

JULY

- ▶ Bill entitling children of unknown parents to state social pension signed

AUGUST

- ▶ Insurance pensions of 11.8 mln working pensioners raised
- ▶ PFR begins trial run of virtual client service in several constituent territories of Russia
- ▶ Trial run of services rendered to persons with disabilities on basis of data from Federal Register of Disabled Persons begins

SEPTEMBER

- ▶ PFR opens educational website «Telling Schoolchildren about Pension», school.pfrf.ru
- ▶ Internet ABC computer awareness program for pensioners updated and expanded
- ▶ Nursing home named after Elizaveta Glinka renovated with PFR's co-funding opens in Vladimir region
- ▶ Most PFR online services become accessible to proxies
- ▶ Russian Pension Fund establishes Public Council

OCTOBER

- ▶ Million Russians have their pensions assigned via Pension Fund's online services over year

NOVEMBER

- ▶ PFR launches online service to assign compensations for caring for disabled persons

DECEMBER

- ▶ PFR launches online service to issue SNILS copies
- ▶ PFR launches online service to suspend or resume payment of insurance pension
- ▶ PFR's Pension Calculator added to Public Services Portal

Digits of the year

Pension system participants

Persons insured in mandatory pension insurance system	153,8 mln ▲	Pensioners	43,5 mln ▲
Insuring parties in mandatory pension insurance system	9,3 mln ▼	– Insurance pension recipients	39,8 mln ▲
– Employers	5,3 mln ▼	– State pension recipients	3,7 mln ▲
– Self-employed insuring parties	4,0 mln ▲	– Recipients of pension saving funds	1,1 mln ▼

Average pensions

Insurance pension	13306 ₪ ▲	Social pension of children with disabilities and persons with lifelong disabilities	11250 ₪ ▲
Old-age insurance pension	13762 ₪ ▲	Subsistence minimum of Russian pensioners	8540 ₪ ▲
Funded pension	866 ₪ ▲	Fixed payment within insurance pension (total)	4805 ₪ ▲
Term withdrawal of pension savings	1277 ₪ ▲	Average federal social supplement to pension	1938 ₪ ▲
Lump-sum withdrawal of pension savings	3935 ₪ ▼		
Social pension	8797 ₪ ▲		

Maternity (family) capital program

Amount of maternity capital	453 026 ₪ ▲
Number of issued maternity capital certificates	8,3 mln ▲
Number of families, which fully spent maternity capital	4,9 mln ▲

Data as of December 31, 2017

Pension savings

Number of persons accumulating pension savings	76,7 mln ▲	– With private management companies	0,4 mln ▼
– With the state-run management company Vnesheconombank	42,0 mln ▼	– With private pension funds	34,3 mln ▼

Pension savings co-funding program

Pension savings co-funding program participants	2,6 mln ▲	Average contribution by pension savings co-funding program participants in 2017	8,1 thousand ₪ ▲
Contributions of pension co-funding program participants in 2017	5,3 bln ₪ ▼	State co-funding of program participants in 2017	5,1 bln ₪ ▼


Pension raise


Indexation of insurance pensions	5,8 %	Return on pension savings' investment in overall portfolio of private management companies	10,8 %
Indexation of state pensions	1,5 %	Indexation of monthly social benefit (MSB)	5,4 %
Return on pension savings' investment via expanded Vnesheconombank portfolio	8,8 %	Inflation in 2017	2,5 %
Return on pension savings' investment via Vnesheconombank's government bond portfolio	11,2 %	Inflation in 2016	5,4 %


Digits of the year


Social benefits

Recipients of monthly social benefit (MSB) **15,4** mln  ▼

Recipients of monthly benefit supplement (MBS) **0,5** mln  ▼

Recipients of compensations for caring for disabled persons **1,9** mln  ▲

Recipients of compensations for caring for disabled children **0,5** mln  ▲

Recipients of compensations for pensioners living in the North **0,2** mln  ▲

Russian Pension Fund budget

PFR budget revenue **8260,1** bln  ▲

PFR budget expenditures **8319,5** bln  ▲

Mandatory pension insurance contributions **4481,9** bln  ▲

PFR's pension expenditures **7167,2** bln  ▲

PFR's social benefit expenditures **488,0** bln  ▲

PFR's maternity capital expenditures **311,8** bln  ▼

▲ ▼ – dynamics compared to 2016.

About Russian Pension Fund

Russian Pension Fund Management

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

About Russian Pension Fund

Areas of activity

- ▶ Accounting of mandatory pension insurance, state pension, and social security entitlements
- ▶ Assignment and payment of insurance and state pensions
- ▶ Assignment and funding of social benefits
- ▶ Accumulation, assignment, and repayment of pension savings
- ▶ Implementation of maternity capital and voluntary pension savings co-funding programs
- ▶ Subsidizing of social programs in Russian constituent territories
- ▶ International cooperation in the field of pensions and social security
- ▶ Awareness-raising activities

Employees

The Pension Fund employs 108,800 persons. Most specialists (62%) are aged from 30 to 50 years. Some 88% of Fund employees have higher education, and almost half of them have been working with the PFR for over a decade. An absolute majority of Fund employees are women. In 2017, the Fund recruited 17,300 persons, yet its staff reduced 10% due to the optimization of Pension Fund divisions and the reassignment of the duty of administering insurance contributions to the Tax Service.

Pension system participants

Insured parties – Russian and foreign citizens insured in the mandatory pension insurance system. The mandatory pension insurance system has a total of 153.8 mln personal accounts.

Insuring parties – individuals and legal entities paying mandatory pension insurance contributions: 5.3 mln entities, and 4 mln self-employed citizens.

Scope of activity

The Pension Fund operates on a federal scope, throughout Russia and in the town of Baikonur in Kazakhstan. The Fund is present in every big populated locality and has 2,460 offices.

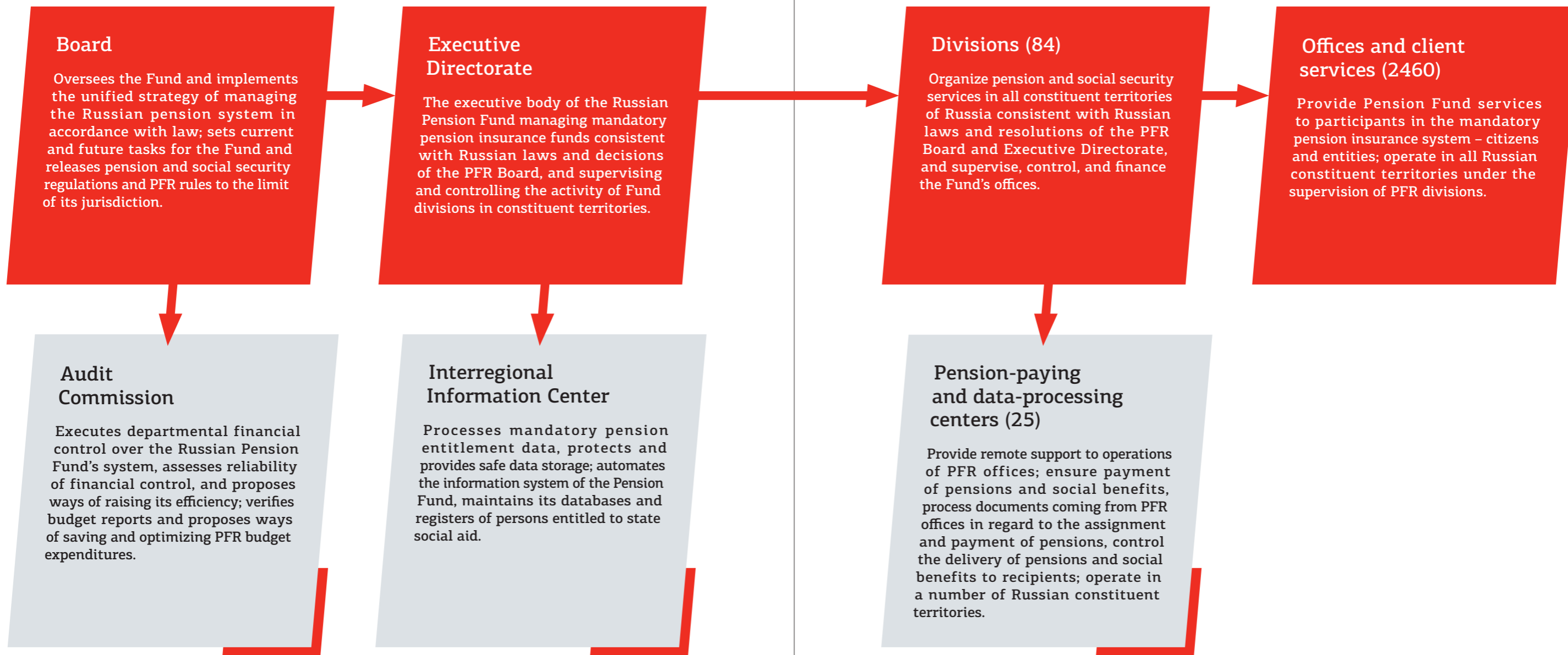
Information system

The Pension Fund creates databases containing information about pension and social security entitlements of all Russian and foreign citizens registered within the mandatory pension insurance system. The modernized information system, AIS PFR-2, raised the efficiency of the Fund's territorial divisions across the country, improved quality, and accelerated the provision of public services to citizens in 2017.

Государственные программы

The Pension Fund is implementing two state programs, i.e. maternity capital (launched in 2007) and pension savings co-funding (launched in 2008). The first program involves 8.3 mln Russian families, and the other – 2.6 mln future and incumbent pensioners. More than 2 trillion rubles have been paid to families under the maternity capital program. Participants in the pension savings co-funding program accumulated over 112.2 billion rubles worth of pension savings.

Russian Pension Fund Structure



The Russian Pension Fund has 2,460 offices ensuring day-to-day operation of the pension system on the federal and regional levels. The Fund Board, the Executive Directorate, and the Interregional Information Center are seated in Moscow.

There is a division of the Russian Pension Fund in every Russian constituent territory overseeing

the activity of local offices, pension-paying and data-processing centers, and the Fund's client services.

In 2017, the Russian Pension Fund continued optimizing the structure of its territorial divisions and staff. The process was designed so that it did not affect the quality of state services rendered to citizens. At the same

time, the development of the Pension Fund's automated system and general automation of the implementation of the PFR's functions broadened the range of public services provided online. It thus became possible to segregate visits by citizens, primary processing of documents and information, decisions on the assignment and increase of pensions, and other functions.

In 2017, **274** PFR divisions and offices in **44** Russian constituent territories were reorganized into **141** interregional divisions

Russian Pension Fund Board

Board Chairman

Anton DROZDOV



Provides general oversight over the PFR activity, assigns duties, coordinates and controls the activity of the PFR Board deputy chairmen and Executive Directorate units:

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

First Deputy Chairs

Alexander KURTIN



In 2017, acted as liaison between PFR, the Government of the Russian Federation and the Federal Assembly of the Russian Federation, coordinated and controlled activities of Executive Directorate units:

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

Supervised PFR territorial divisions to the limit of his jurisdiction, relieved of duties on December 29, 2017, due to the transfer to another position.

Lilia CHIZHIK



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

- ▶ The Department of Assignment and Payment of Pensions;
- ▶ The Department of Individual Record Keeping in the Pension Insurance System;
- ▶ The Legal Policy Department;
- ▶ The Social Benefits Department;
- ▶ The Department of Pension Benefits of Public Sector Employees

Supervises PFR territorial divisions to the limit of her jurisdiction.

Deputy Chairmen

Sergey AFANASYEV



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

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

Supervises PFR territorial divisions to the limit of his jurisdiction.

PFR Board Chairman **Anton DROZDOV**, PFR Board First Deputy Chairperson **Lilia CHIZHIK**, PFR Board Deputy Chairman **Sergey Afanasyev**, PFR Board Deputy Chairman **Boris GUKAILO**, PFR Board Deputy Chairman **Alexey IVANOV**, PFR Board Deputy Chairman **Nikolay KOZLOV**, PFR Board Deputy Chairperson **Natalia PETROVA**, Manager of the PFR Division in Moscow and the Moscow Region **Andrey ANDREYEV**, Manager of the PFR Division in the Republic of Bashkortostan **Foat KHANTIMEROV**.

Boris GUKAILO



Coordinates and controls activities of Executive Directorate units:

- ▶ The Administrative Department;
- ▶ The Capital Construction and Property Department;
- ▶ The Procurement Department.

Supervises PFR territorial divisions to the limit of his jurisdiction.

Alexey IVANOV



Coordinates and controls activities of units of Executive Directorate units:

- ▶ The Information Technology Department;
- ▶ The Public Services Department;
- ▶ The Cyber Security Department;
- ▶ The Department of Management of Automated Database Infrastructure;
- ▶ The Department of Federal State Projects;
- ▶ The PFR Interregional Information Center

Supervises PFR territorial divisions to the limit of his jurisdiction.

Nikolay KOZLOV



Coordinates and controls activities of Executive Directorate units:

- ▶ The Department of Investment Processes;
- ▶ The Department of International Cooperation;
- ▶ The Training and Methodological Center.

Supervises PFR territorial divisions to the limit of his jurisdiction.

Natalia PETROVA



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

- ▶ The Budget Department;
- ▶ The Treasury Department;
- ▶ The Insurance Contribution Management Department;
- ▶ The Department for Financial Support to the PFR System;

Supervises PFR territorial divisions to the limit of her jurisdiction.

Public services of Russian Pension Fund

The Pension Fund seeks to improve the quality of service year upon year, provide public services faster, and broaden the methods and forms of their provision. The goal is achieved by developing the Pension Fund's information system and online service via personal accounts of citizens, which, on the one hand, makes the provision of services easier and more convenient, and on the other hand, cuts the costs of Fund's services.

It is now possible to request practically any service of the Russian Pension Fund not only at client services but also at multifunctional centers (MFC) operating across the country, or via the personal account section on the Fund website and the Public Services Portal. For residents of small towns, which have no Pension Fund offices nearby, there are mobile client services which visit remote areas and receive citizens to accommodate their needs under the Fund's jurisdiction.

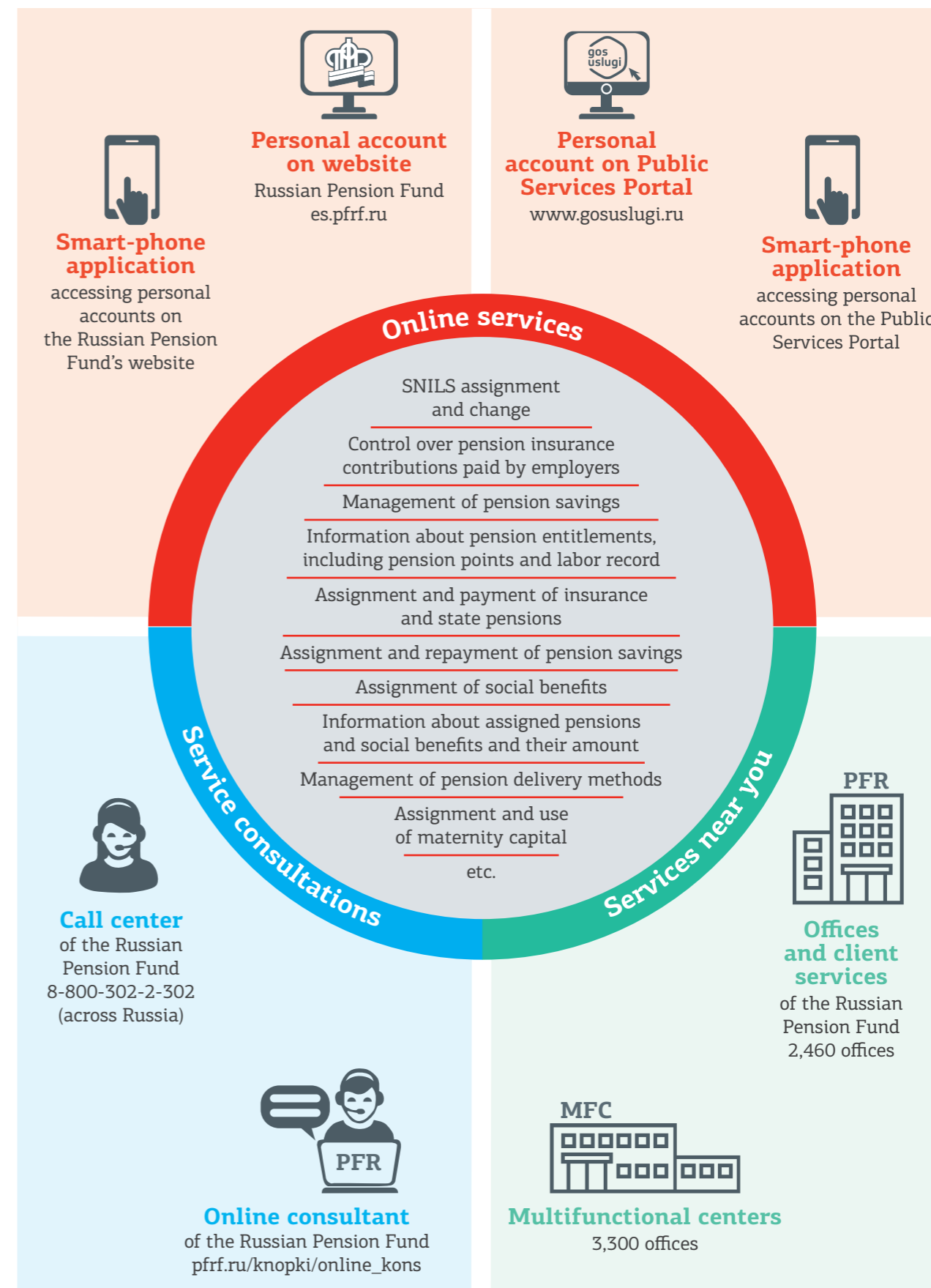
Seeking to make the access to its services easier and more convenient, the Pension Fund continues to interact with employers, government agencies, and federal and regional authorities. The PFR requests them for information it needs to assign pensions and receives applications of employees supported with documents via corporate HR services.

An increasing number of pensions have been assigned online in recent years. It is possible to apply for all types of pensions

and some types of social benefits in the personal account sections on the Fund website and the Public Services Portal. Thanks to the information system launched by the PFR years ago to account of pension entitlements, pensions could be assigned online, without an applicant's personal visit. The PFR databases contain all key parameters of the forming pension, and by the time a person resigns the Fund has all it needs to assign a pension. A person applies to the Pension Fund only for presenting additional information regarding one's pension entitlements, which may be significant for the pension's amount.

The number of Russian citizens who had their pensions assigned online grew 76% year-on-year in 2017. In all, the PFR received about 1.7 million online requests for the assignment of various types of pensions, which was 58.7% of the total number of pension assignment requests filed over the year. Some 1.2 million online applications, or 80%, resulted in the online assignment

Scheme of provision of Russian Pension Fund's services



The online assignment of pensions has resulted from the development of the Pension Fund's system storing information about pension entitlements of Russian citizens, as well as preparations made in advance by the Fund's territorial divisions together with would-be pensioners and their employers.

of pensions, without in-person visits to territorial divisions of the Pension Fund. In 2016, the PFR assigned about 1 million pensions on the basis of requests filed online, and 66% of pensions were assigned without in-person visits.

The method of pension delivery is also usually chosen online. The number of online requests for choosing or changing the pension delivery method doubled in 2017 to 2.4 million or 66% of all pension delivery requests filed with the PFR.

Online services

The Pension Fund has been successfully digitalizing its services and broadening their range over recent years. The development of the Fund's online services has a special significance and is being carried out consistent with the presidential decree on the improvement of the public management system.

A lot of useful adjustments were made to the personal account section on the Russian Pension Fund's website in 2017.

First of all, eight public services, such as the inclusion of periods of caring for children younger than 18 months and other socially significant non-insured periods in insurance pensions, became available online via 14 new functions.

By the end of 2017, the share of Russian citizens receiving Russian Pension Fund services online grew to **70.3 %**.

It also became possible to file an online request for a copy of the insurance certificate, the assignment of a federal social supplement to pension, and a higher monthly benefit.

The personal account gave access to the package of social services provided to federal benefit holders, compensation for caring for disabled persons, and vacation travel expenses, which is important for pensioners living in the North.

The development of the Pension Fund's online services has broadened their use; this is proven by the number of requests for services, which more than doubled (grew by 54%) to 15.8 million in 2017. One of the most popular services is the online choice of the pension delivery method; some 2.35 million requests were made over the year, which was twice as many as in 2016. Users were also keen on the Pension Calculator; the popularity of this service has been growing year upon year. Some 2.65 million pensions were calculated by means of this service in 2016; the indicator grew to 3.5 million in 2017, which made the Pension Calculator the most popular service available on the PFR website.

Most popular public services of Russian Pension Fund in 2017

	PFR	PFRF.RU	GOSUSLUGI.RU	MFC
1	Assignment of insurance pension, state pension, funded pension	Pension calculator	Information about pension entitlements	Assignment of insurance pension, state pension, funded pension
	▲	-	-	▲
2	Registration with mandatory pension insurance system; issuance and renewal of insurance certificate	Adjustment of pension and social benefit delivery method	Information about assignment of package of social services	Registration with mandatory pension insurance system; issuance and renewal of insurance certificate
	-	▲	-	▲
3	Payment of insurance pension, state pension, funded pension	Information about assigned pensions and social benefits	Assignment of insurance pension, state pension, funded pension	Payment of insurance pension, state pension, funded pension
	▼	▲	-	▲
4	Transfer of pension savings	Assignment of insurance pension, state pension, funded pension	Issuance of maternity capital certificate	Information about pension entitlements pension rights
	▲	▲	▲	▲
5	Assignment of monthly social benefit	Information about pension entitlements	Use of maternity capital funds	Issuance of maternity capital certificate
	-	▼	▼	▼

▲ ▼ – dynamics of the provision of service compared to 2016

Many public services available online via the personal account section on the Pension Fund website, es.pfrf.ru, including requests for assigning a pension and choosing a pension delivery method, were connected in 2017 to **the PFR's mobile application for smart phones**.

Development of public services provided by Russian Pension Fund

Services launched: ● before 2015 r. ● in 2015 r. ● in 2016 r. ● in 2017 r.

		MFC	pfrf.ru	gosuslugi.ru	Call center
Record of pension entitlements, information	Registration of citizens with mandatory pension insurance system as insured parties and issuance of SNILS insurance certificates	●			●
	Insurance certificate renewal, issuance of Insurance certificate's copy	●	● ¹		●
	Information about pension entitlements	●	●	●	●
	Information about assigned pensions and social benefits	●	●	●	●
Assignment and payment of insurance and state pensions, supplements	Assignment of insurance and state pensions	●	●	●	●
	Insurance pension adjustment	●	●	●	●
	Choice of pension delivery method	●	●		●
	Assignment of federal social supplement to pension	●	●		●
	Assignment of supplements for certain professional activity	●			●
	Suspension/resumption of payment of old-age insurance pension at pensioner's choice	●	●		●
Request for pension file in case of change of residence	●			●	
Accumulation and repayment of pension savings	Transfer of pension savings between pension funds and management companies	●	●	● ²	●
	Terminated payment of contributions for funded pension		●		●
	Repayment of pension savings	●	●	●	●
	Distribution of pension savings between heirs	●			●
	Withdrawal of pension savings by pensioner's heirs	●			●
Co-funding of pension savings	Provision of contribution payment documents		●		●
	Information about savings accumulated under co-funding program		●		●

		MFC	pfrf.ru	gosuslugi.ru	Call center
Assignment of social benefits	Assignment of monthly social benefit	●	●	●	●
	Assignment of package of social services, adjustment of its delivery method, package suspension or resumption	●	●		●
	Vacation travel and resettlement compensations for pensioners living in the North	●	●		●
	Assignment of compensations for caring for disabled persons, disabled children		●		●
Предоставление материнского капитала	Issuance of maternity capital certificate or its copy	●	●	●	●
	Use of maternity capital funds	●	●	●	●
	Information about maternity capital balance		●		●

¹ For now, only a copy of the insurance certificate can be requested on the Pension Fund website

² The transfer of pension savings became possible via the portal in 2014, the service was improved in 2017

The Russian Pension Fund annually develops the system of public services to improve their quality and accelerate their provision to citizens. Now it is possible to request the Fund for payments and related services not only at 2,460 PFR client services across the country but also at any of 3,300 multifunctional centers in any part of Russia. The Pension Fund has been digitalizing its services and broadening their range for several years. All principal services of the Fund are now available via the personal account section on the PFR website or the Public Services Portal. The PFR Consulting Center is also helping improve the service. Center operators provide information about all services of the Fund and receive appeals. Information about the provision of a particular service, the required documents, the nearest office, or method of the provision of services is given in a fast and easy manner.

According to the Russian Communications and Mass Media Ministry, the Russian Pension's services are one of the most popular services available on the Public Services Portal.

The PFR application for smart phones was an important step developing the Pension Fund's services in 2017: it offered an easier and more convenient access to the personal account and such services as making an appointment, filing a request, requesting a certificate, and lots of others. The PFR mobile application was released for the most popular platforms, iOS and Android. The application was downloaded and installed over 261,000 times. The Pension Fund continued to provide online services on the Public Services Portal in 2017. The popularity of each

and every one of them more than doubled over the year (to 14.46 million requests). The most popular services remained the request of information about pension entitlements (10.6 mln), the assignment and adjustment of pensions, the adjustment of pension delivery methods (957,900), the issuance of maternity capital certificates and the use of maternity capital funds (319,000).

By the end of 2017, the number of Russian citizens receiving online services of the Russian Pension Fund grew to 70.3%.

Services of multifunctional centers

Most Pension Fund services are rendered via multifunctional centers (MFC).

MFC are special, considering that they provide services of both the PFR and most other agencies on a one-stop-shop principle. This accelerates the provision of service and cuts the number of required documents, given that agencies request most of those documents from one another.

The range of Pension Fund services provided at multifunctional centers broadens every year.

Nowadays they render practically every major PFR service. In 2017, the number of PFR services requested via MFC grew 33.5% to 4.3 million. The most popular services were the assignment of pensions (1.4 million), the issuance of the mandatory pension insurance certificate (1.1 million), and various services related to the payment and

Some online services can be found in general access on the PFR website, and users do not have to log in for receiving them. These are such popular and simple services as making an appointment, filing a request, or requesting certificates and other documents. Yet most services require login-and-password registration with the Unified Identification and Authentication System, which needs to be confirmed in a visit to a UIAS certifying center.

Such registration is equaled to receiving a simple electronic signature and can be used later to receive public services, including those available on the PFR website.

Since 2016, PFR territorial divisions have been acting as UIAS certifying centers, which is convenient for pensioners and other recipients of PFR services. Practically every PFR office or client service not just certifies the account created earlier but also conducts the complete registration procedure, from the beginning to the end, for receiving access to online public services.

In 2017, PFR territorial bodies registered 2.6 million people in the UIAS, 800,000 persons or 44.4 % more than in 2016.

delivery of pensions (418,000). The most popular services of 2016 were the issuance of insurance and maternity capital

certificates, the use of maternity capital funds, and the assignment and payment of pensions.

Russian Pension Fund Consulting Center

The range of Pension Fund services provided online broadened with the appearance of the PFR Consulting Center in 2010. Call center operators inform citizens and insuring parties about all Fund services and receive their appeals. This is a fast and easy way to learn about ways of receiving a particular service of the Pension Fund, the required documents, the nearest office, and service provision methods. The PFR Consulting Center has a single federal phone number accessible 24/7 from any region of Russia. Consultations are also available via SMS messages and online.

Every day the Consulting Center provides thousands of Russians with current information on all aspects of interaction with

the Pension Fund: it is not surprising that the number of calls to the Consulting Center grows every year. More than 1 million phone calls were made and 108,000 online appeals were sent in 2017. Compared to the previous year, the number of contacts increased 24.6%, mostly with phone calls. The total time of phone consultations reached 1.6 million minutes or roughly 3 years. Most calls were about the issuance of maternity capital certificates and use of maternity capital funds (358,000), the SNILS issuance procedure (over 150,000), indexation of insurance pensions (108,000), transfer of pension savings between funds and management companies (100,000), and information about pension entitlements (70,000).

Vash Kontrol system of Pension Fund services' assessment

It is possible to assess the quality of Russian Pension Fund services using the Vash Kontrol state online system as a form of feedback on the performance of the Fund and other government agencies.

It is possible to assess the agency as a whole and a concrete division, which provided the service. Service quality is assessed by a number of criteria, including the swiftness of service, professionalism

In 2017, the Russian Pension Fund rendered **66.4 mln** public services to citizens, including **26.1 mln** via the Fund's territorial divisions, **4.3 mln** via multifunctional centers, and **46.7 mln** online.

According to the Vash Kontrol System, an absolute majority of Russian Pension Fund territorial divisions (**99.9 %**) reached the target of customer satisfaction with services provided in 2017. An average score of the Russian Pension Fund on the Vash Kontrol system website was **4.96** points on the **5**-point scale.

and politeness of specialists, office convenience, etc.

Pension Fund services can be assessed by means of the Vash Kontrol system on the website vashkontrol.ru, by SMS, on the Public Services Portal, and via poll terminals at the multifunctional centers. For citizens' convenience, all pages of the Pension Fund website have a quick link to the online service Vash Kontrol, and the Fund's territorial divisions provide step-by-step instructions on how services should be assessed using this system. All PFR offices and territorial divisions opened online resources for processing feedback on the quality of public services.

According to SMS polls held in 2017, Pension Fund services had an average score of 4.86 points on the 5-point scale in the Vash Kontrol system.

Some 97.2 % of opinions were positive (4 points and higher). Pension Fund services assessed on the Vash Kontrol service website scored 4.96 points, and 98.9% of opinions were positive.

The level of satisfaction with public services assessed via the Vash Kontrol system should be higher than the level individually set for every agency each year. The indicator stood at 85% for the Russian Pension Fund in 2017. An absolute majority of Fund territorial divisions (99.9%) hit the customer satisfaction target, and one territorial division failed to do so.

Pension Fund's virtual client service

In 2017, the Pension Fund launched a pilot project of its virtual client service providing Fund services in a new format. The virtual client service is a self-service terminal accessing PFR online services via the personal account, scanning and printing documents, and offering a video link to a Pension Fund specialist, which fully substitutes an in-person visit to a regular Fund client service. A PFR specialist guides a client through the service procedure or takes control of the terminal and provides the service online.

No special training is required for using the terminal – the console is user-friendly. All PFR services are grouped into life situations, such as retirement or birth. The virtual session requires an input of personal data, the choice of the service, and document scanning if necessary; a link to a PFR specialist is established for receiving assistance in acquiring the service or online consultation on any matters. PFR client service terminals can be found in any public areas, such as the grounds of public sector enterprises, offices, banks, postal offices, outpatient clinics, branches of public services centers, etc. The virtual client service is a convenient solution for remote populated localities, where the PFR has no presence.

Virtual client service terminals are equipped with an encrypted communication channel providing secure exchange of personal data.

Budget of Russian Pension Fund

In 2017, Russian Pension Fund revenue grew by 634.8 billion rubles (8.3%) to 8.26 trillion rubles, and Fund expenditures increased by 489.8 billion rubles (6.3 %) to 8.32 trillion rubles.

Budget revenue

Russian Pension Fund revenue reached 8260 bln rubles in 2017, 634.8 billion rubles or 8.3% more than in 2016. Mandatory pension insurance contributions, which are the main source of Fund revenue, amounted to 4481.9 billion rubles. Compared to 2016, contributions grew by 350.4 billion rubles or 8.5 %, and their share in overall revenue remained practically unchanged, 54.3 %.

Insurance pension contributions constituted a bigger part of the Fund's revenue and grew to 4480.9 billion rubles by the end of the year.

Funded pension contributions, which have been forming since 2014 with arrears and debts of the previous years instead of new payments, amounted to 1 billion rubles.

Transfer of federal budget funds for insurance pensions remained on the 2016 level, or 2.07 trillion rubles. Mandatory pension insurance transfers made within the overall pension insurance transfer reduced by 5.7%, or 55.9 billion rubles in 2017.

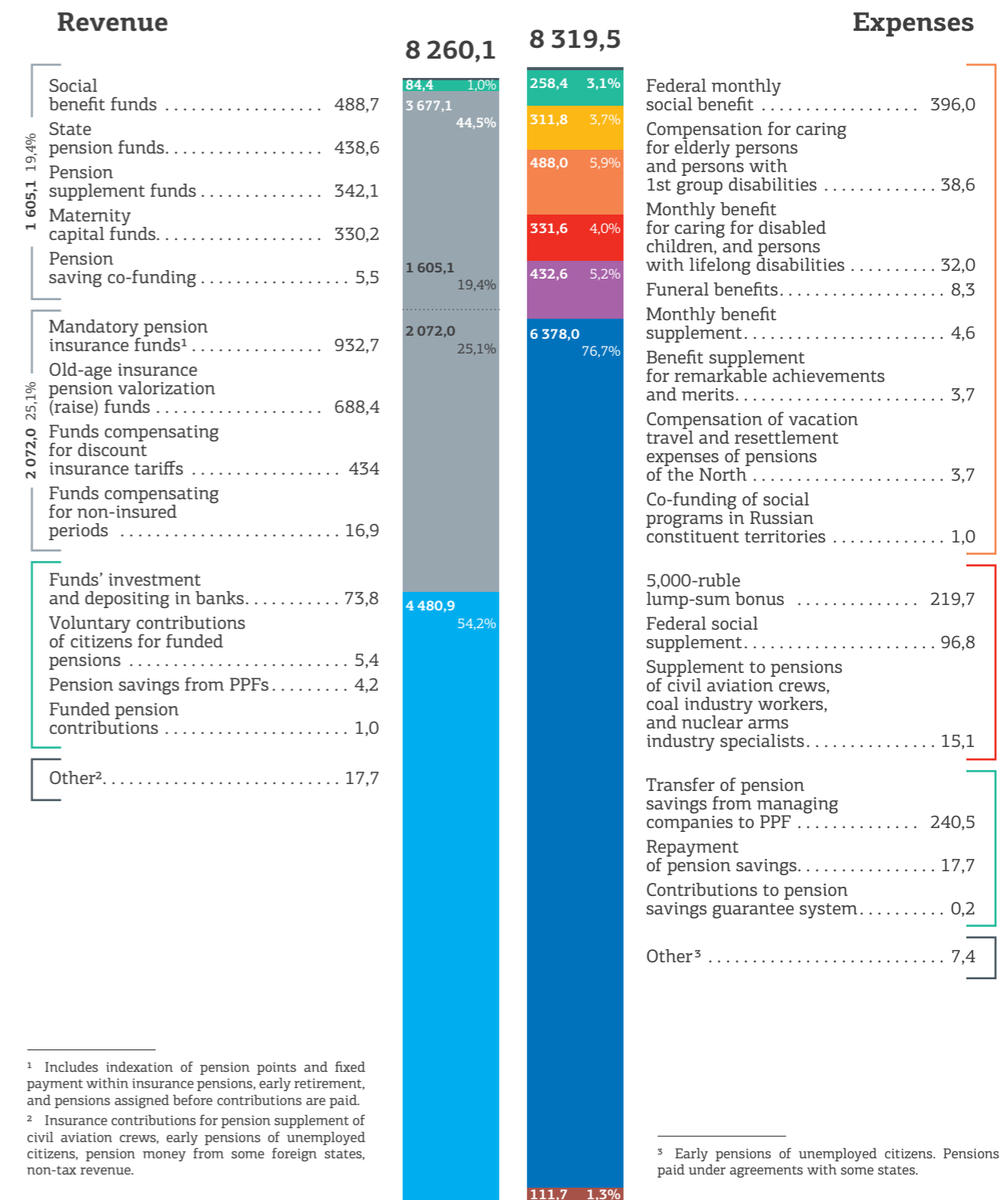
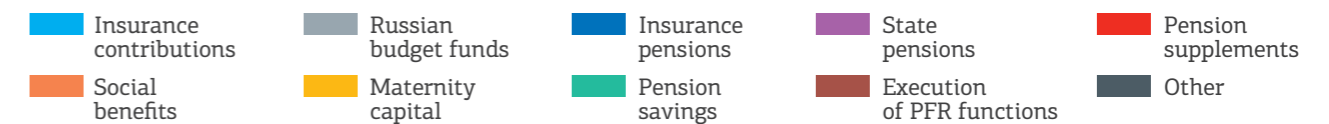
Federal budget funds were assigned for valorization (raise) of old-age insurance pensions (688.4 billion rubles), indexation

of the pension point's value (156.4 billion rubles) and higher fixed payment within the insurance pension (443.3 billion rubles). Money was also assigned for funding state benefits to certain categories of citizens and insuring parties in mandatory pension insurance, such as early retirement (313.3 billion rubles), socially significant periods of life when a person does not work but his or her insurance pension continues forming (16.9 billion rubles), and discount insurance contribution tariffs (434 billion rubles). For the payment of pensions in case of accrued but unpaid contributions, the federal budget transferred 19.7 billion rubles.

With due account of all Pension Fund revenue, insurance contributions funded insurance pensions paid in 2017 at over 70%, while the federal budget funded other insurance pension obligations, including their increase and the aforesaid benefits.

In addition to mandatory pension insurance, the Pension Fund provides state pensions and benefits, including pension supplements, as well as maternity capital, and some other payments. In 2017, federal budget funds transferred to the PFR budget for funding the aforesaid expenditures, totaled

Russian Pension Fund Budget 2017, bln rubles

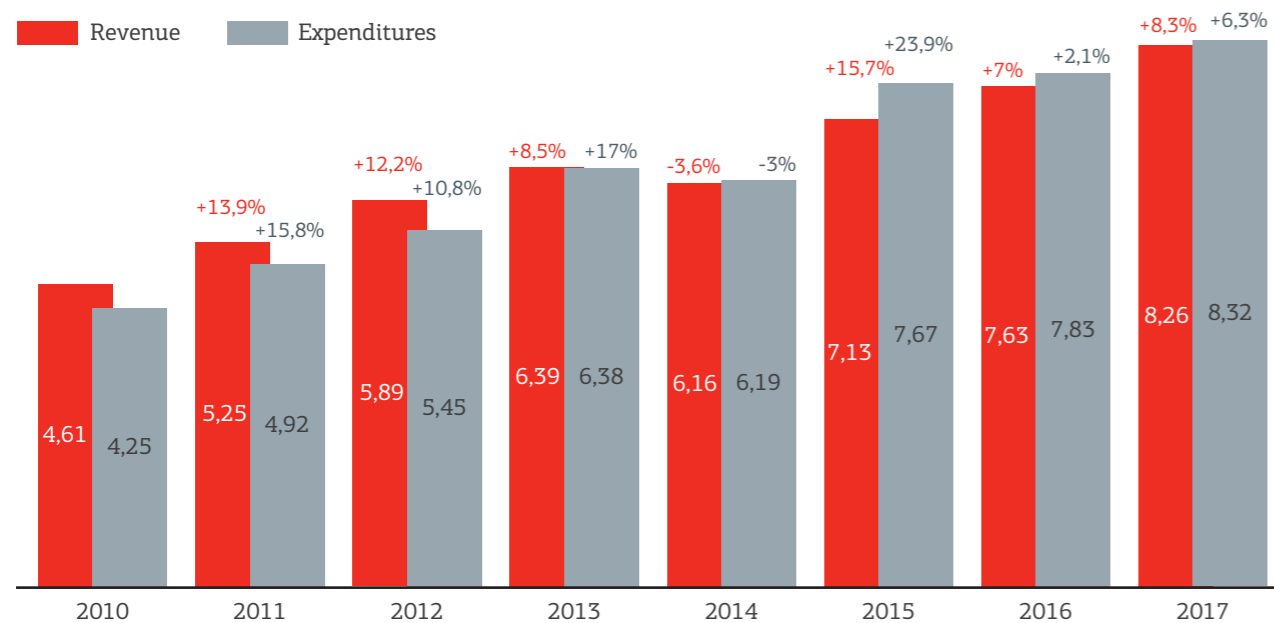


¹ Includes indexation of pension points and fixed payment within insurance pensions, early retirement, and pensions assigned before contributions are paid.

² Insurance contributions for pension supplement of civil aviation crews, early pensions of unemployed citizens, pension money from some foreign states, non-tax revenue.

³ Early pensions of unemployed citizens. Pensions paid under agreements with some states.

Dynamics of Russian Pension Fund's revenue and expenditures, trln rubles



1605.1 billion rubles or 43.7% of the entire transfer. Most funds financed the payment of state pensions (438.6 billion rubles), the monthly social benefit (396 billion rubles), maternity capital (330.2 billion rubles), and the new type of expenditure of 2017 – the lump-sum payment of 5,000 pension bonus (221.7 billion rubles).

On the whole, the federal budget transferred 3677.1 billion rubles to the Pension Fund in 2017. The share of those funds in the Fund's overall revenue reached 44.5%

or 0.5% more than in 2016, and practically all of them were not spent on insurance pensions.

Budget revenue related to pension savings amounted to 90 billion rubles, mostly return on depositing and investment of pension savings (73.8 billion rubles), voluntary contributions of citizens for their funded pensions (5.4 billion rubles), state co-funding of voluntary contributions of citizens (5.5 billion rubles), and transfers from private pension funds (4.2 billion rubles).

Budget expenditures

The Pension Fund's revenue increased by 489.8 billion rubles (6.3%) to 8.32 trillion rubles in 2017. The sum of paid pensions and pension supplements enlarged by 563.3 billion rubles (8.5%), to 7167 billion rubles, or 86.2% of overall budget expenditures. Pension expenditures grew most due to such factors as the increase of pensions and the number of pensioners, which enlarged pension expenditures by approximately 345.8 billion rubles, and the 5,000-ruble lump-sum pension bonus, which added 219.7 billion rubles to the Pension Fund's expenditures in 2017.

The budget spent 637.8 billion rubles on paying insurance pensions, and 432.6 billion rubles on paying state pensions. The repayment of pension savings cost the PFR 17.7 billion rubles.

The payment of the Fund's social benefits increased by 15.75 billion rubles (3.3 %) to 488 billion rubles, or 5.9% of the overall budget expenditures.

Expenditures grew most year-on-year in the payment of insurance pensions (up 327.8 billion rubles), state pensions (up 17.75 billion rubles), and the monthly social benefit (up 12.65 billion rubles).

In relative terms, expenditures grew most in the repayment of pension savings due to the increased number of pensioners who had pension savings. Expenditures in the term repayment of pension savings, to which participants in the program of state co-funding of pensions are entitled, more than doubled, from 159.2 to 331.7 million rubles, and the expenditures in the payment of funded pensions went up 41.6%, from 327.8 to 464.1 million rubles.

The Pension Fund's budget had a deficit of 59.4 billion rubles (compared to 204.4 billion rubles in 2016), the only reason which was the accumulation of pension savings and the transfer of 240.5 billion rubles worth of funds from the Russian Pension Fund to private pension funds. The funds transferred to private pension funds are withdrawn by the PFR from management companies.

PFR pension savings operated by management companies (about 1.9 trillion rubles in 2017), are not included in the Fund budget revenue, while money transferred to private pension funds are recorded as expenditures, which leads to the budget deficit. The PFR budget unrelated to pension savings had a surplus of 109 billion rubles in 2017.

The total sum of pensions and pension supplements paid in 2017 grew by **563.3 bln rubles** or **8.5%** to **7.17 trln rubles**. The sum of social benefits paid by the PFR went up **15.75 bln rubles** or 3.3% to **488 bln rubles**.

Development of PFR territorial infrastructure

The execution of the Russian Pension Fund's function of the provision of public services to citizens requires the development of territorial divisions in all Russian constituent territories. This creates comfortable conditions for visitors of client services, ensures proper working conditions for employees, and cuts PFR operational costs.

Construction, reconstruction and acquisition of real properties

In 2017, the Russian Pension Fund finalized the construction of one building and acquired four real properties in furtherance of its territorial network's development. More facilities, 16, were commissioned in 2016. Six of them were either built or renovated, and ten were acquired. On the whole, the territorial infrastructure of the Russian Pension Fund has been less frequently

developing with the construction or acquisition of new buildings. The Fund's construction and renovation expenditures have also been declining for the past few years. Such expenditures reduced by 11.6 million rubles to 1.83 billion rubles in 2017.

All commissioned and acquired buildings and premises were used for the activity of PFR divisions providing services to citizens and entities. New premises of the Pension Fund meet modern requirements to client services and provide proper conditions for work of specialists and quality and comfortable service to visitors, including persons with disabilities.

The Pension Fund builds new facilities whenever that is necessary to receive visitors. Buildings and premises are acquired instead of being built if the estimated construction costs are higher or if a Russian constituent territory does not have

available land, which could properly accommodate a Pension Fund office and provide due convenience for citizens.

Seeking to minimize the costs of construction and acquisition of premises, the PFR duplicates construction projects and saves money on design documentation.

The register of standard design documents of the Russian Construction and Public Utilities Ministry contains information about eight construction projects designed and implemented by the Pension Fund, which are deemed to be economically feasible for duplication.

Jointly with the Construction and Public Utilities Ministry, the Pension Fund has developed and approved regulations imposing limits on the floor space of PFR

administrative buildings. In addition, the Fund has standard requirements to finishing works in buildings and premises during construction, renovation, and maintenance.

It is not allowed including in the estimates expensive construction and finishing materials or complex architectural solutions.

The availability of developed transport and engineering infrastructure is the primary condition of negotiations with the local authorities on the assignment of land for the construction of new PFR buildings.

The compliance with standards of the state program «Accessible Environment», energy saving, fire safety, compliance with construction norms and labor laws, are prioritized in the construction and acquisition of real properties for the PFR needs.

Safe and accessible environment

The Pension Fund's territorial offices, which receive and service citizens, must meet such basic requirements as fire safety and energy saving, as well as standards of the state program «Accessible Environment.» The Russian Pension Fund designs and constructs its buildings based on the requirement of accessibility for people with disabilities and limited mobility. Buildings acquired or received by the Pension Fund for free use are adjusted to ensure comfortable visits of citizens with limited mobility. The number of PFR buildings, which fully

meet accessibility requirements, increased by 31.7% to 864 in 2017.

The investment in complying with standards of the federal program «Accessible Environment» amounted to 77.5 million rubles over the year (67.6 million rubles in 2016). The Pension Fund spent the funds to equip its buildings and premises with individual lifts, ramps, handrails, lobbies and restrooms, tactile, audio and visual information, and parking areas for persons with disabilities.

Most buildings and premises commissioned in 2017 accommodate Pension Funds offices providing services to citizens and entities.

New PFR territorial offices meet modern requirements to client services, and provide proper working conditions for specialists and quality and comfortable service to visitors, including persons with disabilities.

Public hearings on projects of construction, renovation and maintenance of PFR premises

Since 2014, the Russian Pension Fund has been holding public hearings on planned construction, renovation, and maintenance of its real properties, and the acquisition of new buildings and premises for the Fund's needs. Hearings involve citizens and civic organizations, including representatives of the Union of Pensioners, the Russian Society of Disabled Persons, trade unions, associations of small, medium and big business employers, member organizations of the Russian People's Fund, and mass media.

Public hearings cover all projects of construction, renovation, and maintenance of buildings and premises for the PFR needs exceeding 5 million rubles.

During 2017, the Pension Fund initiated and held 35 public hearings in 24 Russian federation constituents (70 hearings in 35 constituent territories in 2016). All projects were approved at the hearings. Six hearings cut the cost of facilities by 0.8 % to 19 %.

Prevention of corruptive practices in PFR system

The Russian Pension Fund's anti-corruption activity is systemic, streamlined, and aimed at compliance with every Russian anti-corruption norm.

In 2017, the Russian Pension Fund was combating corruptive practices consistent with federal anti-corruption laws and the anti-corruption plan of the PFR and its territorial divisions for 2016-2017.

The number of citizen reports of possible corruptive practices in the Russian Pension Fund practically halved in 2017 to 111 (vs. 209 reports in 2016): ten reports were received by operators of the PFR Consulting Center's call center, 71 reports were mailed, 29 were made on the Fund website, and one was made during an in-person meeting. Two reports proved correct.

Inspection materials were discussed at a meeting of the PFR Commission on Professional Ethics and Prevention of Conflict of Interest. Administrative penalties were imposed on two PFR employees. All report authors received responses and explanations.

The PFR Commission on Professional Ethics and Prevention of Conflict of Interest held 2,338 meetings in 2017 (vs. 1,762 meetings in 2016). The meetings established 674 violations of the anti-corruption laws, and administrative penalties were imposed on 271 employees. Both indicators grew, compared to 2016, when the commission uncovered 551 violations and penalized 209 employees.

In 2017, there were 105 checks of the credibility and completeness of information about income, assets, and proprietary liabilities presented by Pension Fund employees (19 checks of the kind made in 2016). As a result, administrative penalties were imposed on eight PFR employees.

In addition, the Fund made 29 checks of expenditures of its employees and 385 checks of PFR employers' compliance with restrictions, bans, and requirements of the prevention or settlement of conflict of interest. As a result, administrative penalties were imposed on seven PFR employees.

Seeking to improve the prevention of corruptive practices in the PFR system in 2017, 97 employees tasked with organizing anti-corruption activity took professional development courses in the field of «Security and anti-corruption information and analysis. Minimizing of corruption risks in the PFR activity».

For the purpose of stricter control over the implementation of the maternity capital program, the Pension Fund's Auditing Commission conducted 41 inspections.

Ways of improving laws and raising the efficiency of the maternity capital program

The Russian Pension Fund commissions on professional ethics and settlement of the conflict of interest held **2338** meetings in 2017.

were suggested to the Labor and Social Protection Ministry.

During the year, the PFR conducted anti-corruption examination of 24 drafts and five current regulations of the Pension Fund. The examination did not reveal any corruption factors.

All drafts of the Pension Fund's regulations are published on its website for independent analysis by experts accredited with the Russian Justice Ministry.

Drafts and current regulations published on the Pension Fund website in 2017 were not assessed by experts.

Russian
Pension Fund's
activity _____

Assignment and payment of pensions

In 2017, the Russian Pension Fund assigned 2.18 million insurance pensions and 0.3 million state pensions. The number of Fund pensioners increased by 304,000 to 43.5 million over the year.

Assignment of pensions

The terms of assignment of an old-age insurance pension were adjusted in 2017: the minimal number of pension points was raised from 9 to 11.4, and the minimal labor record increased from 7 to 8 years. The retirement age did not change: 55 years for women, and 60 years for men.

With due account of the adjusted requirements, Pension Fund territorial divisions assigned 2.18 million insurance pensions (90,500 or 4 % less than in 2016).

These include 1.76 million (80.7 %) old-age pensions, 0.23 million (10.6 %) disability pensions, and 0.19 million (8.7%) survivor

pensions. Most insurance pensions were assigned first time (1.71 million), while the rest (468,000) were shifts from one type of pension to another.

The early retirement entitlements of employees with severe and dangerous working conditions, mothers of many children, people with a labor record in the North, and some other categories resulted in the assignment of 361,000 old-age insurance pensions, or 20.5% of all old-age insurance pensions.

A total of 25,400 old-age insurance pensions, or 40.3% more than in 2016, were

25,400 old-age insurance pensions, or **40.3 %** more than in 2016, were assigned for persons who postponed their retirement or payment of assigned pensions for a year or more.

assigned to persons who postponed their retirement or payment of the assigned pension for a year or more. Consistent with the delayed retirement terms, higher pensions were assigned.

In 2017, state pensions were assigned for 301,000 persons (4,500 persons or 1.5% less than in 2016). The absolute majority of assigned state pensions (85.3 %) were social pensions, 257,000.

On the whole, the Pension Fund assigned 2.5 million insurance and state pensions over the year. A total of 126,400 pension requests were declined, including 84,200 early retirement requests.

Most pension requests were made online in 2017 via the personal account sections on the Pension Fund website and the Public

Services Portal. The number of Russians whose pensions were assigned in such manner grew by 76%. The PFR received a total of 1.7 million payment requests online, which was 58.7% of the total number of pension requests.

In 80% of cases, 1.2 million, pensions were assigned without a visit to the Pension Fund's territorial division. In 2016, the PFR assigned about 1 million pensions online, and 66% of pensions were assigned without a visit.

The online assignment of pensions became possible thanks to the Pension Fund's system storing information about pension entitlements and measures taken by Fund territorial divisions in advance together with would-be pensioners and their employers.

Number of pensioners and pension amount in 2017 (as of December 31)

Pension type	Number of pensioners thousand	Yearly dynamics of number of pensioners thousand	Average value ruble	Yearly dynamics of average pension ruble
Insurance pension:	39 786	237	13 306	581
▶ Old-age	36 311	303	13 762	589
▶ Disability	2 069	-72	8 530	353
▶ Survivor	1 406	6	8 564	399
State pension:	3 702	67	9 400	230
▶ Old-age	415	39	11 688	459
▶ Disability	45	-2	12 654	158
▶ Survivor	6	-1	9 987	116
▶ Long service	76	6	19 956	596
▶ Social:	3 160	24	8 797	152
▶ Old-age	48	2	6 187	206
▶ Survivor	1 070	-12	6 406	96
▶ Disability	2 042	34	10 111	147
▶ Children with disabilities and persons with lifelong disabilities	1 592	29	11 250	149
Total	43 487	304	-	-

1.7 mln pensions were assigned in 2017 via the personal account sections of the Russian Pension Fund website and the Public Services Portal. Some **80 %** of pensions were assigned without a visit to Pension Fund territorial divisions.

Assignment of pensions via employer

The Pension Fund assigns many pensions as a result of preparations made together with citizens and their employers. Would-be pensioners could contact the Pension Fund in advance to learn about types of pensions, assess their pension entitlements, including the number of pension points and labor record, and verify the availability of all documents required for the assignment of a pension. The interaction between the PFR and employers is increasingly used for those purposes, in addition to online instruments.

HR services of enterprises provide the Pension Fund with information and copies of personal documents of employees, who are preparing to retire in advance.

Agreements on the online interaction were signed between the Fund and 720,000 employers, including 68,000 employers in 2017.

Employers cooperating with the PFR in the assignment of pensions include Sberbank, RZD, Russian Post, RusHydro, Gazprombank, and other big companies.

During the year, the Pension Fund entered into new agreements broadening information exchange with employers in the assignment of pensions. A key event was the joint letter of the Pension Fund and the Federation of Independent Trade Unions of Russia, recommending that trade unions assist the PFR in signing pension assignment agreements with employers.

The Pension Fund assigned 107,000 pensions in 2017 in the course of interaction with employers, mostly in St. Petersburg, the Leningrad region, the Krasnodar territory, the Perm territory, and the Republic of Bashkortostan.

3.9 million non-working pensioners were monthly receiving the federal social supplement to their pensions, averaging **1,900** rubles, in 2017. The Russian Pension Fund spent a total of **96.8** billion rubles on paying federal social supplements to pensions.

Payment of pensions

The number of recipients of insurance and state pensions increased by 304,000 year-on-year to 43.5 million in 2017. Some 36.3 million of them received old-age insurance pension of 13,800 rubles on the average, and 3.7 million received state pensions of 9,400 rubles on the average.

Early retirement pensions were paid to 11.5 million persons or 31.6 % of all old-age insurance pension holders. Some 2.5 million of them were younger than the retirement age. Fewer early retirement pensions were assigned for two years in a row; 16,900 pensions of the kind were assigned in 2017 (compared to 45,000 in 2016, and 116,000 in 2015). The percentage of early retirement pensions has also been on decline in recent years due to the reducing number of enterprises with severe and dangerous working conditions.

As many as 33.1% of old-age insurance pension recipients in 2012 were people who retired ahead of time, and their percentage declined to 31.6% in 2017.

During 2017, as many as 7,800 pensioners postponed their retirement to receive bigger pensions in the future consistent with the terms of postponed retirement. Some 1,300 pensioners postponed the payment of their pensions assigned before the general retirement age.

About 236,000 persons were receiving two pensions in 2017, among them persons with disabilities resulting from combat traumas and WWII veterans (their average pensions stood at 29,800 rubles and 34,300 rubles, respectively), parents and widows of servicemen killed in action (their average pensions amounted to 23,700 and 24,400 rubles, respectively), and Leningrad Siege survivors (an average pension of 27,200 rubles).

The total value of insurance and state pensions paid during the year reached 6.8 trillion rubles or 345.8 billion rubles more than in 2016. Most funds (6 378 billion rubles) were spent on paying insurance pensions, while state pensions totaled 432.6 billion rubles.

Indexation of pensions

All pensions paid by the Russian Pension Fund are annually increased. On February 1, 2017, insurance pensions of non-working pensioners grew 5.4% (adjusted for 5.4% inflation as of late 2016); there was an additional increase by 0.38% to 5.8% on April 1. Pensions of 31.4 million people grew as a result. An average old-age insurance pension was increased by 590 rubles to 13,800 rubles. An old-age pension of non-working pensioners was increased by 748 rubles to 13,900 rubles.

Some 43.7 million working and non-working pensioners¹ received a 5,000-ruble lump-sum pension bonus in January 2017. The Fund spent 219.7 billion rubles on that.

¹ Including military pensioners receiving PFR payments.

The cost of pension point grew by 5.8 % and the size of the fixed payment increased by 5.4%; the indicators are used to calculate the amount of insurance pension. The cost of pension point increased from 74.27 to 78.58 rubles, and the fixed payment went up from 4 558.93 to 4 805.11 rubles.

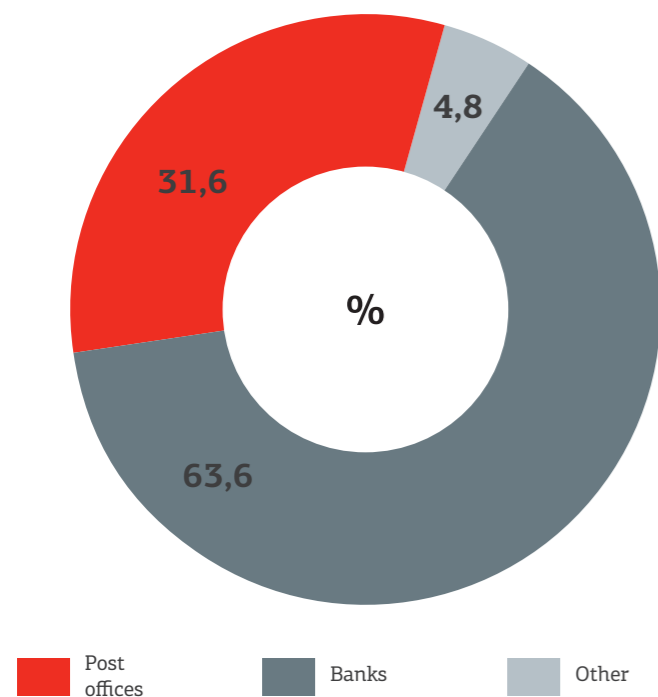
State, including social pensions, increased by 1.5% on April 1, consistent with the growth of the pensioner subsistence minimum in 2016 (the pensioner subsistence minimum stood at 7 965 rubles in 2015, and 8 081 rubles in 2016).

Pensions were raised for 3.9 million people². An average social pension, which is the most frequent type of state pension, increased by 152 rubles to 8,800 rubles.

² Including recipients of 2 pensions.

The sum of insurance and state pensions paid in 2017 grew by **345.8 billion** rubles (5.3%) to **6 810.6 billion** rubles. Some **6 378 billion** rubles were spent on paying insurance pensions, and **432.6 billion** rubles on paying social pensions.

Delivery of PFR pensions and social benefits in 2017



Post offices, banks, and other organizations contracted by the Russian Pension Fund deliver pensions to Russian pensioners. Most pensions are delivered by Russian Post and Sberbank. Some 19 million pensioners receive pensions to their bank cards.

Pension delivery methods are increasingly chosen and adjusted online, using services of the Russian Pension Fund. The number of requests for choosing or adjusting the pension delivery method filed via the personal account sections on the Pension Fund website and the Public Services Portal doubled in 2017 to **2.4 million** or **66 %** of all such requests received by the PFR.

Some **1.29 trillion** rubles were spent on increasing insurance pensions in 2017: **688.4 billion** were assigned for valorization of old-age pensions, **156.4 billion** for increasing the cost of pension point, and **443.3 billion** for increasing the amount of the fixed payment.

Payments to pensioners who retired in 2017 were also increased. Same as before, working pensioners had their insurance pensions automatically adjusted on August 1 by the amount of received insurance contributions. The adjustments were made for 11.8 million pensioners, whose pensions grew by 168.8 rubles on the average (12.9 million pensioners and 149.8 rubles, respectively, in 2016).

In addition, the Pension Fund adjusted by request the insurance pensions of 4.44

million people to include socially significant periods of life, mostly periods of caring for children younger than 18 months. An average pension increased by 402 rubles.

As a result of the indexation of pensions, an average old-age insurance pension amounted to 1.65 Russian pensioner subsistence minimum of 2017.

An average old-age insurance pension amounted to 35% of the average salary of the year.

Payment of pensions abroad

The Russian Pension Fund pays pensions to Russian and foreign citizens based on the principle of retained pension rights irrespective of the country of residence and consistent with international social security agreements. Pensions assigned by the Fund are paid irrespective of the country of residence and citizenship of pensioners (except for social pensions). Pensions are also guaranteed to foreign citizens who worked in Russia and retire in their home country if this country has an international social security agreement with Russia.

In 2017, 19 international agreements were regulating Russia's relations with 23 states in the field of social security. PFR was making payments under those agreements to 45,100 pensioners residing abroad (43,400 in 2016), and the Pension Fund's expenditures on pensions paid under international agreements grew by 8.6 % to 3.8 billion rubles (3.5 billion rubles in 2016). The number foreign pensioners

living in Russia and receiving payments under those international agreements is much smaller, 4,300 persons (3,400 in 2016). Expenditures on their pensions amounted to 392 million rubles or 21% more than the year before (323 million rubles).

The Russian Pension Fund pays pensions to people living in 129 countries. Their number grew to 307,000 by the end of 2017: 10,400 persons or 3.5% more than the year before.

Some Russian pensioners residing abroad have pensions paid to their bank accounts or via a proxy in Russian territory. This method is used in paying pensions to 162,700 pensioners living abroad; their pensions totaled 25 billion rubles in 2017. Some 144,300 pensioners have their pensions transferred abroad in the currency of the country of residence. Expenses on those payments amounted to 16.5 billion rubles. Pensions assigned after January 1, 2015, except for those

The Russian Pension Fund pays pensions to people living in **129** countries. Their number grew to **307,000** persons by the end of 2017, which was **10,400** persons or **3.5 %** more than the year before.

assigned under international social security agreements, are paid to Russians residing abroad exclusively in Russian territory, via Russian banks or via the pensioner's proxy. The PFR expenses on paying pensions abroad in 2017 reached 41.5 billion rubles, or 7.2 % more than in 2016.

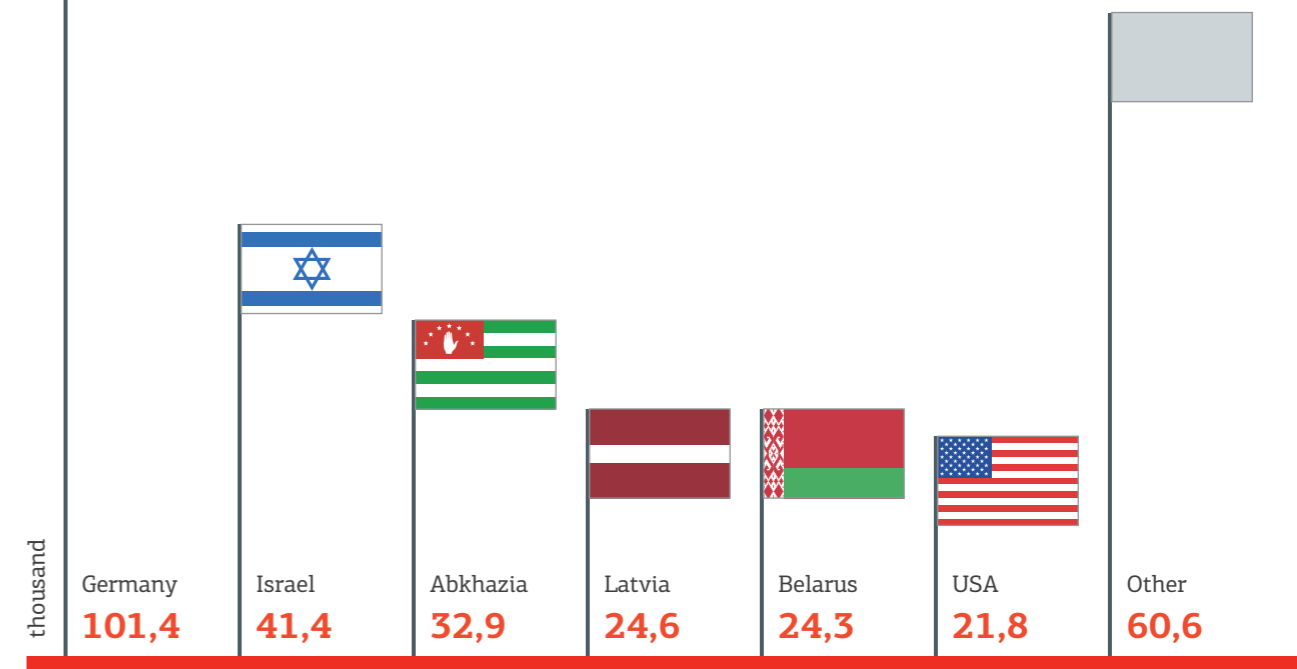
In addition to arranging the payment of pensions abroad, Pension Fund

specialists took part in negotiations with foreign partners on the implementation and conclusion of international social security agreements with Belarus, Estonia, Turkey, Macedonia, Azerbaijan, Serbia, South Korea, Luxembourg, Japan, and Hungary. Negotiations with member states of the Eurasian Economic Union (EAEU) focused on a draft agreement on pensions of their citizens.

In 2017, there were **19** international agreements regulating Russia's relations in the field of social security with **23** states. The PFR was making payments to **45,100** pensioners abroad under those agreements.

Countries with biggest numbers of pension recipients in 2017

Among the countries, which have social security agreements with Russia, most pensioners live in Abkhazia, Belarus, Latvia, Bulgaria, Israel, and Estonia. Among the countries, which have no such agreements with Russia, most pensioners live in Germany, the U.S., Finland, and Canada,



Accumulation and withdrawal of pension savings

The Russian Pension Fund repaid 17.1 billion rubles worth of pension savings to 1.1 million citizens in 2017.

Accumulation of pension savings

As of late 2017, as many as 76.7 million citizens were accumulating pension savings, including 42.4 million via the Russian Pension Fund.

Return on investing pension savings via the state management company Vnesheconombank and private management companies operating under a contract with the Russian Pension Fund, stood at 158.3 billion rubles.

Mandatory funded pension insurance contributions amounted to 1 billion rubles (arrears and debts of the previous years), and return on pension savings temporarily deposited by the PFR in banks reached 5.14 billion rubles.

Voluntary contributions made by citizens under the program of pension saving co-funding amounted to 5.4 billion rubles

in 2017, and the government contributed 5.5 billion rubles to co-fund voluntary contributions made by citizens in 2016 (the contributions were co-funded in 2017, consistent with the law).

Over the year, private pension funds transferred 4.15 billion rubles to the PFR (compared to 11.2 billion rubles in 2016).

In turn, the Russian Pension Fund transferred 240.5 billion rubles to private pension funds, including 234.4 billion transferred at the requests filed in 2016 (279.7 billion rubles in 2016, including 266.6 billion rubles requested to be transferred in 2015).

Some 17.7 billion rubles were assigned for payments to pensioners and their heirs.

Transfer of pension savings to management companies and private pension funds

The Pension Fund assigns all contributions to pension savings to management companies of citizens' choice, which operate an under agreement with the PFR, or private pension funds operating in the field of pension savings accumulated in mandatory pension insurance.

The PFR not just distributes incoming funds but also redistributes funds contributed earlier, also according to citizens' choice.

In 2017, the Pension Fund received about 6.3 million requests of citizens for transferring pension savings, which was almost halve as much as in the previous year, due to the launch of a pilot project in the middle of 2017, in which requests were filed via certification centers. Most requests for transferring pension funds were filed via those centers.

The number included 445,000 requests, which were not processed because private pension funds indicated in them were not included in the system guaranteeing pension savings as of that moment. Some 4.9 million requests were granted (77.8% of all requests received), and 1.42 million requests were declined for various reasons.

Same as before, most denials resulted from the duplication of requests, i.e. several requests filed by the same citizen, while the law allowed for processing just one, which is submitted on a later date.

A total of 0.53 million requests were declined for that reason (37.1% of all declined requests).

Some 0.35 million requests (24.6% of all declined requests) were declined because of the absence of an agreement between the insured person and the PFR, which is mandatory for transfers of pension savings.

About 0.36 million requests (25% of all declined requests) were filed with errors, including the wrong type of statement (0.23 million), the requested transfer to the current fund (0.11 million requests), or a violation of the request filing procedure (0.02 million requests).

PFR's participation in system guaranteeing pension savings

Just as other funds dealing with pension savings, the Russian Pension Fund is a party to the system guaranteeing pension savings.

This is a two-level system. The first level guarantees the safety of pension savings with pension funds' reserves. Whenever a fund does not have enough equity, guarantees are provided on the second level, the Deposit Insurance Agency, with contributions made by all funds over the year.

In 2017, the Russian Fund assigned 2.45 billion rubles to its reserves guaranteeing the safety of pension savings (vs. 2.46 billion rubles in 2016) and 239 million rubles to the Deposit Insurance Agency (same as in 2016).

In addition, within the system guaranteeing pension savings, the PFR credited to personal accounts of citizens the compensations paid by the Central Bank upon the revocation of licenses of private pension funds. The compensations amounted to 66.9 billion rubles in 2015-2016.

No private pension funds had their licenses annulled in 2017, and the PFR did not credit the Central Bank's compensations to personal accounts of citizens.

Requests of 2.85 million citizens were granted (58.2% of all citizens transferring their funds), and the funds were transferred from the Russian Pension Fund to private pension funds; 76,700 insured persons (1.6%) moved their funds back, and 1.96 million (40.1%) traded one private pension fund for another. Some 4,900 (0.1%) chose another management company or investment portfolio for their pension savings, and retained the Russian Pension Fund as their insurer.

The absolute majority of citizens transferring their pension savings, 4.89 million

people or 99.8%, transferred their pension savings before the expiry of the five-year period of savings' management by one fund.

Some 2.6 million people transferred their savings to the PFR to a private pension fund ahead of time, 1.96 million moved their savings from one private pension fund to another, and 76,00 moved their savings from private pension funds to the PFR.

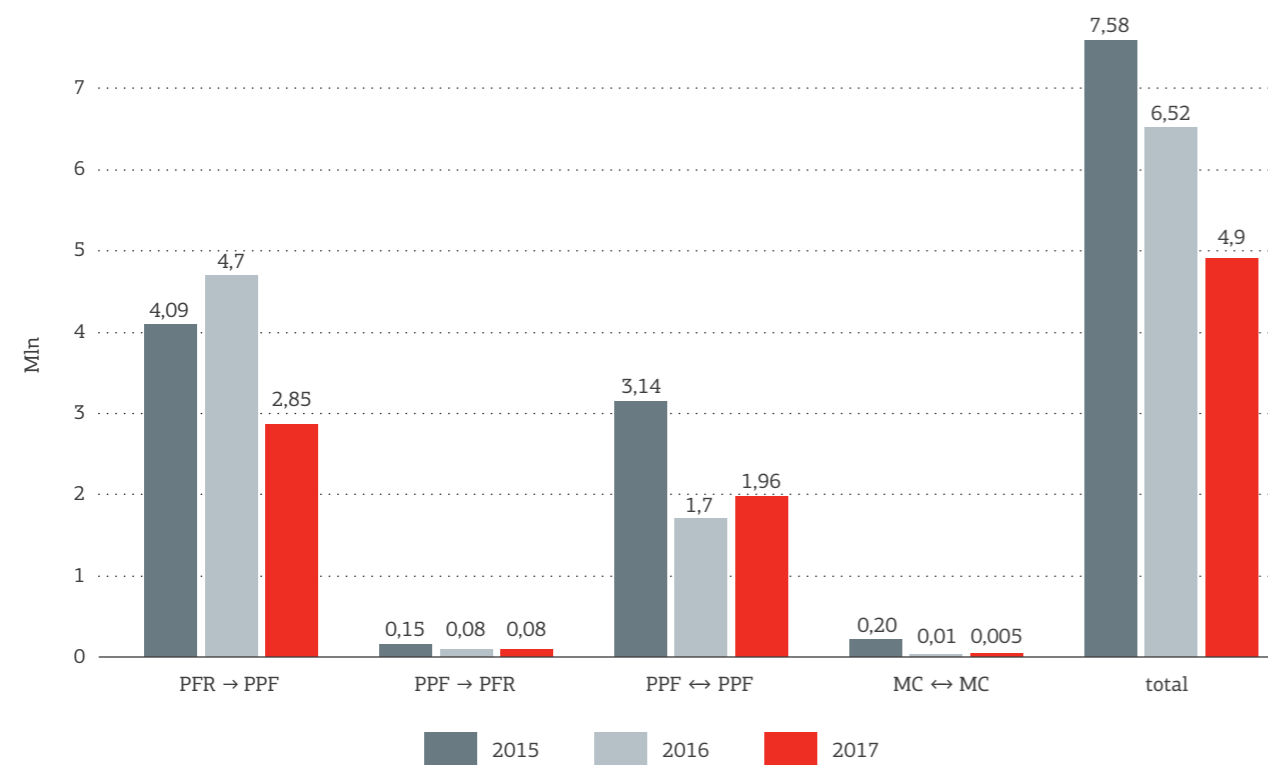
The rules prescribe that pension savings transferred ahead of time should exclude

the return on their investment received by the previous fund since the previous roll-over year. Some 0.26 million citizens chose the term transfer of their pension savings.

These savings will be transferred to another fund upon the expiry of the five-year period, in 2022, together with the entire return on investment.

The return on pension savings' depositing in banks amounted to **5.14 billion** rubles in 2017.

Number of persons who chose another entity to manage their pension savings



In 2017, the Russian Pension Fund processed about **6.3 million** savings' transfer requests of citizens.

Temporary placement of pension savings

The Russian Pension Fund assigns all funded pension contributions to management companies and private pension funds for the purpose of investment. The funds are assigned with a delay due to the regulations on accumulating pension savings. Therefore, the Pension Fund provides temporary placement of pension savings, mostly deposits them in Russian banks.

There were 14 deposit auctions in 2017, which resulted in 48 placement agreements. Deposit rates ranged from 7.5 % to 10.15 %, and the placement periods were between

13 and 178 days. The return on temporary depositing of pension savings amounted to 5.14 billion rubles over the year, including the return on placing funds of the mandatory pension insurance reserves (4.94 billion rubles), voluntary pension saving contributions of citizens (163.6 million rubles), and mandatory pension saving contributions (33.3 million rubles).

The profitability of temporary depositing of pension savings in banks stood at 8.8% in 2017, which was much higher than the 2.5% inflation rates.

Funded pension system and its participants

(as of December 31, 2017)



Insured parties

Most working Russians are accumulating their pension savings. First of all, these are people born in 1967 or younger, participants in the program of state co-funding of pensions, and holders of maternity capital certificates who assigned some of maternity capital funds for their funded pensions. The total number of people accumulating pension savings is 76.7 million people.



Insuring parties

Most funded pension savings have been accumulated with mandatory insurance contributions paid by employers between 2002 and 2013. The payment of contributions was suspended for 2014–2020.

Pensioners

Pensioners started withdrawing their pension savings since July 2012. Most pensioners receive their savings in the form of a lump-sum, considering that their savings were accumulated over a brief period of time and did not amount to much. In 2017, lump-sum payments were made to about 1 million pensioners and their heirs. Some 72,400 are receiving their pension savings as monthly pension bonuses.

Russian Pension Fund (PFR)

Acts as the insurer of pension savings. All funded pension insurance contributions are received by the PFR, which assigns those funds to management companies or private pension funds, consistent with citizens' choice. Pension savings of citizens, who have chosen the PFR as their insurer, are invested by the state management company, Vnesheconombank, and 32 private management companies offering 38 investment portfolios. Some 42.4 million people are accumulating their pension savings with them, and the total sum of funds invested by management companies amounts to 1891 billion rubles.

Private pension funds (PPF)

Just like the Russian Pension Fund, private pension funds act as insurers of pension savings. They enter into mandatory pension insurance agreements with insured parties and savings investment agreements with management companies, and administer funds received from the PFR. Some 34.3 million people are accumulating their pension savings with 38 private pension funds. According to the Central Bank, the total amount of pension savings managed by PPF is 2435 billion rubles.

Deposit Insurance Agency (DIA)

Since 2015, the Deposit Insurance Agency has been administering the Pension Saving Guarantee Fund. The agency collects contributions to the Fund, controls, and invests them. In case of insured events, the DIA pays compensations to citizens and acts as the liquidator of private pension funds upon the revocation of their licenses.

Management companies (MC)

Invest pension savings in financial assets and receive revenue. A citizen who has never transferred one's pension savings from the PFR and has not chosen a management company has one's pension savings managed by Vnesheconombank, the state management company, which invests funds of the biggest number of insured parties (42 million persons) and manages the biggest amount of pension savings (1 848 billion rubles). The PFR also interacts with 32 private management companies offering 36 investment portfolios, which manage 43.3 billion rubles worth of pension savings of 405,500 people.

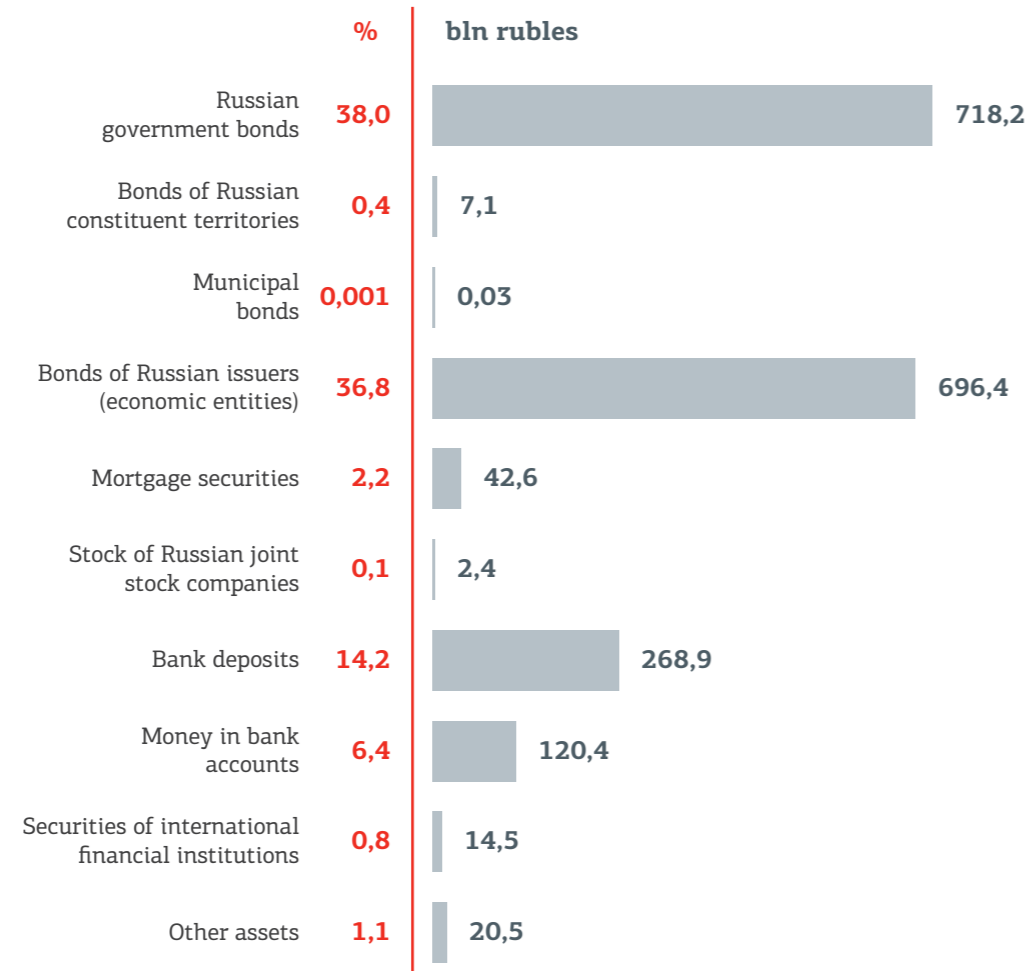
Central Bank (CB)

Acts as the regulator of the funded system and controls the activity of management companies and private pension funds consistent with relevant regulations; ensures rights and lawful interests of insured parties in the accumulation of their pension savings.

The return on investment of pension savings via the Russian Pension Fund reached **158.3 billion** rubles in 2017.

Over **5.5** years since the beginning of pension savings' withdrawal, the Russian Pension Fund has paid **104.6 billion** rubles to citizens.

Structure of pension savings' depositing in 2017



Legislative amendments endorsed in 2017 broadened the range of assets allowable for placement of pension savings, including by means of ratings awarded by the Russian Analytical Credit Rating Agency. A number of measures were implemented to raise standards for pension savings' investment, including fuller disclosure of financial institutions' information about their activity.

Assignment and repayment of pension savings

In contrast to the insurance pension, which can be received only once a month for the lifetime, pension savings can be withdrawn in different ways, depending on the way they were accumulated and the category of the recipient.

The right to withdraw pension savings emerges simultaneously with the right to receive an old-age insurance pension or a state pension.

In 2017 the Russian Pension Fund assigned 1.15 million payments of pension saving funds, which was 238,600 payments less than in the previous years.

Out of four types of withdrawals of pension savings, a growth occurred in funded pensions (4,100 assignments more than in 2016), as well as the payment of pension saving funds to heirs (220,000 assignments more than in 2016).

Term payments, in which citizens withdrew funds accumulated under the state pension cofounding program, were assigned to 4,700 persons.

Same as in the previous years, most payments (908,100) were lump sums received by persons whose pension savings were smaller than 5% of the overall amount of accumulated insured and funded pension funds.

Pension savings of these people were formed within a brief period of time and amounted to a small sum, which is fully repaid as a lump sum.

On August 1, pension saving funds paid to 533,000 pensioners underwent the annual adjustment by additional pension saving contributions or investment returns.

Some 41,000 pensioners had the amount of their funded pension increased.

And the term payments to 18,900 pensioners were increased (an average adjusted sum stood at 1 510.7 rubles), while 362,150 pensioners received an additional payment to their pension savings withdrawn as a lump sum (3,900 rubles on the average).

Assignment and repayment of pension savings in 2017 (as of December 31)

Types of pension saving withdrawals	Assigned payments thousand	Number of recipients thousand	Average amount rubles	Paid amount mln rubles
Funded pension	14,2	50,8	866	464,1
Term pensions	4,7	21,6	1 277	331,7
Lump-sum payment	908,1	888,4	3 935	13 491,8
Payment to heirs	218,2	111,2	-	3 418,3
Total	1 145,1	1 072,0	-	17 705,8

Account of pension and social rights of citizens

Over the past two years, the technological potential of the Russian Pension Fund's information system, which has been successfully keeping record of pension entitlements of millions of Russians for a long time, has been used more actively to account for broad social rights and measures of government support to citizens.

Federal Register of Disabled Persons

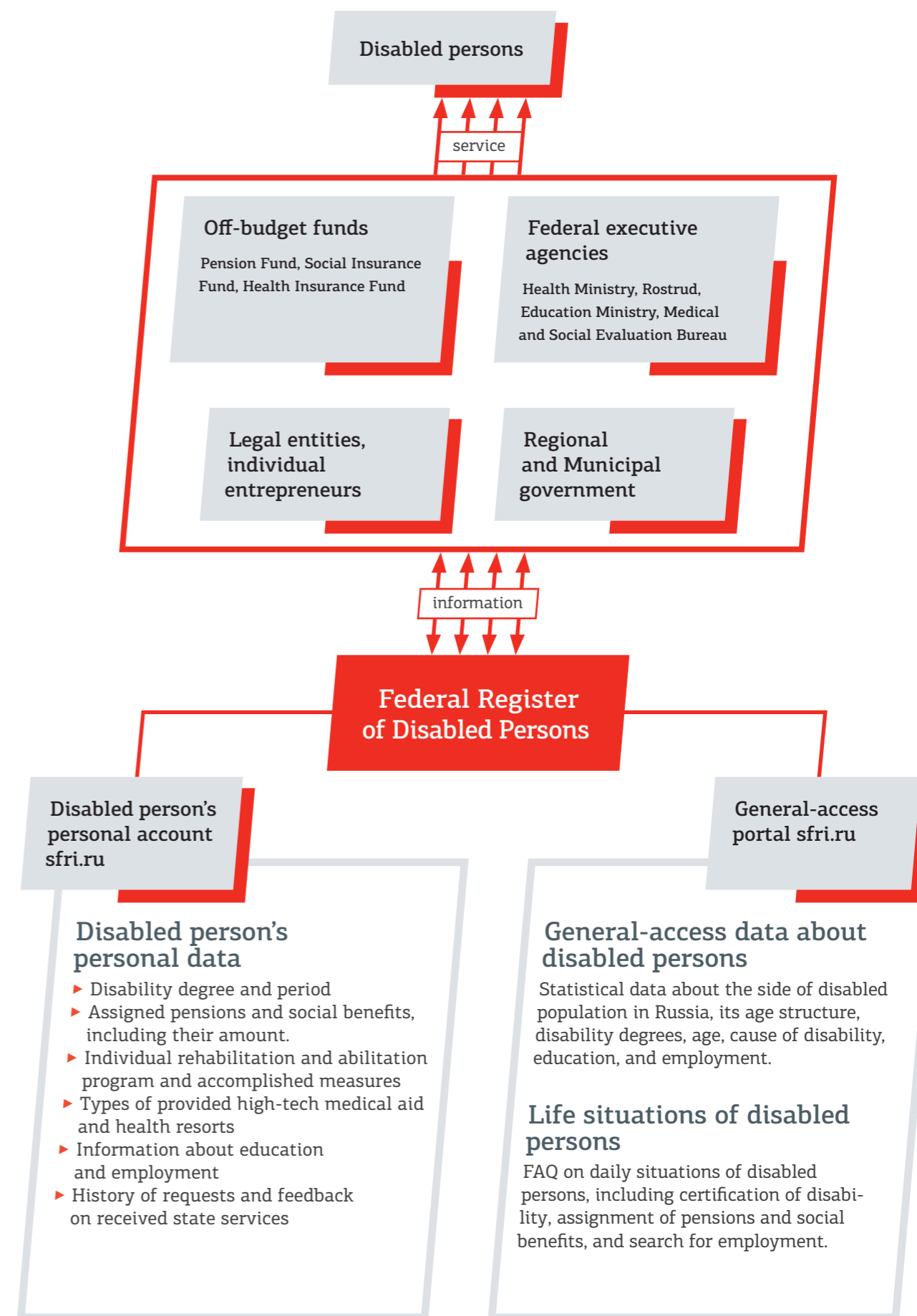
A key step towards streamlining measures of social support and broader capacities for their accounting was the Federal Register of Disabled Persons (FRDP), a new extensive information system of Russia accumulating full information about all persons with disabilities. In 2017, the Russian Pension Fund, the developer and administrator of the register, continued its active development and improvement.

The FRDP was commissioned late last year and started to collect information about persons with disabilities from information sources – government agencies providing services to disabled persons. These include medical and social evaluation commissions, state off-budget funds, federal ministries, and regional and municipal authorities.

In 2017, they started to provide the register with information on a regular basis; the completeness and reliability of all

information was verified, and all users and information sources, including those in Russian constituent territories were connected to the FRDP.

Users acquired access to the Federal Register of Disabled Persons over the year. First and foremost, these are government agencies, which received a number of new opportunities via the FRDP. The FRDP's information about the number of persons with disabilities looking for a job supplemented with information about professional limitations enabled the authorities to make a more precise analysis and create jobs. Information of the register accessible to authorities of various levels improves extraterritorial provision of state services, and, for instance, solve such problems as the duplication of benefits assigned to a disabled person in various regions of the country. Analytical reports based on information from the register enable the authorities to make a more



precise estimate of disabled persons' need for social support, and provide such.

In addition, the Internet portal of the Federal Register of Disabled Persons was launched in 2017; the website sfri.ru accessible to general public consists of three sections. It is first of all the personal account section for disabled persons, which gives access to personal information of the register.

Disabled persons can use the personal account to see information about the assigned pensions and social benefits, their amount, rehabilitation and abilitation measures, education, and employment.

Access of children with disabilities to the personal account section of the FRDP has also been provided. Two sections of the portal are accessible to the general public: statistical data about persons with disabilities, including the size of Russia's disabled population, its age structure, groups of disabilities, age, cause of disability, etc, and the section describing life situations and containing FAQ on daily life of disabled persons, including the certification of disability, the assignment of pensions and social benefits, the search for employment, etc.

For the purpose of convenient use of the FRDP, the Pension Fund has developed and launched a mobile application based on the platforms iOS and Android, to give access to personal accounts of disabled persons from a smart phone.

In the second half of 2017, the Pension Fund started rendering public services using FRDP information.

All types of disability pensions, as well as monthly social benefits paid to disabled persons were appointed to citizens applying to the PFR in accordance with the information obtained from the FRDP.

The pilot project continued till the end of the year at Pension Fund divisions in 12 constituent territories: Belgorod, Vologda, Irkutsk, Penza, Samara, and Saratov regions, the Krasnoyarsk and Khabarovsk territories, Crimea, Tatarstan, Chechnya, and Chuvashia. Upon the completion of

the project, the interaction of PFR territorial divisions with the register was analyzed and adjusted, and proposals were made to further optimize this process.

Measures towards the development of the Federal Register of Persons with Disabilities enabled its full-scale operation to begin by the end of 2017 and include all information sources and users.

In 2018, the register will continue to improve by broadening the range of information sources of the FRDP and the structure of information.

There are plans to integrate the register into the Unified State Social-Security Information System (USSSIS), which is also developed by the Pension Fund, and the general-access data portal data.gov.ru, for which the FRDP will provide more information.

The personal account section and the mobile application of the FRDP will be updated and improved. There are plans to open personal account sections for FRDP information sources and users.

In addition, the portal gosuslugi.ru will acquire a new online public service providing access to information from the register of persons with disabilities.

Requests of citizens will be processed over the year in the context of the FRDP feedback.

Information of the Federal Register of Disabled Persons covers all essential characteristics of their life, including physical disfunctions, limited mobility and professional activity, rehabilitation and abilitation measures, group of disability, provided social benefits and pensions and their amount, and other measures of social support. The full information, which is constantly updated and accessible to the authorities, helps improve the quality of public services provided to disabled persons consistent with their needs.

Accounting of pension entitlements

Alongside the development of new capacities for accounting social rights of citizens, the Russian Pension Fund continued its principal activity in this area in 2017: maintained personal accounts of citizens in the mandatory pension insurance system. The principal services, which the Fund

is using to account of pension entitlements, are the registration of new participants in the pension system, update of their personal accounts, provision of citizens with information about key parameters of their forming pensions and assigned payments, and protection of personal data.

Registration of citizens with mandatory pension insurance system

The registration with the mandatory pension insurance system is a key public service provided by the Pension Fund, which begins the formation of pension entitlements. The PFR opens a personal account, SNILS, and issues a certificate of mandatory pension insurance. Later on, SNILS is used as means of identification of citizens in the system accounting of pension entitlements, including the amount of paid pension insurance contributions, labor record, and the number of acquired pension points. In 2017, the PFR registered 1.6 million new participants with the mandatory pension insurance system, and the total number of current personal accounts in the system reached 153.8 million.

Notification of pension and social security entitlements

The Pension Fund provides several types of notification of participants in the mandatory pension insurance system. The most popular service is information about pension entitlements. In 2017, the Pension Fund notified 23.4 million persons at their request. Information was provided to 11.1 million people via PFR client services, and 12.3 million were informed by emails sent via the Pension Fund website and the Public Services Portal.

Personal data protection

Information on personal accounts of insured parties in the Pension Fund is confidential, personal data is protected on all levels of the PFR system and every stage of personal data processing, from receiving information from legal entities and individuals to its storing. Emphasis is put on personal data security in the exchange between PFR territorial divisions and interaction with third-party organizations providing pensions and social security.

Updating pension entitlement data

Information on personal accounts in the mandatory pension insurance system, which generates pension entitlements of citizens, is based on employers' reports on accrued and paid insurance contributions. In 2017, the Pension Fund updated personal accounts of 57.7 million Russians consistent with the information provided by their employers in accordance with the pension rights they acquired.

Data validation in interagency e-interaction system

The Pension Fund is an active participant in interagency electronic interaction, a system which enables data exchange between various government agencies for the purpose of fast and quality provision of public services to citizens.

In 2017, the Pension Fund provided information from its information system on 234 requests for confirmation of personal data of citizens, their SNILS, amounts of payments received from the PFR, and other.

Unified State Social-Security Information System

While developing and improving the Federal Register of Disabled Persons, in 2017, the Pension Fund was working on the Unified State Social Security Information System (USSSIS), an even bigger project accounting of social protection of disabled persons and the entire social system of Russia. In the end, the USSSIS will become a national center for accounting and analysis of state social expenditures.

The USSSIS is being developed under Article 5 of Federal Law No. 338-FZ dated 29.12.2015, «On Adjustment of Certain Russian Legislative Acts Pertaining to the Accounting and Improvement of Social Protection Measures Based on the Targeted Approach and Need Criterion». The first stage of the USSSIS project came to an end in 2016: legislation required

USSSIS goals

- ▶ Unification of social protection measures provided by public and municipal authorities, and various organizations and entities.
- ▶ Possibility of more precise forecasting of social expenditures of the public sector.
- ▶ Improved quality of public and municipal services.
- ▶ Better information of citizens about social protection measures and their entitlements.
- ▶ Shift to social protection measures based on targeted approach and need criterion.

As a result of developing the FRDP and the USSSIS, the Russian Pension Fund becomes **the national center of personal accounting of entitlements and expenses** of the entire social sector, from municipal to federal levels.

for the information system was prepared, alongside a classifier of social protection measures, and a list of recipient categories. The first stage of the USSSIS prototype was designed.

In 2017, the USSSIS prototype was successfully developed and tested in pilot regions (the Republic of Bashkortostan, the Altai territory, and the Kaluga region), after which the information system's infrastructure and software were implemented.

Data coming from information sources was reconciled with the PFR's data, and local social protection measures were reconciled with the social protection measures classifier of the USSSIS.

The system was put on a trial run in five regions (the Republic of Bashkortostan, the Altai territory, the Kaluga region, the Volgograd region, and the Stavropol territory) and certified for compliance with data security requirements. The USSSIS was commissioned nationwide at the end of the year.

Any person can use the USSSIS's **social benefit calculator** to learn about all federal, regional, and municipal social protection measures one receives, as well as one's entitlements.

State pension savings co-funding program

Over nine years of the state pension savings co-funding program, participants made 56.4 billion rubles worth of voluntary contributions to their pensions backed with government funding of 54.9 billion rubles.

The state pension savings co-funding program kicked off in 2008 to enable its participants make voluntary contributions to their future funded pensions backed with government funding between 2,000 and 12,000 rubles a year.

In 2017, 650,800 program participants made voluntary contributions totaling 5.3 billion rubles, with an average contribution amounting to 8,100 rubles.

Employers, who can also participate in the program, contributed 92.2 million rubles to future pensions of their employees.

The government backed voluntary contributions of citizens with 5.1 billion rubles in 2017. Consistent with the law, the money will be credited to personal accounts of citizens in May 2018. Meanwhile, in May 2017, the

Pension Fund distributed between personal accounts 5.5 billion rubles co-funding voluntary contributions made by citizens in 2016.

The overall sum of voluntary contributions reached 56.4 billion rubles, including contributions made by the program participants in 2017, while the government co-funding amounted to 54.9 billion rubles. Some 870.5 million rubles were contributed by employers. The total sum of pension savings accumulated by participants in 2009–2017 exceeded 112.2 billion rubles.

The number of pensioners receiving payments under the program grew 150% year-on-year to 21,600 in 2017. The overall sum paid to program participants doubled over the year to 331.7 million rubles. An average pension assigned under the program is 1,280 rubles per month.

Pension savings accumulated by participants in the state pension savings co-funding program has topped **112.2 billion** rubles since 2009.

Indicators of state pension savings co-funding program

	2009	2010	2011	2012	2013	2014	2015	2016	2017	total
Number of contributors mln persons	0,6	0,7	0,8	1,0	1,8	1,2	0,9	0,8	0,7	-
Amount of contributions bln rubles	2,6	3,6	3,9	6,1	12,6	9,6	7,0	5,6	5,3	56,4
Average contribution thousand rubles	4,2	4,9	5,1	6,4	7,0	7,7	7,6	7,4	8,1	-
Employers' contribution mln rubles	- ¹	- ¹	97,7	126,1	117,3	200,6	129,3	107,4	92,2	870,5
Government co-funding bln rubles	2,5	3,4	3,9	5,9	12,4	9,4	6,8	5,5	5,1	54,9
Monthly payments to participants ² rubles	-	-	-	735	739	832	916	1 052	1 277	-
Total payments to participants ³ mln rubles	-	-	-	1,6	11,1	24,0	53,1	159,2	331,7	580,7

¹ Included in participants' contributions for 2009.

² An average amount of term pension consisting exclusively of funds accumulated under the program. There are other ways the funds can be repaid, together with pension savings accumulated other than through the co-funding program. The withdrawal of pension savings, including those accumulated under the program, started in July 2012.

³ Amount of term payment.

Maternity (family) capital program

Over 11 years of the maternity capital program, over 5 million Russian families received government support exceeding 2 trillion rubles total.

Maternity (family) capital is a measure of government support to Russian families to which the second or next child was either born or adopted after January 1, 2007, if no maternity capital certificate was issued or no such entitlement occurred in the previous period.

The Pension Fund administers the maternity capital program, issues maternity capital

certificates, and assigns funds for the purposes chosen by families.

In 2017 the Pension Fund issued 727,200 maternity capital certificates. A total of 8.3 million certificates have been issued over the program period, including 4.9 million certificates fully spent by the end of the year. Maternity capital amounted to 453 026 rubles in 2017.

Use of maternity capital funds

The pattern of use of maternity capital funds did not change much in 2017. A total of 869,300 requests were filed for spending funds on main goals of the program, including improvement of living conditions, education of children, and mother's pension (868,800 in 2016).

Same as before, most applicants spent the funds on improving their living conditions, about 748,500 or 86.1% of all requests filed over the year. For the first time in years, the number of such requests slightly declined. Compared to 2016, the number declined by 12,500 or 1.7%. In 2016, the number of such requests grew by 39,000, or 5.4%, and totaled 761,000.

As a result, in 2017, the number of requests for spending maternity capital funds on

education of children and associated services provided by primary, general-education, vocational, and higher school services grew most. Families filed about 120,200 requests for spending the funds on education service, which was by 12,800 or 11.9 % more than the year before.

This is another proof of the yearlong status of education as one of the most dynamic areas of the maternity capital program.

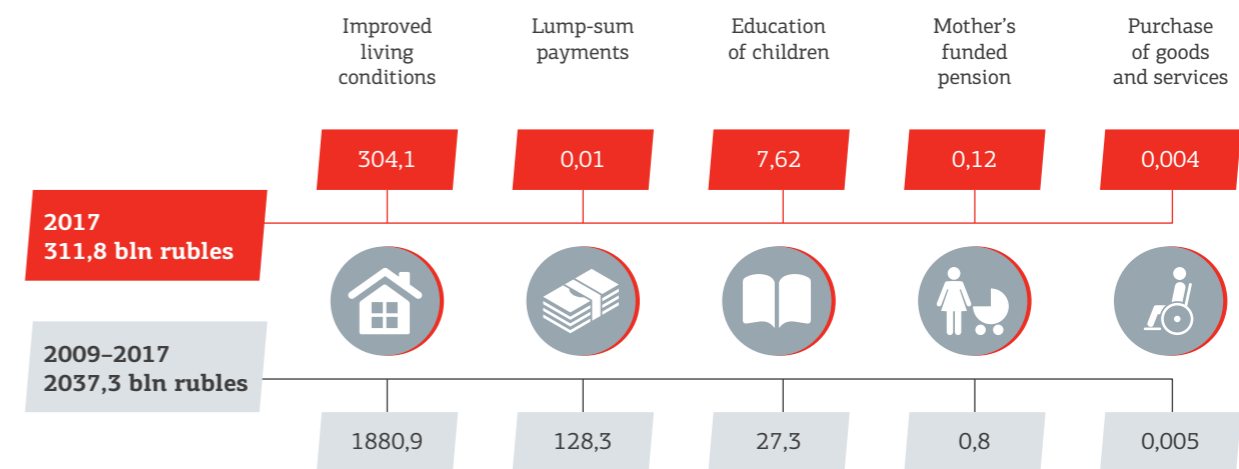
Requests for spending maternity capital funds on pension savings were filed by 539 participants over the year, in addition to 93 requests for funding social adjustment and integration of children with disabilities; the option appeared in 2016 to enable families to pay for specialized goods and services required by disabled children.

The pattern of spending maternity capital funds did not change much since the previous year. The spending totaled 311.8 billion rubles (312.9 billion rubles in 2016). Same as before, most funds were spent on improving living conditions – 304 billion rubles or 97.5% of all funds. In 2017, the trend of the previous years remained, and the amount of maternity capital funds spent on buying homes was thrice bigger than funds spent on building a house, while mortgage loans were repaid with maternity capital funds almost twice as often.

The Pension Fund has granted almost 13 million requests for spending maternity capital funds over the program period. The total funds spent according to those requests exceeded 2 trillion rubles as of 2017.

As a result, 4.9 million certificate holders (59% of all holders as of late 2017) fully spent their maternity capital. As of December 31, 2017, 2.9 million Russian families fully retained their maternity capital in order to spend it in the future.

Spending of maternity capital funds



The legislative amendments endorsed in 2017 extended the maternity capital program till the end of 2021 – by then the second or next child should be born or adopted to the family aspiring for government support in the form of maternity capital.

Social benefits

As of December 31, 2017

More than 20 million Russians received social benefits and supplements from the Russian Pension Fund in 2017 to a sum totaling 487.1 billion rubles.

Monthly social benefit (MSB)

Assigned to war veterans, WWII veterans, their families, citizens impacted by radiation accidents and nuclear tests, persons with disabilities of all degrees, disabled children, and some other categories.

Recipients – 15,4 mln persons.	Amount – 505,7 to 59 599 rubles depending on recipient's category.	Year's total – 396 bln rubles.
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Compensation for caring for disabled persons

Assigned to compensate for the lost income of non-working able-bodied citizens caring for disabled persons: people with first-degree disabilities, people who need constant care, and people older than 80.

Recipients – 1,9 mln persons.	Amount – 1 200 rubles.	Year's total – 38,6 bln rubles.
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Compensation for caring for disabled children and people with lifelong disabilities of first degree

Assigned to compensate for the lost income of non-working able-bodied citizens caring for disabled children and people with lifelong disabilities of first degree.

Recipients – 538 500 persons.	Amount – 1 200 или 5 500 rubles.	Year's total – 32 bln rubles.
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Funeral benefit

Paid to families of deceased pensioners.

Recipients – 1,4 mln people.	Amount – 5 562,25 rubles.	Year's total – 8,3 bln rubles.
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Package of social services (PSS)

Provided as part of the monthly social benefit and includes medicines, medical products, dietary food for disabled children, health resort vouchers, and free travel to and from health resorts. Can be monetized fully or partially.

Recipients – 5,3 mln. (services), 10,1 mln. (money)	PPS monetary equivalent – 1 048,97 rubles.	Year's total – as part of MSB.
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Monthly social supplement of WWII veterans

Assigned to WWII veterans and disabled persons, former inmates of prison camps, Leningrad Siege survivors, and some other categories of citizens for purpose of improving their material status.

Recipients – 478 900 persons.	Amount – 500 or 1 000 rubles depending on recipient's category.	Year's total – 4,6 bln rubles.
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Monthly social supplement for achievements and merits

Assigned for outstanding achievements and merits to heroes of the Soviet Union and Russia, heroes of socialist labor and labor (Russia), holders of Glory and Labor Glory orders, Order of Merit, Olympic champions, and some other categories of citizens.

Recipients – 18 000 persons.	Amount – 12 586, 16 613 or 20 892 rubles – depending on recipient's category.	Year's total – 3,7 bln rubles.
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Compensation of vacation travel expenses

Assigned to non-working pensioners of the North to compensate their travel expenses in Russian territory.

Recipients – 236 000 persons (money), 5 500 persons (ticket).	Average amount – 14 000 rubles (money), 35 300 rubles (ticket).	Year's total – 3,5 bln rubles.
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Compensation of resettlement expenses

Assigned to non-working pensioners of the Far North in case of their resettlement.

Recipients – 7 000 persons.	Average amount – 34 000 rubles.	Year's total – 0,24 bln rubles.
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Co-funding of social programs of RF territories

The Russian Pension Fund subsidizes social programs of constituent territories for the purpose of improving social service institutions and giving targeted support to non-working pensioners.

Budgets of Russian constituent territories are subsidized to co-fund social programs consistent with the agreements between the Russian Pension Fund and the executive authorities of constituent territories.

In 2017, the Pension Fund provided subsidies to 84 Russian constituent territories to an overall amount of 1033.7 million rubles (1 113.3 million rubles in 2016).

Traditionally, most of PFR subsidies are spent on heightening physical infrastructure of social service institutions in Russian constituent territories. The sum amounted to 969.2 million rubles in 2017.

Most funds (575.1 million rubles) were spent on building and renovating social service institutions for senior citizens and disabled persons.

The PFR subsidized construction projects in 8 constituent territories, and helped renovate social service institutions in 2 constituent territories.

Repairs were made in 162 social service institutions in 70 constituent territories: facades, roofs, residential buildings, and utilities were repaired, entrance accessibility ramps were built, fire safety was bolstered, etc.

Those expenditures amounted to 300.4 million rubles.

The effort towards strengthening physical infrastructure of social service institutions improved living conditions and service provided to over 27,000 senior citizens and disabled persons.

Their capacity grew by 315 residents.

Institutions in 25 constituent territories acquired technological equipment and durable goods, such as residential and public-area furniture, kitchen equipment, and household appliances to a total sum of 61.4 million rubles.

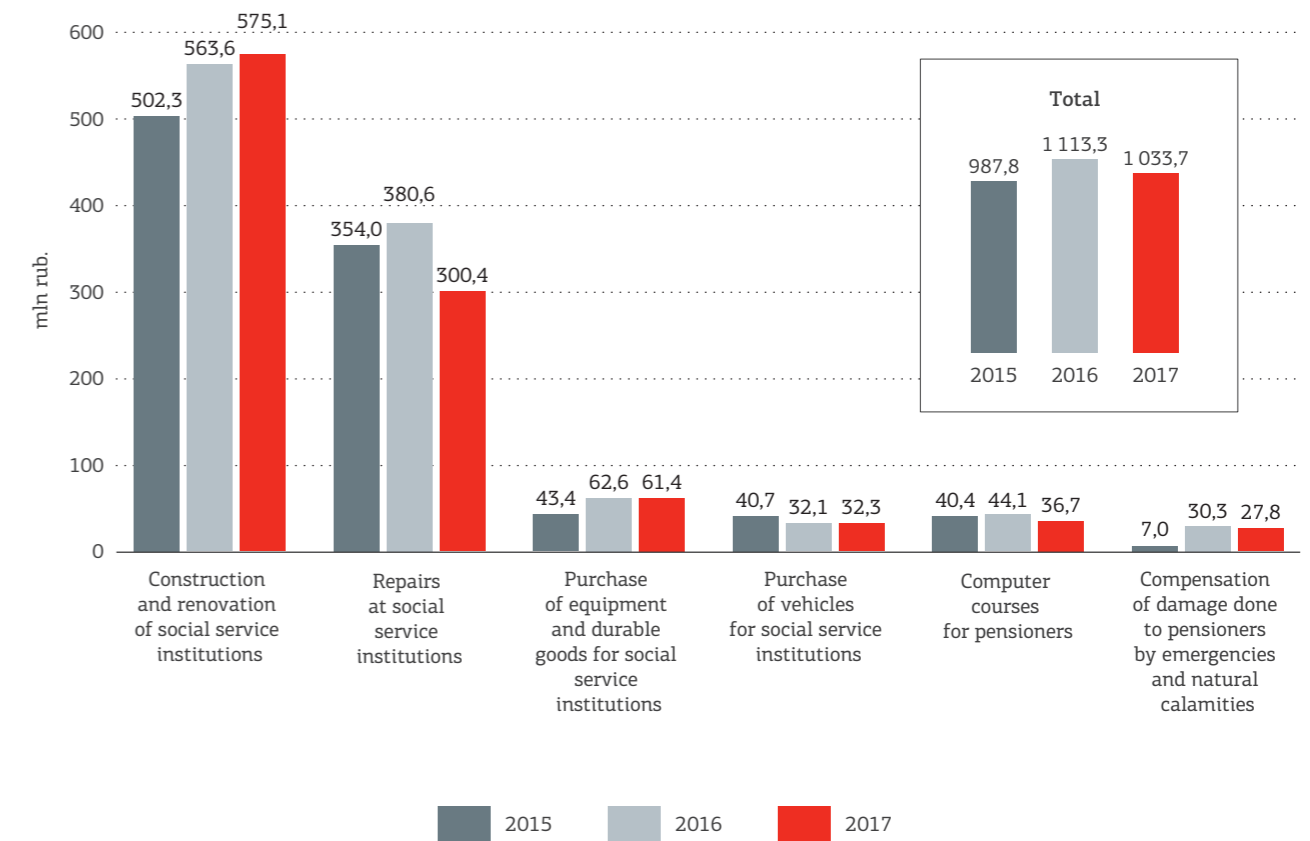
Mobile brigades of 46 social service institutions acquired 46 vehicles to a total sum of 32.4 million rubles.

Targeted social assistance totaling 27.8 million rubles was provided to more than 3,400 non-working pensioners affected by emergencies and natural calamities.

Some 36.7 million rubles were spent on teaching computer skills to non-working pensioners.

More than 35,300 pensioners were trained in 71 constituent territories.

Russian Pension Fund's subsidies for social programs of Russian constituent territories



Since 2000, the Russian Pension Fund has assigned **29.6 bln rubles** to co-fund social programs of Russian constituent territories supporting senior citizens and improving their living conditions.

Awareness-raising activities

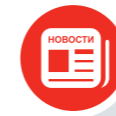
The diverse activity of the Russian Pension Fund is the cause of the broad range of recipients of its services. Hundreds of thousands of people are daily interacting with the Fund across the country, which requires a variety of communication instruments applied by the PFR in its awareness-raising activities.

Information support of the Pension Fund's activity is provided by the PFR presence in every principal mass media channel. Hence, a key principle of the Fund's information activity is the high degree of diversification of information dissemination methods and message formats.



Television

In 2017, the Pension Fund released a series of TV videos about pension points, possibilities of receiving public services in the personal account section on the PFR website, pension entitlements acquired through legal salary, extension of the maternity capital program, etc. PFR videos were shown as part of commercials on Russian television channels Rossiya 1, Rossiya 24, Channel 1, STS, Domashny, and Che. The videos were shown on television more than 2,600 times.



Press

The Pension Fund's program of raising pension and social security awareness included the publishing of information materials on topical pension and social security measures by 28 national newspapers and magazines with the biggest circulation. A total 250 PFR information materials were posted to address 11 subjects, such as rules and technicalities of the formation of pensions, the indexation of pensions of working pensioners, postponed retirement, use of maternity capital, PFR online services, etc.



Radio

Pension Fund audio messages were aired by 14 leading national radio stations, including Avtoradio, Vesti FM, Radio Russia, Europa Plus, Mayak, Dorozhnoye Radio, Ekho Moskv, Shanson, Militseiskaya Volna, Retro FM, and others, in 2017. The messages addressed the rules of pension forming, factors essential for the pension size, new forms of the provision of PFR public services, postponed retirement, etc. The messages dedicated to five subjects were aired 4,140 times over the year.



Out-of-home advertising

Pension Fund information is displayed by out-of-home media in cities across the country to inform citizens about essential aspects of pension forming, maternity capital, and other social benefits. In 2017, the PFR's outdoor advertisements addressed five subjects, including postponed retirement, legal salaries, calculation of future pensions on the Pension Fund website, provision of public services online, and the maternity capital program. The total circulation of materials was 8,600 copies.



Interaction with mass media

Press services of Pension Fund divisions across the country are interacting with mass media and disseminating information via printed editions, television, the radio, social networks, blocs, and special public events. PFR heads and specialists are participating in programs and interviews and giving topical comments to the media. The activity of press services is integrated into the Fund's activity and aimed, in particular, at assisting the work of specialists at territorial divisions. In 2017, PFR media groups posted 21,000 press releases, and held 5,400 press events, which resulted in 26,500 reports in the media and 13,400 PR events, which led to the posting of 35,500 reports in the media.



Information materials

Pension Fund divisions and client services across the country present brochures, booklets, posters, and other information materials regarding all issues raised by Pension Fund visitors. In 2017, 47 types of printed products with a total circulation exceeding 18 million were released. PFR territorial officers also distributed monthly newspapers for Fund clients and employees. The newspapers had the yearly circulation of 668,000 copies.

The main subjects of the Russian Pension Fund's awareness-raising activities in 2017 were pension points, possibilities of increasing one's pension, legal salaries, postponed retirement, indexation of pensions of working and non-working pensioners, rules of using maternity capital funds, and online provision of public services.



Website

The Pension Fund's official website, www.pfrf.ru, provides the fullest and latest information regarding pensions and social security systems in Russia, as well as all types of PFR publications and information materials available online. In 2017, the PFR website was visited by 17.7 million people; the website was accessed 32.5 million times over 12 months, about three pages were viewed per visit, and an average visit lasted for four minutes. The most popular website sections were the Pension Calculator, the Consulting Center, the Formation and Calculation of the Future Pension, and Information for Residents of the Region.



Social networks and blogs

Alongside the Pension Fund's official website, its information is disseminated online by PFR groups and pages on the VKontakte, Odnoklassniki, Facebook, and Twitter social networks. They offer useful up-to-date information about pension subjects in the customary format of social networks and give direct access to PFR specialists, who answer questions of interest. In 2017, the Pension Fund's pages on social networks posted more than 1,700 information materials, and gave 22,000 consultations to citizens. The number of social network users subscribed to the PFR reached 178,000, and the overall number of social network users who viewed Pension Fund publications over the year exceeded 5 million.



Animated banners

In 2017, the Pension Fund's animated banners were posted on major Internet platforms, including Yandex.ru, Mail.ru, Aif.ru, Izvestia.ru, Mk.ru, Vk.com, Odnoklassniki.ru, Rutube.ru, etc. More than 101 million placements of PFR animated banners were made over the year.



Consulting Center

The Pension Fund was providing up-to-date information about major aspects of pensions and social security in 2017 via its Consulting Center operating nationwide. The center could be accessed by phone, 8-800-302-2-302, or on the PFR website, in the online consultant section. Over the year, center operators gave consultations to over 1 million citizens. The most popular subjects were the assignment and use of maternity capital, the SNILS issue or renewal procedure, and pension-forming rules.



Information campaigns via trade unions

In 2017, the Pension Fund continued explaining pension laws and innovations in the pension system to labor collectives. A total of 10,700 coaching events for trade union activists, and more than 68,000 meetings with labor collectives at enterprises were held over the year. The turnout exceeded 1.4 million. In addition, PFR employees visited 45,000 organizations for giving consultations on pensions and social benefits to 756,000 members of labor collectives. The Pension Fund's information materials pertaining to pension entitlements and the calculation of pensions were distributed during those events. In all, 2.4 million leaflets and 1.7 million brochures of the PFR were distributed. In 2017, corporate editions of employers and trade unions published more than 6,500 information materials on pensions and social security.



Pension awareness campaign for the young

In 2017, the Pension Fund completed the seventh stage of the program raising pension and social security awareness for the young, «Your Pension Depends on You», which started in 2011. PFR specialists gave over 20,000 lessons at general-education, vocational, and higher education establishments across the country. The PFR annually publishes the textbook, «All about Your Future Pension; for Studies and for Life», which is used as a teaching aid and explains main principles of the Russian pension system in a simple language. The textbook had a circulation of 936,000 copies in 2017 and was donated to students and education establishments. As part of the program, all Pension Fund offices had open days, which introduced more than 85,000 students to the PFR activity. Federal, regional, and district media outlets posted and aired about 14,000 materials about the campaign.

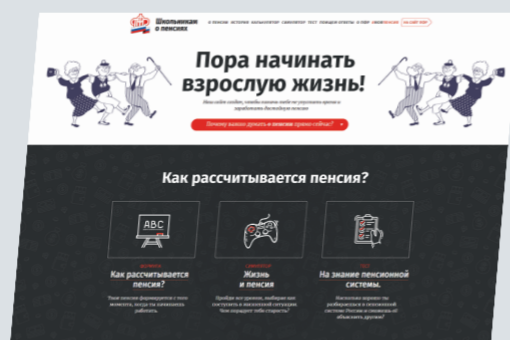
According to a VCIOM poll, the awareness of Russian citizens of pension-forming rules and procedure increased **from 48.8 % to 52.2 %** over 2017, and **88%** know that their pensions depend on insurance contributions paid by employers and are expressed in pension points.

The poll was held in November 2017 in 500 populated localities in 80 Russian constituent territories – republics, territories, and regions, and involved 1,700 women aged from 20 to 55 and men aged from 20 to 60.



Pension awareness website for schoolchildren and higher education students

By the school year 2017/2018, the Pension Fund launched an educational Internet resource telling schoolchildren about pensions, school.pfrf.ru. The website presents the structure of the Russian pension system and the correct way to start forming a pension in a captivating and illustrative form. The new PFR project will guide schoolchildren and higher education students through main aspects of the formation of their future pension and suggest steps to be taken towards that purpose. Pedagogues can use the new Internet resource and the materials it contacts as teaching aids in pension awareness lessons annually given across the country with the assistance of the Fund.



Raising computer skills of pensioners

In 2017, the Pension Fund, acting together with Rostelecom, continued implementing the project Internet ABC tasked with teaching computer skills to Russian pensioners. The campaign is based on the textbook Internet ABC and the same-name website, which tell senior citizens about the structure of a computer, the work with text files, and video, and audio materials, the use of search engines and email services, and cyber security basics. The campaign launched in 2014 has resulted in the training of 165,000 pensioners. Also, the Pension Fund annually co-funds computer courses for senior citizens arranged by Russian constituent territories. In 2017, the training was provided to 34,300 pensioners in 71 constituent territories, and the total number of trained pensioners reached 113,500 since 2015.

Appeal processing

The Russian Pension Fund provides multiple opportunities of sending feedback and filing appeals on all levels of the PFR system.

It is possible to submit a proposal, ask a question, or file a statement or a complaint with the Russian Pension Fund either in person or in writing. Citizens and insuring parties can file their appeals on all levels of the PFR system: with 2,460 Fund client services, PFR divisions in Russian constituent territories (84) or the PFR central executive body, the Executive Directorate based in Moscow.

For citizens' convenience, the Pension Fund website, www.pfrf.ru, has an online liaison office processing appeals sent online. Appeals of citizens and insuring parties are also received by the PFR Consulting Center via a 24/7 phone line and the Internet.

In 2017, the Pension Fund received 9.8% or 49,600 more written appeals, which totaled 554,000, including 53,000 (9.6%) received by the PFR Executive Directorate, 186,800 (33.7%) received by PFR offices in Russian constituent territories, and 314,200 (56.7%) received by PFR territorial divisions in cities and districts.

About a quarter of appeals regarded the calculation of pensions and the possibility of their increase. Other topical subjects were investment of pension savings, the choice of a management company, rights and obligations of insuring parties and insured persons,

and payment of insurance contributions by individual entrepreneurs.

There was a slight decline in the number of appeals regarding state social support and social services, including the use of maternity capital funds.

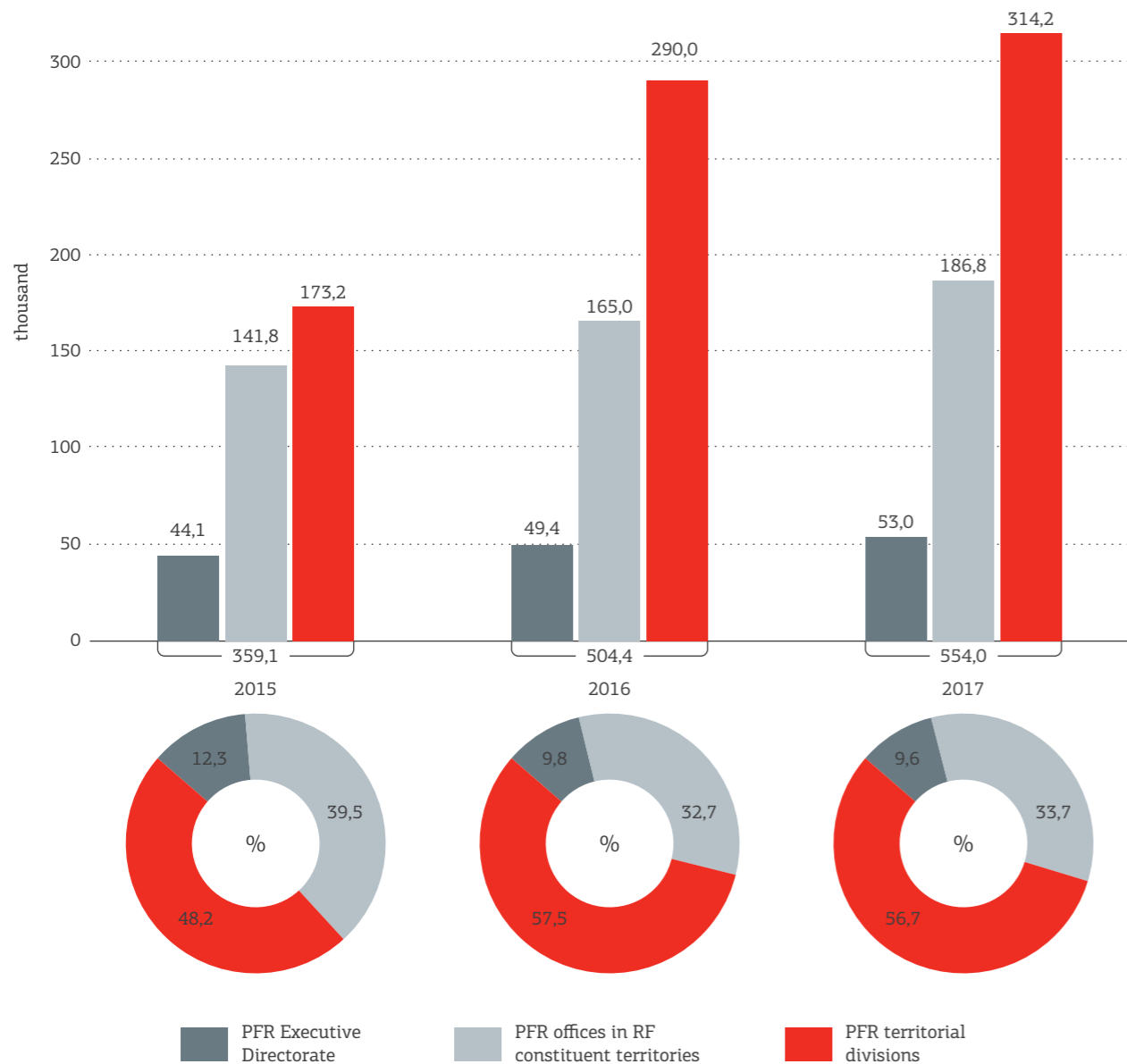
All appeals by citizens and insuring parties received by the PFR were timely and fully processed, explanations were given, and in some cases assistance was provided in receiving relevant documents and services. Proposals, statements and complaints by citizens were analyzed by Fund specialists, with emphasis on mass statements. Reports on possible corruptive practices at the PFR were scrutinized.

For the purpose of rapid response, the Pension Fund maintained information lines of PFR offices, which gave consultations to about 1.5 million people over the year (910,000 in 2016). About 130,000 citizens received in-person consultations provided by liaison specialists at PFR offices (117,000 in 2016).

On December 12, 2017, the Pension Fund held its fifth countrywide day of meetings with citizens, during which 3,200 people visited PFR offices or asked their questions in video and audio formats and received explanations.

For the purpose of citizens' convenience, the Pension Fund website has the **online liaison office**, receiving appeals sent online. Citizens and insuring parties can also contact the PFR Consulting Center using the 24/7 telephone line and the Internet.

Appeals filed with Russian Pension Fund



International cooperation

The Russian Pension Fund is systemically working to develop bilateral and multilateral relations with foreign partners to foster Russia's standing in the field of social security and pension insurance.

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

and solutions reconciling national norms, which regulate state social security system, with universally recognized principles and norms of international law. The ultimate result of this process is the development and improvement of national social security systems.

In 2017, the Russian Pension Fund developed international cooperation in several areas of social security and pension insurance.

Cooperation with international organizations

Eurasian Economic Union (EAEU)

In February 2017, Russian Pension Fund representatives took part in a meeting dedicated to the draft treaty on pension benefits in EAEU member countries and a the draft procedure of interaction between pension authorities of EAEU member states and the Eurasian Economic Commission (EEC) in the field of pensions.

use their pension rights acquired while working in EAEU member states.

The meeting participants elaborated a joint stance on settling differences over pension benefits in effect in EAEU member states for the sake of accelerating the approval of the draft treaty.

The goal of the EAEU treaty on pension benefits is to raise the level of social protection of citizens in EAEU member states, and to ensure the sustainable development of member states, and general integration in the EAEU. The treaty will ensure citizens' right to form, retain, and

The Advisory Committee on Social Security, Pension Entitlements, Healthcare, and Professional Activity of Working People in EAEU Member States held the third meeting in September to discuss the elaboration of the draft treaty and mechanisms of its implementation.

The meeting participants approved the draft memorandum on cooperation between the Eurasian Economic Commission and the International Association of Pension and Social Funds (IAPSF), a regional non-governmental organization uniting pension and social funds of CIS and EAEU member states. The Eurasian Economic Commission views cooperation with the IAPSF as one of the most promising areas of interaction in the field of social security fostering the development of a common labor market in the EAEU.

The Advisory Committee also approved principles of the elaboration of Labor Law Fundamentals (a model labor code) of EAEU member states. The document was elaborated by the General Confederation of Trade Unions on the basis of an analysis of constitutions of EAEU member states, labor codes, and international labor regulations and labor right guarantees for citizens of EAEU member states.

It was decided to create a working group, which would make proposals regarding labor law fundamentals.

International Social Security Association (ISSA)

In June 2017, Russian Pension Fund Board Chairman Anton Drozdov attended several meetings of the ISSA, which summarized the implementation of the ISSA program for the current and three-year periods, launched the Bureau committees on administration and membership fees, and listened to a report by the ISSA Treasurer and PFR Board Deputy Chairman, Nikolay Kozlov, on the ISSA financial status at the end of the three-year period of 2014–2016 and a report by the Control Commission on the ISSA financial status as of the end of 2016. A new ISSA vice-president was elected. In March and April 2017, Russian Pension Fund representatives took part in various ISSA events, including the 11th forum of ISSA Technical Commissions, which addressed the program and budget of Technical Commissions in 2017–2019, approved a plan of the Technical Commissions' activity in that period, discussed the plan's structure and projects, reviewed the current ISSA

Russian Pension Fund representatives to international organizations

PFR Board Chairman Anton 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 Nominating/Election Committee.

PFR Board First Deputy Chairman Alexander Kurtin

- ▶ Member of the working group on interaction with the OECD at the Economic Integration Sub-commission of the Government Commission on Economic Development and Integration.
- ▶ Honorary Chairman of the International Association of Pension and Social Funds (IAPSF).
- ▶ Member of the Advisory Committee on Social Security, Pension Entitlements, Healthcare and Professional Activity of Working People in Eurasian Economic Union Member States.

PFR Board Deputy Chairman Sergey Afanasyev

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

PFR Board Deputy Chairman Nikolay Kozlov

- ▶ International Social Security Association Treasurer.

PFR Actuarial Expectation and Strategic Planning Department Head Arkady Solovyov

- ▶ Deputy Chairman of the Technical Commission on Statistical, Actuarial, and Financial Research.

regulations and proposed the elaboration of new ones. The role of ISSA Technical Commission in solving ten global social security problems highlighted

in the report at the World Social Security Forum in Panama in 2016. During the year PFR representatives attended several ISSA seminars.

Organization for Economic Co-operation and Development (OECD)

In 2017 Pension Fund representatives cooperating with the OECD prepared relevant information and indicators of the Russian pension and social security system for inclusion in the international database, OECD global pension statistics, and the OECD's edition, Pension Markets in Focus 2017.

The Russia section of the OECD's Pensions at a Glance was updated. In addition, the PFR actively took part in the joint meeting of the OECD Working Party on Private Pensions and the International Organization of Pension Supervisors, and a research seminar on pensions, aging, and pension entitlements.

International Association of Pension and Social Funds (IAPSF)

In May 2017, Russian Pension Fund representatives took part in the international conference, «The Development Prospect of Pension and Social Security System of Georgia and Eurasian Countries.»

Chairman Nikolay Kozlov addressed the audience.

Alexander Kurtin presented a report on the specifics of modern national labor markets and adjustments made to pension systems of Eurasian countries on the example of Russia.

PFR Board First Deputy Chairman Alexander Kurtin and PFR Board Deputy

International forums

Russian Pension Fund representatives took part in the following international forums over the year:

- ▶ 23rd Baltic Social Security Conference, at which PFR Board First Deputy Chairman Alexander Kurtin made a report, «The latest pension reforms and the labor market; complementarity and innovative solutions»;
- ▶ International pension seminar at the invitation of the Hungarian National Pension

Insurance Department and the ISSA Technical Commission on Pensions

- ▶ The 8th international conference, «Confidence and Security in Information Society,» at which Russian Pension Fund representatives presented a report, «The Establishment of the PFR Technical Center for Monitoring Information Security Events.»
- ▶ A meeting of the 3rd interregional high-level roundtable on social security in Latin America.

World Bank (WB)

Over the year, Russian Pension Fund representatives took part in the following events of the World Bank:

- ▶ A seminar, «Pension Reform Modeling and Analysis and Aspects of Russian Pension Reform,» organized at the request of the Russian Labor Ministry and the Pension Fund.

- ▶ A joint seminar of the World Bank and the Higher School of Economics, «The Development of the Russian Pension System in the International Context.»
- ▶ A coaching seminar on the integrated social security information system of Turkey.

Bilateral cooperation

In furtherance of bilateral cooperation, a delegation of the Social Insurance Institution of Finland visited the Russian Pension Fund in May 2017.

Representatives of the two organizations conferred on the development of national pension systems and cooperation in the field of pension benefits. The meeting also addressed stages in the development of pension and social security systems in Russia and Finland, and an agreement to resume bilateral interagency cooperation launched at the PFR's outset was reached.

In June 2017, the Russian Pension Fund was visited by a delegation of the Czech Social Security Administration in furtherance of the agreement on the implementation of the social security agreement between

Russia and the Czech Republic. The bilateral meeting highlighted the organization and scope of activity of the Czech Social Security Administration, specifics of the Czech pension insurance system, and the current development of the Russian pension system. The sides also spoke about the implementation of the Russian-Czech social security agreement and the agreement between the labor ministries of the two countries, which regulates the implementation of the social security agreement.

In late 2017, PFR Board Chairman Anton Drozdov visited the German Supplementary Provident Fund for Federal and Land Employees. Representatives of the two funds discussed the functioning and administering of mandatory pension schemes for public sector employees.

Appendixes

Contacts of Russian Pension Fund divisions

Division	Head	Address	Telephone
1. PFR division in the Republic of Adygeya	Kulov Askarbiy Khadzhibachirovich	385000, 42, Pobedy Street, Maikop	(8-8772) 53-13-04 57-62-22
2. PFR division in the Republic of Altai	Ageyev Oleg Valeryevich	649000, 15/1, Kommunisticheskiy Pr., Gorno-Altaysk	(8-38822) 2-70-41
3. PFR division in the republic of Bashkortostan	Khantimerov Foat Galyautdinovich	450077, 55 Z. Validi Street, Ufa	(8-347) 273-58-78
4. PFR division in the Republic of Buryatia	Khankhalayev Yevgeny Kazakovich	670000, 45a, Kommunisticheskaya Street, Ulan-Ude	(8-3012) 29-12-01 29-12-00
5. PFR division in the Republic of Dagestan	Isayev Magomed Isayevich	367013, 16, Gamidov Avenue, Makhachkala	(8-8722) 98-73-00 68-15-82
6. PFR division in the Republic of Ingushetia	Seinaroyev Islam Akhmetovich	386001, 1, I. Zyazikova Avenue, Magas	(8-8734) 55-30-00 55-17-00
7. PFR division in the Republic of Kabardino-Balkaria	Bakov Nikolai Khachimovich	360051, 19a, Pacheva Street, Nalchik	(8-8662) 42-00-22
8. PFR division in the Republic of Kalmykia	Shurgchiyev Vladimir Ochirovich	358000, 9a, Gorkogo Street, Elista	(8-84722) 4-00-83
9. PFR division in the Republic of Karachayevo-Cherkessia	Suynchev Murat Khanafiyevich	369000, 3, Gorkogo Street, Cherkessk	(8-8782) 26-22-84
10. PFR division in the Republic of Karelia	Levin Nikolai Ivanovich	185910, 23, Kirova Street, Petrozavodsk	(8-8142) 79-52-00 79-52-01
11. PFR division in the Republic of Komi	Kolesnik Olga Mikhailovna	167981, 36, Kirova Street, GSP-3, Syktyvkar	(8-8212) 29-17-08 44-54-62
12. PFR division in the Republic of Mari El	Orekhov Vladimir Vladimirovich	424000, 7, Pushkina Street, Yoshkar-Ola	(8-8362) 42-94-79 45-32-23
13. PFR division in the Republic of Mordovia	Vasilkin Vladimir Ilyich	430005, 52, Kommunisticheskaya Street, Saransk	(8-8342) 24-65-87 32-77-17
14. PFR division in the Republic of Sakha (Yakutia)	Stepanov Georgy Mikhailovich	678700, 4, Chernyshevskogo Street, Yakutsk	(8-4112) 45-00-10 39-25-05

Division	Head	Address	Telephone
15. PFR division in the Republic of North Ossetia – Alania	Tabolov Sergei Soltanbekovich	362031, 4/1, Leonova Street, Vladikavkaz	(8-8672) 40-97-21
16. PFR division in the Republic of Tatarstan	Vafin Eduard Yafasovich	420111, 8, Pushkina Street, Kazan	(8-843) 279-25-00
17. PFR division in the Republic of Tyva	Kenden Svetlana Dyrtyk-Kara (acting head)	667000, 18, Kochetkov Street, Kyzyl	(8-39422) 9-61-04 9-61-01
18. PFR division in the Republic of Udmurtia	Beltyukov Alexei Vasilyevich	426008, 272a, Karla Marksa Street, Izhevsk	(8-3412) 63-03-02 60-75-02
19. PFR division in the Republic of Khakassia	Filonov Viktor Alexeyevich	655017, 72a, Krylov Street, Abakan	(8-3902) 22-94-99 28-81-00
20. PFR division in the Chechen Republic	Akhmadov Mokhmad-Emi Isayevich	364051, 4, Sheikh Ali Mita-yev Street, Grozny	(8-8712) 62-86-25 22-24-83
21. PFR division in the Republic of Chuvashia	Kondratyeva Rosa Alexeyevna	428018, 87, Konstantina Ivanova Street, Cheboksary	(8-8352) 58-31-50 30-65-01
22. PFR division in the Altai territory	Trofimov Boris Alexandrovich	656049, 94, Partizanskaya Street, Barnaul	(8-3852) 39-98-10
23. PFR division in the Transbaikal territory	Mikhailenko Galina Mikhailovna	672051, 160b, Chkalova Street, Chita	(8-3022) 36-94-04
24. PFR division in the Kamchatka territory	Melekhina Tatiana Viktorovna	683003, 124b, Leningradskaya Street, Petropavlovsk-Kamchatsky	(8-4152) 42-90-86 42-90-01
25. PFR division in the Krasnodar territory	Tkachenko Tatiana Alexandrovna (acting head)	350015, 136, Krasnoarmeiskaya Street, Krasnodar	(8-861) 251-93-61, 251-72-80
26. PFR division in the Krasnoyarsk territory	Maiboroda Denis Alexandrovich (acting head)	660133, 44g, Partizana Zheleznyaka Street, Krasnoyarsk	(8-391) 229-00-01
27. PFR division in the Perm territory	Avronchuk Stanislav Yuryevich	614990, 66, Revolutsii Street, Perm	(8-342) 264-31-01
28. PFR division in the Primorye territory	Maslovets Alexander Ivanovich	690091, 16, Fontannaya Street, Vladivostok	(8-423) 249-86-01
29. PFR division in the Stavropol territory	Popov Vladimir Semyonovich	355035, 11, Sovetskaya Street, Stavropol	(8-8652) 95-56-96
30. PFR division in the Khabarovsk territory	Zverzheyeva Irina Gavriilovna	680000, 27, Lenina Street, Khabarovsk	(8-4212) 29-51-68 29-50-00
31. PFR division in the Amur region	Dorofeyev Vladimir Alexandrovich	675000, 173a, Zeiskaya Street, Blagoveshchensk	(8-4162) 20-23-05 20-23-01

Division	Head	Address	Telephone
32. PFR division in the Arkhangelsk region	Gavrilov Alexander Ivanovich	163000, 28, Severnoi Dviny Embankment, Arkhangelsk	(8-8182) 21-77-00 21-77-01
33. PFR division in the Astrakhan region	Zolotova Nonna Ivanovna	414040, office 1/9, 53, Pobedy Street/ Karla Marksa Square, Astrakhan	(8-8512) 61-19-33
34. PFR division in the Belgorod region	Kudayev Dmitry Vasilyevich	308000, 87, Preobrazhenskaya Street, Belgorod	(8-4722) 30-69-01
35. PFR division in the Bryansk region	Klyuyev Oleg Iosifovich	241050, 1, Lyubeznogo Street, Bryansk	(8-4832) 74-23-47 74-59-94
36. PFR division in the Vladimir region	Mazanko Alexander Alexeyevich	600007, 61d, Mira Street, Vladimir	(8-4922) 40-23-40 40-23-04
37. PFR division in the Volgograd region	Fyodorov Vladimir Alexandrovich	400001, 16, Raboche-Krestyanskaya Street, Volgograd	(8-8442) 24-94-57
38. PFR division in the Vologda region	Zhidkov Vasily Nikolayevich	160000, 18, Zosimovskaya Street, Vologda	(8-8172) 57-19-01
39. PFR division in the Voronezh region	Merkulov Alexander Fyodorovich	394036, 36b, Studencheskaya Street, Voronezh	(8-473) 269-77-65 269-70-60
40. PFR division in the Ivanovo region	Boldin Mikhail Vasilyevich	153002, 10a, Pogranichny Side-Street, Ivanovo	(8-4932) 41-42-64
41. PFR division in the Irkutsk region	Kozlova Nadezhda Sergeyevna	664007, 92, Dekabrskikh Sobytiy Street, GSP-46, Irkutsk	(8-3952) 26-83-02
42. PFR division in the Kaliningrad region	Malik Svetlana Albertovna	236010, 54, Engelsa Street, Kaliningrad	(8-4012) 21-32-42 99-83-55
43. PFR division in the Kaluga region	Loktev Mikhail Pavlovich	248003, 2a, Boldina Street, Kaluga	(8-4842) 50-70-70 50-70-00
44. PFR division in the Kemerovo region	Starikov Viktor Alexandrovich	650040, 74, Sovetsky Avenue, GSP, Kemerovo	(8-3842) 58-71-76
45. PFR division in the Kirov region	Pasynkov Nikolai Vladimirovich	610001, 34, Komsomolskaya Street Kirov	(8-8332) 52-85-55 52-81-80
46. PFR division in the Kostroma region	Rusov Sergei Vladimirovich	156000, 31a, Komsomolskaya Street, Kostroma	(8-4942) 39-06-05 39-06-01
47. PFR division in the Kurgan region	Sapozhnikov Alexander Alexeyevich	640003, 15, R. Zorge Street, Kurgan	(8-3522) 44-03-50 48-80-00
48. PFR division in the Kursk region	Romanova Valentina Nikolayevna	305000, 5, Kati Zelenko Street, Kursk	(8-4712) 51-20-05 51-16-55
49. PFR division in the Lipetsk region	Savin Ivan Ivanovich	398050, 3, Sobornaya Square, Lipetsk	(8-4742) 42-91-00 42-91-01
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57. PFR division in the Oryol region	Baranchikov Nikolai Mikhailovich	302026, 108, Komsomolskaya Street, Oryol	(8-4862) 72-92-00
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59. PFR division in the Pskov region	Melnikova Natalia Gennadiyevna	180007, 53, Petrovskaya Street, Pskov	(8-8112) 56-66-90 56-17-00
60. PFR division in the Rostov region	Petrov Yevgeny Mikhailovich	344000, entrance 2, 259, Varfolomeyev Street, Rostov-on-Don	(8-863) 306-10-55 306-10-77
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63. PFR division in the Saratov region	Romanov Alexander Sergeyevich	410004, 11/13, Pugachyovskaya Street, Saratov	(8-8452) 52-22-01
64. PFR division in the Sakhalin region	Mazur Denis Vladimirovich	693020, 69a, Lenina Street, Yuzhno-Sakhalinsk	(8-4242) 49-55-00
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66. PFR division in the Smolensk region	Seleznyov Yuri Alexandrovich	214019, 37a, Krupskoi Street, Smolensk	(8-4812) 62-49-12 55-12-34
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77. PFR division in the Jewish autonomous region	Tugarinov Viktor Anatolyevich	679016, 45, Sholom-Aleikhe-ma Street, Birobidzhan	(8-42622) 9-24-00 9-24-27
78. PFR division in the Nenets autonomous region	Nosova Maria Vladimirovna (acting head)	166000, 21, Lenina Street, Naryan-Mar	(8-81853) 4-23-53 4-23-23
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