

2019

ANNUAL
REPORT



**PENSION FUND
OF THE RUSSIAN FEDERATION**

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EVENTS OF THE YEAR

JANUARY

- Insurance pensions of 32 mln non-working pensioners grew 7.05%, by 1,000 rubles per month on the average.
- Insurance pensions of 803,000 non-working pensioners were additionally raised by 1,300 rubles per month due to the 25% growth of the fixed payment.
- Retirement benefits were preserved amid the increased retirement age, including early retirements, assignment of certain types of pensions irrespective of age, pre-retirement benefits, and new grounds for early retirement.

MAY

- WWII veterans and people with war-related disabilities received the annual 10,000-ruble benefit on the occasion of Victory Day anniversary.
- Participants in the program of pension savings co-funding accumulated 122 bln rubles.
- The Russian Pension Fund received the International Social Security Association's diploma for advanced actuarial practices.

FEBRUARY

- The average monthly benefit and the cost of the package of social services received by 15.2 mln people increased by 4.3%
- The Pension Fund held an international seminar on the use of digital technologies in the social sector in Moscow.
- The Pension Fund's input in the strengthening of Russia's information security won the national award of Info forum 2019.

JUNE

- Social pension supplement of 4.4 mln pensioners was raised by 523 rubles per month on the average to exceed the subsistence minimum.
- The Russian Pension Fund and Russian Railways signed an information cooperation agreement.
- The Russian Pension Fund and X5 Retail Group signed a cooperation agreement.

NOVEMBER

- The Russian Pension Fund completed Stage 9 of the pension awareness programs for schools, vocational and higher educational establishments across Russia.

MARCH

- Legislative amendments tightening control over spending of maternity capital funds on housing were adopted.

JULY

- Payments to parents taking care of disabled children and persons with Group 1 life-long disabilities nearly doubled, to 10,000 ruble per month.
- The Russian Pension Fund confirmed the right of 724,000 Russians to receive pre-retirement benefits since the year beginning.
- The Russian Pension Fund took part in the mitigation of consequences of flashfloods in the Irkutsk region and gave assistance to pensioners affected by the emergency.
- The Russian Pension Fund assigned over 500,000 insurance and state pensions since the beginning of the year, with due account of the higher retirement age.

APRIL

- State pensions of 3.8 mln pensioners increased 2%.
- The electronic SNILS replaced the individual insurance account number – the green plastic SNILS card.
- The Pension Fund presented My Pension project aimed to intensify the involvement of citizens older than 45 in the formation of their future pension.
- The number of premature transfers of pension savings with the loss of investment income reduced by 4.5 times thanks to the new rules of transfers between funds that took effect at the beginning of the year.
- The Russian Pension Fund, acting within the framework of the headquarters for response to wildfires in the Transbaikal Territory, gave assistance to pensioners affected by the emergency.

AUGUST

- Insurance pensions of 12.2 mln pensioners, who kept working in 2018, increased consistent with new pension contributions from employers.

DECEMBER

- The law on transfer to electronic work books in 2020 was adopted.
- The Russian Pension Fund assigned over 1.5 mln insurance and state pensions since the beginning of the year, with due account of the higher retirement age.

DIGITS OF THE YEAR

63 mln people

In Russia are forming insurance pensions

76,3 mln people

In Russia are forming pension savings

20 mln people

are receiving PFR social benefits

43,6 mln people

pensioners

4,4 mln

Employers paying pension insurance contributions of their workers

4,1 mln people

are self-employed paying their pension contributions

15 496 rub

Average amount of old-age insurance pension of non-working pensioners

9 287 rub

Average social pension

8 846 rub

Federal subsistence minimum of pensioner

1 936 rub

Average federal social supplement to pension

1 687 rub

Average supplement to pensions of participants in the pension savings co-funding program

956 rub

Average amount of funded pension

4,3%

Inflation at the end of 2018

7,05%

Increase of insurance pensions

2%

Increase of state pensions

4,3%

Increase of monthly benefit and package of social services

8,6%

Profitability of pension savings in expanded VEB.RF portfolio

13,9%

Profitability of pension savings in combined investment portfolio of private management companies

8 781 bln rub

PFR budget revenue

8 627 bln rub

PFR budget expenses

5 394 bln rub

Pension insurance contributions

7 654 bln rub

Pension payments

524 bln rub

Social benefits

1 867,5 bln rub

Pension savings of Russian citizens in the PFR

150,6 bln rub

Investment revenue on pension savings formed via the Russian Pension Fund

4,0 bln rub

Voluntary pension contributions of citizens

3,7 bln rub

State co-funding of voluntary pension contributions of citizens

291,5 bln rub

Maternity capital program expenses

626,5

thousand
Maternity capital certificates issued

6,3 mln

Families that fully spent their maternity capital

About Russian Pension Fund



MANAGEMENT

The Russian pension Fund (PFR) is one of the three state-run off-budget funds tasked with mandatory social insurance in the Russian Federation. The Pension Fund is a state insurance company operating in the field of pension insurance. The Ministry of Labor and Social Protection coordinates PFF activities.

Areas of activity

- Accounting of mandatory pension insurance and state pension entitlements.
- Assignment of insurance and state pensions.
- Assignment and funding of social benefits.
- Formation, assignment and payment of pension savings.
- Accumulation of information about labor activity.
- Management of state programs of maternity capital (Demography national project) and co-funding of voluntary pension savings.
- International cooperation in the fields of pensions and social security.
- Information campaigns.

The Russian Pension Fund keeps accounts of **156.1 mln Russian and foreign citizens**, pays pensions to **43.6 mln pensioners** and provides federal benefit payments to **over 20 mln Russians**. It is also forming pension savings of almost **40 mln current and future pensioners**, and provides payments to millions of Russian families with children.

Geography of operations

The Pension Fund operates on the federal level across the territory of Russia and in the city of Baikonur, Kazakhstan. The Fund maintains presence in all large populated localities, and over 2,000 client services work to the public benefit countrywide.

Staff

The Pension Fund employs 104,500 specialists. Almost 70% of them are aged from 30 to 50. Ninety-six percent of specialists have higher education. Most specialists have been in the PFR employ for over ten years. The absolute majority of Fund specialists are women. In 2019, the PFR staff was renewed 14%. Retraining and professional development programs involved 15,900 specialists.

Information System

The Pension Fund manages Russia's largest information system that contains information about pension, social and labor rights of Russian and foreign citizens employed with Russian organizations and companies. The Fund's technologies and database make it possible to assign many payments online, without the provision of any certificates or certifying documents.

State programs

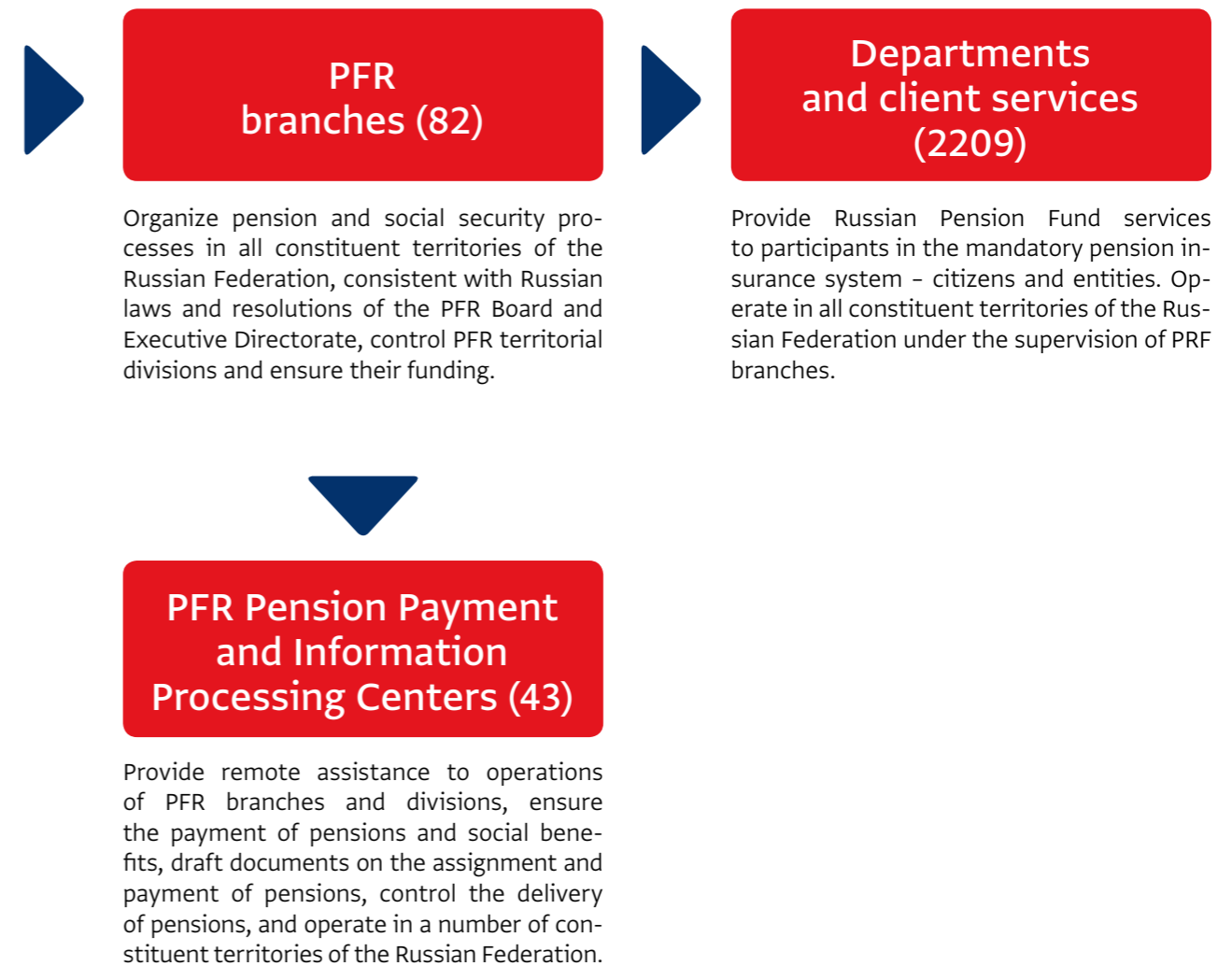
The Pension Fund manages two state programs: those of maternity capital (since 2007) and co-funding of pension savings (since 2008). The first program has been used by 7.3 million Russian families, while the second one involves 2.6 million future and existent pensioners. Maternity capital funds received by families exceed 2.63 trillion rubles. Pension co-funding program participants have accumulated over 130.5 billion rubles on their accounts.

Russian Pension Fund structure

The Russian Pension Fund has over 2,000 offices that operate the national pension system on the federal and regional levels. The Fund Board, the Executive Directorate, the Audit Commission, and the Interregional Information Center are seated in Moscow.

The PFR has a branch in every constituent territory of the Russian Federation, which oversees the activity of territorial divisions, payment and information processing centers, and client services of the Fund.

In 2019, the Russian Pension Fund continued to optimize the structure and staff of territorial branches. As a result of that activity, 149 PFR divisions in 29 regional branches were transformed into **35 interregional divisions and four centers providing public services and assigning pensions.**



Russian Pension Fund Board

Maxim Topilin

Board Chairman

Natalia Petrova

First Deputy Chairperson

Vadim Akkuzin

Deputy Chairman

Nikolay Kozlov

Deputy Chairman

Sergey Chirkov

Deputy Chairman

Andrey Andreyev

Manager, PFR branch in Moscow and Moscow region

Foat Khantimerov

Manager, PFR branch in Bashkortostan

Division of duties between the PFR Board chairman and deputies



Board Chairman

Maxim TOPILIN

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

- HR department
- Security Department
- Public relations and mass media department
- Legal Affairs Department
- Property Management Department
- First Department

Board First Deputy Chairperson

Natalia PETROVA

Coordinates PFR Executive Directorate divisions:

- Administrative and Economic Department
- Budget Department
- Treasury Department
- Capital Construction and Property Relations Department
- Insurance Contributions Administering Department.
- Department for Personified Records of Pension Entitlements of Insured
- Procurement Department
- Department for Financial Support to PFR system

Oversees PFR branches in the Central Federal District and the city of Baikonur



Board Deputy Chairman

Vadim AKKUZIN

Coordinates PFR Executive Directorate divisions:

- IT Department
- Public Services and Digital Development Department
- Information Security Department
- Communication Infrastructure and Communication Systems Department
- Federal State Projects Department
- PFR Interregional Information Center

Oversees PFR branches in the Volga and Urals federal districts

Board Deputy Chairman

Nikolay KOZLOV

Coordinates PFR Executive Directorate divisions:

- Actuarial Computation and Strategic Planning Department
- Department for Organization and Control of Investment Processes
- International Cooperation Department
- Department for Processing Applications from Citizens, Insured Parties, Entities, and Insurers
- Training and Methodological Center

Oversees PFR branches in the Far Eastern and Siberian federal districts

Board Deputy Chairman

Sergey CHIRKOV

Coordinates PFR Executive Directorate divisions:

- Pension Assignment and Payment Department
- Department for Pensions of Persons Residing Abroad
- Legal Affairs Department (excluding issues coordinated by the PFR Board chairman)
- Social Benefits Department
- Department for State Pensions of Civil Servants

Oversees PFR branches in the Northwestern, North Caucasus and Southern federal districts

RUSSIAN PENSION FUND SERVICES

The Pension Fund seeks to improve the quality of public services, to expedite their provision, and to make the process easier and more comfortable.

Any service of the Russian Pension Fund can be received at the Fund's client services, multipurpose public service centers nationwide, and the account on the PFR website and the Public Services Portal. People in small towns, which have no PFR offices in their vicinity, are served by mobile client services that come to remote areas and consult local residents on all issues within the Fund's jurisdiction.

Seeking to facilitate the provision of services and to make the process more comfortable, the Pension Fund continues to develop information exchange with employers, government agencies, and the federal and regional authorities. The PFR asks them for information necessary for the assignment of pensions and receives applications from employees, alongside other documents, via corporate HR services.

The number of pensions assigned online has been increasing in recent years. It is possible to apply for all types of pensions and certain social benefits via the account on the Fund website and the Public Services Portal. Thanks to the database of pension entitlements, which the PFR has been operating for years, it is possible to assign pensions online, without an in-person visit of an applicant. The PFR database accumulates all key indicators, and the Fund has information necessary for the assignment of pension by the time an applicant retires. A person contacts the Pension Fund only to submit additional information that may be essential for the pension size.

In 2019, the share of online applications for the assignment of various types of pensions reached 74% (it amounted to 72% in 2018). In all, the PFR received 1.7 mln applications of the kind. About one million pensions (63%) were assigned online, without an in-person visit of applicants to a territorial division of the Pension Fund.

The way how the pension is delivered is also mostly chosen online. In 2019, the PFR received 3.7 mln online applications to choose or change the pension delivery method.

System of provision of Russian Pension Fund services



Online Services

The Pension Fund has been successfully digitalizing its services and broadening their range for a number of years. The development of the Fund's online services has a special significance and is carried out consistent with the president's order on an improvement of the public management system.

The account on the Pension Fund website had numerous useful updates in 2019. It acquired 68 new functionalities providing access to eight public services. Most of the functionalities are online forms that allow applicants to request PFR payments online.

An increasing number of people discover the opportunities provided by the PFR account year after year. In 2019, the audience grew by several million to nearly 13 million. The monthly audience of the account ranged from 800,000 to 1.3 million.

The account development is also proven by the intensified use of public services. Over the year, 74 million applications for PFR services filed over accounts were recorded, which is 1.5 times more than in 2018 (44.5 mln applications). Most applicants requested information about their pension coefficients, labor record, and pension entitlements.

The PFR application for smart phones that gives access to a number of account services, was the most popular. It was installed by 254,000 people in 2019.

The Pension Fund continued to provide online services on the Public Services Portal in 2019. The intensity of their use grew by approximately 1 mln applications (to 15.4 mln) over the year. The most popular service was the provision of information about pension entitlements and pension size.

In 2019, the share of applicants receiving Russian Pension Fund services online reached 78% (vs. 70% in 2018).

The Russian Pension Fund provides **78% of public services** on line. In all, **103 mln services** were provided in 2019, including **81 mln** online, **16.6 mln** via PFR territorial divisions, and **6.4 mln** via multipurpose public services centers.

Over a number of years, the Pension Fund has been digitalizing its services and broadening their range. Nowadays, all PFR services are available via account on the PFR website and the Public Services Portal.

A number of online services are available to the general public on the PFR website and does not require access to the account. These are simple but very popular services, such as making an appointment, filing an application, or requesting certificates and documents.

Meanwhile, most services would require registration confirmed by the Unified Identification and Authentication System (esia.gosuslugi.ru). The registration provides an applicant with a simple electronic signature, which is later used to receive public services online, in particular, on the PFR website.

It is possible to confirm the registration on the Public Services Portal and at PFR client services, which serve as certifying centers of the system, which is convenient for pensioners and other recipients of the Fund services. It is possible to confirm the account and to undergo the registration procedure, from the beginning to the end, in all PFR offices to receive access to electronic public services.

Over 2019, territorial divisions of the Pension Fund registered 2.6 mln people in the system (vs. 3.1 mln in 2018).

The Russian Pension Fund is continuously developing the service system in order to provide services of a better quality and at a faster pace to citizens and entities. Nowadays, it is possible to apply for payments and other services not only at **2,200 client services of the Fund** across the country but also at any of **2,800 multipurpose public services** centers nationwide.

Most popular services of Russian Pension Fund

| PFR | es.pfrf.ru | gosuslugi.ru | MPSC |
|---|---|---|---|
| 1 Assignment of insurance, state, funded pensions | Assignment of insurance, state, funded pensions | Information about pension coefficients, labor record, pension insurance contributions, losses incurred from premature transfer of pension savings | Assignment of insurance, state, funded pensions |
| 2 SNILS assignment | Information about pension coefficients, labor record, pension insurance contributions | Transfer of pension savings to another fund or management company | SNILS assignment |
| 3 Payment of insurance, state and funded pensions | Information about maternity capital balance | Certificate of provision of package of social services | Information about pension coefficients, labor record, pension insurance contributions, losses incurred from premature transfer of pension savings |
| 4 Assignment of monthly benefit | Transfer of pension savings to another fund or management company | Assignment of insurance, state, funded pensions | Payment of insurance, state and funded pensions |
| 5 Information about pension coefficients, labor record, pension insurance contributions, losses incurred from premature transfer of pension savings | Payment of insurance, state and funded pensions | Issuance of maternity capital certificate | Use of maternity capital funds |

Russian Pension Fund services

| | | PFR | MPSC | es.pfrf.ru | gosuslugi.ru | Call center |
|---|---|-----|----------------|----------------|----------------|-------------|
| Pension entitlement records and information | Registration in the mandatory pension insurance system as an insured party, and assignment of SNILS | ✓ | ✓ | | | ✓ |
| | Provision of SNILS information | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Information about pension coefficients, labor record, pension insurance contributions and amount of pension savings | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Information about entitlement to pre-retirement benefits | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Information about assigned pensions and social benefits | ✓ | ✓ | ✓ | ✓ | ✓ |
| Assignment and payment of insurance, state pensions, pension supplements | Assignment of insurance and state pensions | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Pension review | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Choice of pension delivery method | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Assignment of federal social supplement to pension | ✓ | ✓ | ✓ | | ✓ |
| | Assignment of supplements to pensions of workers of certain professions | ✓ | ✓ | ✓ | | ✓ |
| | Termination or resumption of payment of old-age insurance pension at pensioner's choice | ✓ | ✓ | ✓ | | ✓ |
| | Request for pension file in case of pensioner's resettlement | ✓ | ✓ | ✓ | | ✓ |
| | | | | | | |
| Accumulation and assignment of pension savings | Transfer of pension savings between pension funds and management companies | ✓ | | ✓ ¹ | ✓ | ✓ |
| | Assignment of payment of pension savings | ✓ | ✓ ² | ✓ | ✓ ² | ✓ |
| | Distribution of pension savings between survivors | ✓ | | | | ✓ |
| | Assignment of payment of pension savings to survivors | ✓ | ✓ | | | ✓ |

¹ Only transfer between management companies.² Only assignment of funded pension.

| | | PFR | MPSC | es.pfrf.ru | gosuslugi.ru | Call center |
|--------------------------------------|---|-----|------|------------|--------------|-------------|
| Co-funding of pension savings | Provision of documents for paying program contributions | ✓ | | ✓ | | ✓ |
| | Provision of information about funds accumulated under the program | ✓ | | ✓ | ✓ | ✓ |
| Assignment of social benefits | Assignment of monthly benefit | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Assignment of package of social services, change of the method of its provision, resumption or termination of the package provision | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Compensation of the cost of transportation of pensioners of the North to and from vacation destination | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Compensation of the cost of transportation of pensioners of the North in their resettlement from Arctic regions | ✓ | ✓ | ✓ | | ✓ |
| | Assignment of benefit for care for disabled adults and children | ✓ | | ✓ | | ✓ |
| | Assignment of monthly social supplement | ✓ | | ✓ | | ✓ |
| | Funeral benefit | ✓ | | | | ✓ |
| Maternity capital | Provision of information about the issued certificate and its amount | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Use of maternity capital funds | ✓ | ✓ | ✓ | ✓ | ✓ |

The call center provides information about services

Russian Pension Fund Consulting Center

Founded in 2010, the Consulting Center broadens the scope of remote services provided by the Pension Fund. Center operators inform citizens and insuring parties about the majority of services and receive applications. This is a quick and easy way to receive information on the provision of PFR services, required documents, the nearest service center, and methods of the provision of service.

The PFR Consulting Center is primarily a federal hotline available 24/7 from any region of Russia.

It also provides consultations via text messages and online.

Every day, the Consulting Center helps thousands of Russians receive current information about every aspect of interaction with the Pension Fund. In 2019, Center operators gave about 500,000 consultations on the phone and processed 186,000 online applications. Telephone consultation became longer, and an average consultation time exceeded 4 minutes, or almost four times more than in 2018.

The Consulting Center helps improve PFR service. Operators provide information on all services of the Fund and receive applications from citizens. This is a quick and easy way to receive information on the provision of PFR services, required documents, the nearest service center, and methods of the provision of service.

Assessment of Pension Fund services via Your Control system

It is possible to assess the quality of services provided by the Russian pension Fund via the Your Control state electronic system, providing comments on performance of the Fund and other government agencies. It is possible to assess performance of an entire agency or a particular unit that provided the service. The service quality is assessed by a number of criteria, including the period of service provision, the professionalism and politeness of specialists, comfort of the service venue, and other features.

It is possible to assess the Pension Fund services in your Control system via the Vashkontrol.ru website, the text-message poll on the Public Services Portal, and poll terminals at multipurpose public services centers.

For users' convenience, every webpage of the Pension Fund website has a link to the Your Control electronic service, and the Fund's client services provide step-by-step guidelines for assessing performance via the system. All PFR

branches and territorial divisions have opened portals for processing feedback from citizens on the quality of received public services.

In 2019, the level of public satisfaction with the quality of public services provided by the Russian Pension Fund, assessed through the Your Control system, grew to 98.3% – this is the aggregate of «good» and «excellent» comments given by citizens upon receiving PFR services across the country. Over the year, the average Pension Fund score in text messages sent within the framework of the You Control system reached 4.92 out of 5 points. The Pension Fund scored 5.0 on the Your Control website, and 99.6% of comments were positive.

The satisfaction of public services should exceed the level individually set for every agency every year. In 2019, the level reached 90% for the Pension Fund. The absolute majority of PFR territorial divisions hit the target.

According to the Your Control system, the absolute majority of territorial divisions of the Russian Pension Fund reached the customer satisfaction target in 2019. An average score of the Russian Pension Fund on the Your Control website **was 5**.

RUSSIAN PENSION FUND BUDGET

Budget revenue

The Russian Pension Fund revenue grew to 8.78 trln rubles in 2019, which is 511.4 bln rubles, or 6.2% more than in 2018.

Mandatory pension insurance contributions, which serve as the main source of PFR revenue, stood at 5 394 bln rubles. Compared to 2018, contributions grew by 445.6 bln rubles, or 9%.

Insurance pension contributions constituted the bigger part of the Fund revenue and increased to 5 393.7 bln rubles over the year. Meanwhile, 0.34 bln rubles were contributed for funded pensions.

The provision of insurance pensions with contributions grew to 76% (74% in 2018). Other government obligations to raise insurance pensions and benefits to citizens and employers within the framework of the mandatory pension insurance system were met from the federal budget.

Funds were assigned for valorization of old-age insurance pensions – the pension raise for labor record before 1991, an increased value of pension coefficient, a larger fixed payment of insurance pension, and early retirement pensions. Federal budget funds also financed discounted rates of insurance contribution and payment assignment benefits, including the inclusion of socially significant periods of life when a person does not work but insurance pension continues to be formed in the overall labor record. Some 1 907.8 bln rubles were assigned for those purposes.

Alongside mandatory pension insurance, the Pension Fund provides state pensions and benefits, i.e. pays certain types of pensions, social benefits and pension supplements and provides maternity capital. In 2019, the federal budget funds received by the PFR for those purposes amounted to 1 400.9 bln rubles, or 42.3% of the entire transfer. Most of the funds were spent on state pensions (464.4 bln rubles) and monthly benefits (406.1 bln rubles).

The pension saving budget revenue neared 60 bln rubles. Most of the sum (46.5 bln rubles) was pension savings received from management companies for the payment of pensions. Another source of income was the program of pension sav-

The provision of pensions with insurance contributions made in 2019 reached **76%**. Compared to the previous year, the payment of contributions grew by **445.6 bln rubles** or **9%**.

ing co-funding. Voluntary contributions made by program participants in 2019 stood at 4.0 bln rubles, while the government co-funding of voluntary contributions (which, consistent with the

law, was provided in 2019) amounted to 4.7 bln rubles. Nearly 5 bln rubles were received from private pension funds, as citizens returned to the PFR system.

Budget expenditures

Russian Pension Fund expenditures grew by 198.4 bln rubles (2.4%) to 8.63 trln in 2019. The payment of pensions and pension supplements increased by 314.7 bln rubles (4.3%) to 7.65 trln rubles, or 88.7% of all budget expenditures.

Some 7.05 trln rubles were spent on insurance pensions, alongside 459.9 bln rubles spent on the payment of state pensions. The payment of pension savings amounted to 17 bln rubles.

The payment of PFR social benefits increased by 21.3 bln rubles (4.2%) to 523.8 bln rubles in 2019, or 6.1% of the total budget expenditures.

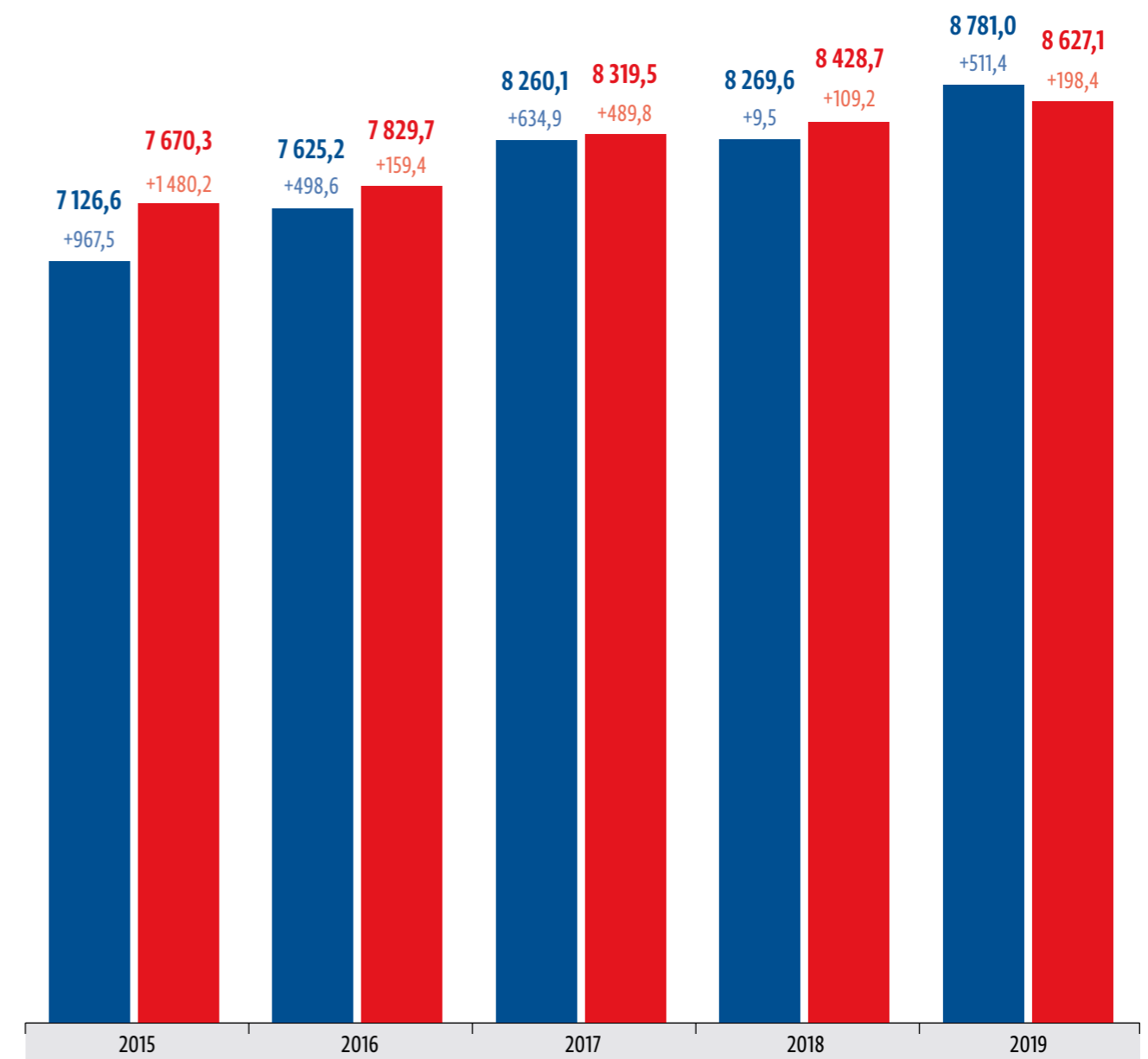
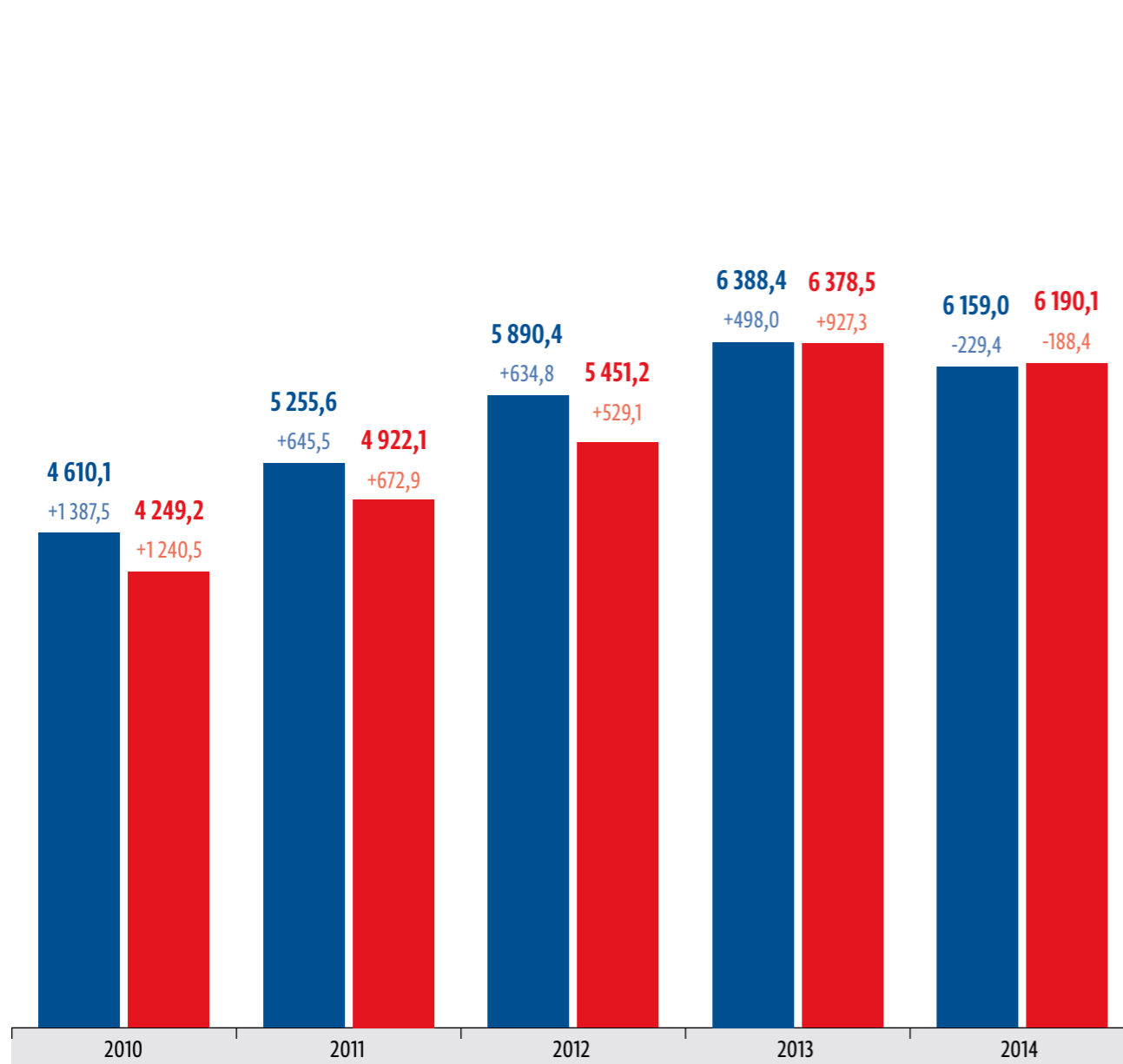
There was also a steep growth of expenditures on the payment of compensations to parents taking care of disabled children and persons with Group 1 life-long disabilities. The monthly benefit grew from 5,500 to 10,000 rubles in July, which enlarged the overall spending by 15.7 bln rubles, or 46.7%.

At the end of the year, the Pension Fund had a budget surplus of 153.9 bln rubles. In the areas other than pension savings, revenue exceeded expenditures by 155.9 bln rubles. Expenditures exceeded revenue by 2.0 bln rubles in the field of pension savings.

The spending on pensions and pension supplements grew by **314.7 bln rubles** to 7.65 trln rubles in 2019. The payment of social benefits increased by **21.3 bln rubles** to **523.8 bln rubles**.

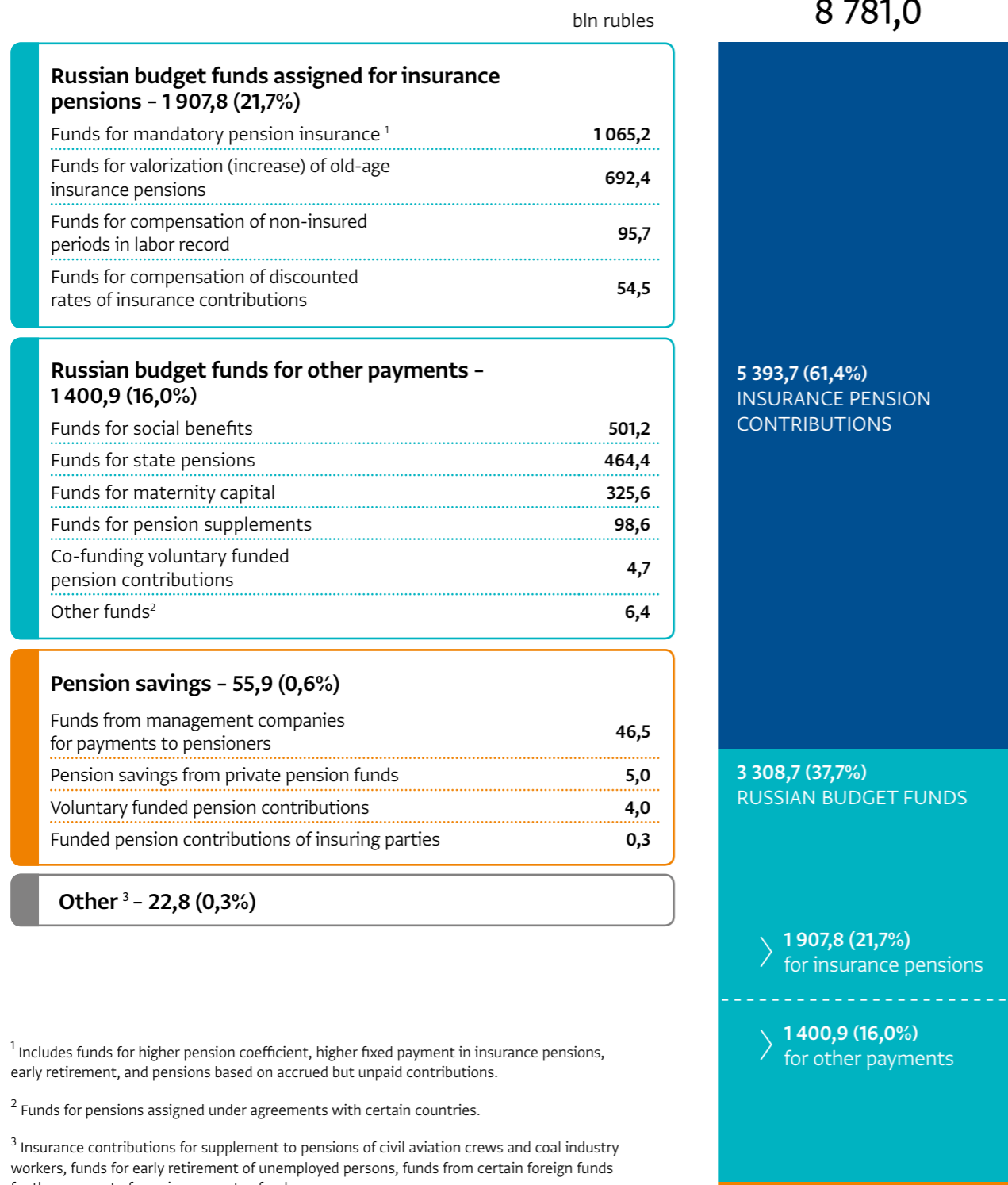
Russian Pension Fund budget revenues and expenditures dynamics

● Revenue, bln rubles
 ● Expenditures, bln rubles



Russian Pension Fund budget 2019

Revenue

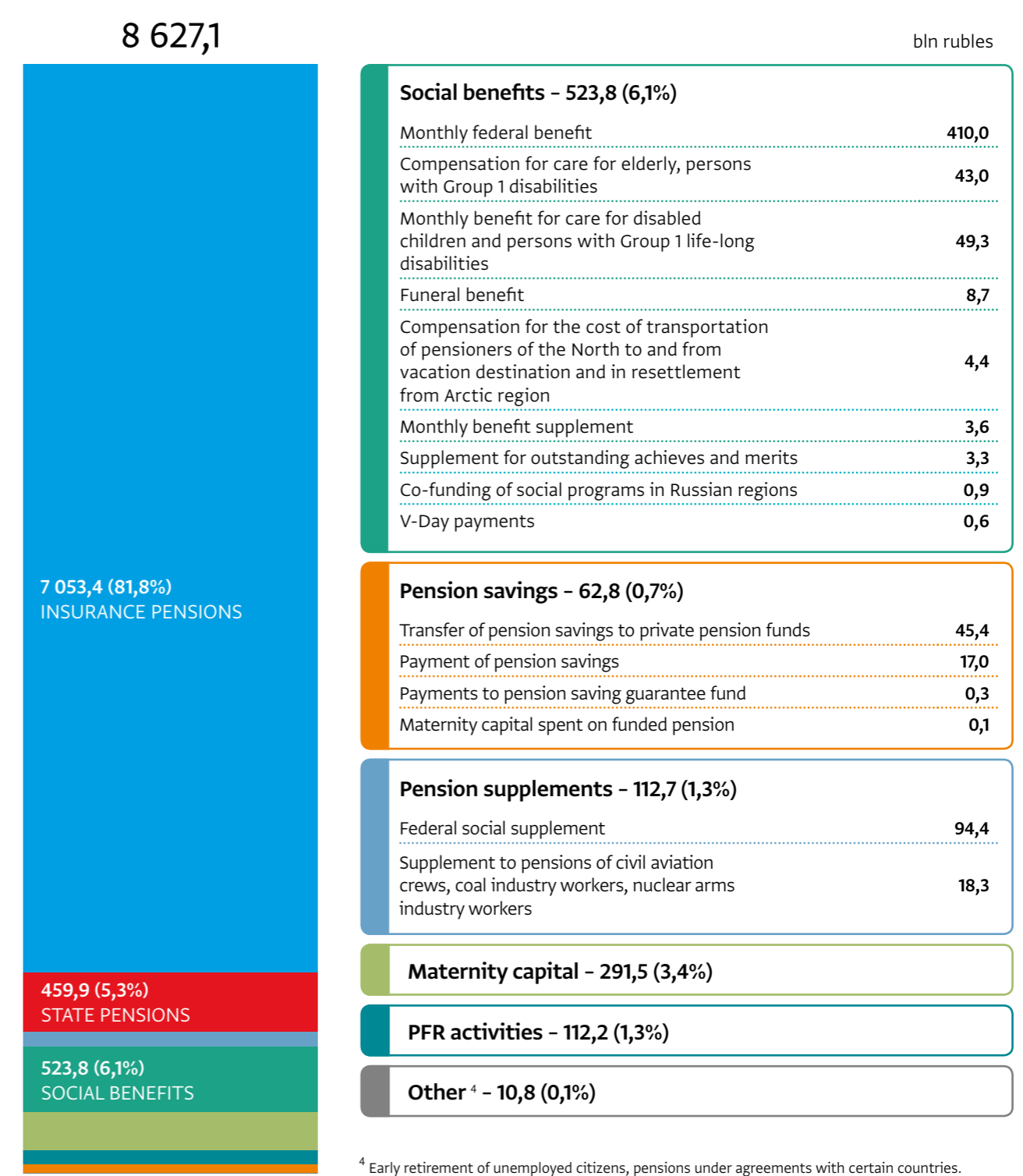


¹ Includes funds for higher pension coefficient, higher fixed payment in insurance pensions, early retirement, and pensions based on accrued but unpaid contributions.

² Funds for pensions assigned under agreements with certain countries.

³ Insurance contributions for supplement to pensions of civil aviation crews and coal industry workers, funds for early retirement of unemployed persons, funds from certain foreign funds for the payment of pensions, non-tax funds.

Expenditures



⁴ Early retirement of unemployed citizens, pensions under agreements with certain countries.

TERRITORIAL INFRASTRUCTURE

The Russian Pension Fund is developing and optimizing its territorial infrastructure in order to create comfortable conditions for client service visitors and disabled persons, to provide a proper working environment to its employees, and to cut operational costs.

In 2019, the Pension Fund completed the construction of three buildings and the renovation of four buildings and procured five pieces of real estate in development of its territorial infrastructure.

A 335.4-square-meter replacement for the old building in the Tattinsky district of the Republic of Sakha (Yakutia), as well as buildings in Moscow's Golyanovo neighborhood and Krasnoperekopsk in Crimea with a total floor space of 9 594.3 square meters were erected, and dilapidated buildings were renovated in Chechnya and the Penza region.

Buildings with a total floor space of 12 093.2 square meters were purchased for PFR pension payment and information processing centers in the Republic of Sakha (Yakutia), the Smolensk region, the Republic of Karelia, and PFR offices in the Omsk region and the Altai Territory.

The Pension Fund builds or procures real estate whenever the existent buildings are in deplorable condition and cannot receive visitors, as well as whenever it needs to open centers to assign and pay pensions and to provide public services. The location in an area with developed transport and engineering infrastructure is a primary condition of the government's approval of the allotment of land for new buildings.

All renovated and procured buildings comply with the requirements for client services and have everything necessary for work of specialists and quality, comfortable service of visitors, including disabled persons.

For better efficiency of projects, the Pension Fund has approved rules, which set the limit on space of PFR administrative buildings and standard requirements to finishing works, which rule out the use of expensive construction and finishing materials and complex architectural solutions.

The Russian Pension Fund has been reorganizing and reducing its staff since 2015. To date, the area of premises rented by the Fund has shrunk by **39,600 square meters**. The use of freed space has been optimized to cut the rent and to reduce the deficit of premises the Fund needs to receive people, to accommodate its specialists, and to store documents.

The register of PFR standard project documentation contains information about eight projects of the construction of PFR buildings, which are efficient enough to be replicated.

A decision to build a building instead of constructing one is made whenever construction cost more than procurement or a Russian con-

stituent territory has no proper lot for building a Pension Fund building at a place convenient to people.

Energy saving and fire safety requirements and compliance with the standards of the Accessible Environment state program are priorities in the construction or procurement of real estate.

Safe and accessible environment

Buildings of the Fund's territorial divisions, which receive and service citizens, need to comply with the standards of the Accessible Environment state program in addition to such basic requirements as fire safety and energy saving.

Whenever Russian Pension buildings are designed and constructed, that is done consistent with the accessibility requirements. Buildings procured and received by the Fund for use free of charge also create accessible environment for people with reduced mobility.

In 2019, the number of PFR facilities that fully met the requirement of accessibility to disabled persons grew 3.6% to 1 092.

Accessible Environment program standards amounted to 103 mln rubles over the year (110 mln rubles in 2018). The Pension Fund spent the money on individual elevators, ramps and handrails, entrance, lobby and bathroom equipment, tactile floor, Braille navigation signs, sound amplification systems and sound alarms for people with impaired hearing, and improved parking for the disabled.

Public hearings on construction, renovation and procurement projects

Since 2014, the Russian Pension Fund has been holding public hearings on construction, renovation and procurement projects. Hearings are held for all projects with a value exceeding 5 mln rubles.

Hearings involve citizens and civil organizations, including representatives of the Union of Pensioners, the all-Russian Society of Disabled Persons, trade unions, civil associations and small, medium and big business organizations from the all-Russian People's Front, and mass media.

In 2019, the Russian Pension Fund initiated and held 82 public hearings in 38 Russian constituent territories (there were 74 hearings in 37 constituent territories in 2018). All construction and renovation projects were approved at the hearings. The cost of two construction projects was reduced by 0.4% and 1.6%, respectively.

In 2019, the Pension Fund initiated and held **82** public hearings in **38** Russian constituent territories. As a result of two hearings, the cost of two projects was reduced by **0.4%** and **1.6%**, respectively.

PREVENTION OF CORRUPTION PRACTICES

Anti-corruption efforts of the Russian Pension Fund are systemic and planned and aim to comply with every anti-corruption norm of Russian laws.

In 2019, the Russian Pension Fund was fighting corruption consistent with federal anti-corruption laws and the anti-corruption plan of the PFR and its territorial divisions for 2018-2020.

The number of public reports on possible corruption practices in the Pension Fund reduced by 28% to 49 in 2019 (68 reports were made in 2018), including 27 reports received by mail, ten via the PFR website, one at a face-to-face meeting, and 11 by other methods. None of the reports proved correct.

PFR commissions for compliance with the code of conduct and the settlement of conflict of interest held 2 853 meetings over the year (there were 2 426 meetings in 2018). The commissions uncovered 2 864 violations of anti-corruption laws by PFR employees, and 1 415 employees faced administrative responsibility. Both numbers grew since 2018: the number of discovered violations increased by 3.5 times, while the number of disciplinary reprimands grew 4.6 times.

In addition, 513 checks were continued to verify the completeness and correctness of the information about income, property and proprietary obligations of Pension Fund employees (there were 115 checks in 2018). The checks resulted in 252 decisions to bring PFR employees to disciplinary responsibility.

In addition, the Fund conducted 32 checks of employees' expenditures and 385 checks of PFR employees' compliance with the restrictions, bans and requirements

Commissions for compliance with the code of conduct and the settlement of conflict of interest held **2 853 meetings** in 2019, and **1 415 employees** faced administrative responsibility.

aimed to prevent or settle a conflict of interest. Fifteen employees were brought to disciplinary responsibility

Anti-corruption training was provided for 4,000 specialists.

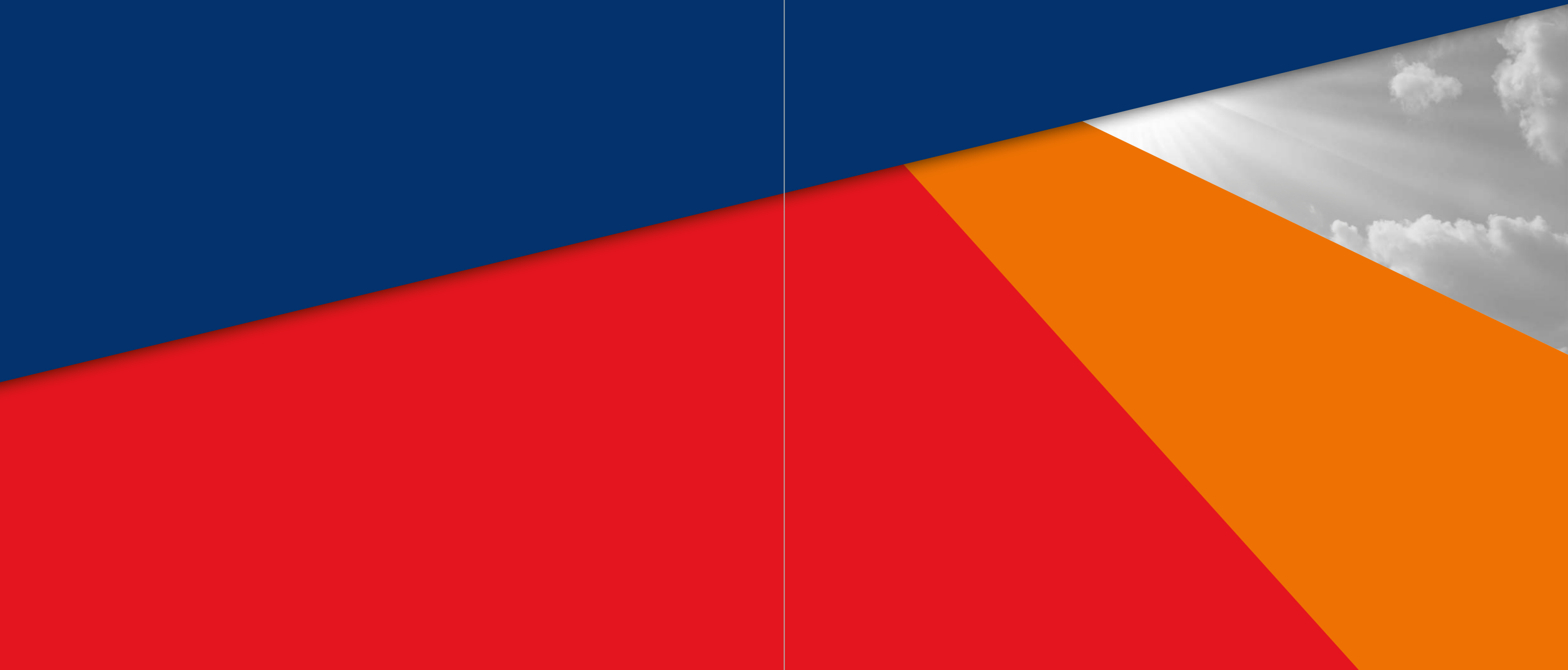
Seeking enhance control over the implementation of the maternity capital program, the Pension Fund's Audit Commission conducted 39 checks (there were 38 in 2018).

Over the year, 76 draft resolutions and 11 resolutions of the Pension Fund underwent anti-corruption evaluation. No factors of corruption were uncovered in those documents.

All drafts of Pension Fund resolutions are published on the PFR website and the federal database of drafts of norms and regulations regulation.gov.ru for the purpose of independent examination by experts accredited at the Russian Justice Ministry. No expert conclusions were received on the drafts of Pension Fund norms and regulations published in 2010.

Over the year, **76 drafts** and **11 resolutions** of the Russian Pension Fund underwent anti-corruption evaluation. No factors of corruption were uncovered in those documents.

Russian
Pension Fund
activity



ASSIGNMENT AND PAYMENT OF PENSIONS

In 2019, the Russian Pension Fund assigned 1.25 mln insurance pensions and 0.29 mln state pensions. The number of pensioners receiving PFR payments reached 43.6 mln by the end of the year.

Assignment of pensions

Terms of the assignment of old-age insurance pensions changed in 2019: the minimal number of pension coefficients increased from 13.8 to 16.2, while the minimal duration of labor record grew from nine to ten years. The pension age increased by six months to 55.5 years for women and 60.5 years for men.

With due account of the new requirements, Pension Fund offices assigned 1.25 mln insurance pensions (874,100, or 41% less than in 2018), including 926,400 (74%) old-age pensions, 190,200 (15%) disability pensions, and 130,900 (11%) survivor pensions. Most of the insurance pensions were assigned for the first time – 1.05 mln, or 84% of all assignments.

As for early retirement of employees with hard or hazardous labor conditions, mothers of many children, people with labor record in the North, and some other categories, 256,300 old-age insurance pensions of the kind were assigned (27.7% of all old-age pensions).

Some 32,200 insurance pensions were assigned to those who delayed their retirement for a year or more to increase their pensions, which is 5.6% more than in 2018.

Some **558,500 insurance and state pensions** were assigned with due account of the right to retire six months before the new retirement age (55.5 years for most women and 60.5 years for most men), or about **60% of old-age pensions**. The rest of old-age pensions were assigned before the retirement age, including on preferential terms.

Higher pensions are paid to persons who delay their retirement for a year or two.

In 2019, state pensions were assigned to 287,200 (29,000 or 9.2% less than in 2018). The absolute majority of state pensions (90%) were social pensions – 258,800.

Over the year, the Pension Fund assigned 1.54 mln insurance and state pensions, while 175,300 applications for the assignment of pensions (12.3%) were declined. Same as before, applications were mostly denied due to the absence of grounds for early retirement. The number of such denials stood at 86,300 (49.2%) in 2019.

Most applications for the assignment of pensions were filed via account on the Russian Pension Fund website and the Public Services Portal in 2019.

The share of online applications for the assignment of pensions grew to 74% in 2019 (from 72% in 2018). In all, the PFR received 1.7 mln applications

Some **99% of disability pensions** are assigned and extended on the basis of information from the Federal Register of Disabled Persons. In 2019, **388,000 pensions** were assigned and **759,000** were extended on the basis of such information.

Number of pensioners, pension size in 2019

As of Dec 31

| Pension type | Number of pensioners, thousand | Dynamics of pensioner population over year, thousand | Average pension, rubles | Average pension size dynamics over year, rubles |
|--|--------------------------------|--|-------------------------|---|
| Insurance pension: | 39 774 | -342,5 | 14 608 | 880 |
| • old age | 36 346 | -356,3 | 15 100 | 915 |
| • disability | 2 051 | 44,2 | 9 353 | 544 |
| • survivor | 1 377 | -30,4 | 9 488 | 631 |
| State pension: | 3 779 | 16,3 | 9 998 | 279 |
| • old age | 454 | 16,2 | 12 984 | 574 |
| • disability | 41 | -1,8 | 13 220 | 235 |
| • survivor | 5 | -0,6 | 10 744 | 369 |
| • long service | 79 | 1,7 | 22 064 | 1 357 |
| Social pension: | 3 199 | 0,9 | 9 287 | 202 |
| • old age | 50 | 0 | 6 312 | -82,7 |
| • survivor | 1 033 | -25,6 | 6 725 | 128 |
| • disability | 2 114 | 26,5 | 10 624 | 212 |
| • disabled children, persons with life-long disabilities | 924 | 19,8 | 13 711 | 276 |
| • orphans | 3 | 0,1 | 11 570 | 302 |
| Total: | 43 553 | -326,2 | — | — |

of the sort. About 1 mln pensions were assigned on the basis of online applications (63%) without visiting client services of the Pension Fund.

The online assignment of pensions has been developing year after year thanks to the electronic services and the information system of the Pension Fund, which stores information about pension entitlements of Russian citizens, and pro-active work of PFR territorial divisions with future pensioners and their employers.

Pro-active preparations for assignment of pensions

The Pension Fund assigns a substantial number of pensions thanks to the pro-active work with citizens and the employers. People preparing to retire may apply to the Pension Fund for information about the types of pension, their pension entitlements, including pension coefficients and labor record, and the availability of documents necessary for the assignment of pension.

HR services of enterprises provide the Pension Fund in advance with information and copies of documents of their employees preparing to retire. The Fund has concluded agreements on online interaction 720,000 employers. Companies interacting with the PFR in the assignment of pensions to their workers include such majors as Sberbank, RZD, Russian Post, RusHydro, Gazprombank, the Novolipetsk Iron and Steel Works, and others.

Over the year, the Pension Fund made pro-active preparations for the assignment of pensions to 818,000 persons and certified the achievement of pre-retirement age by 192,000 persons. Some 121,000 pensions were assigned in collaboration with employers.

Some 1.7 mln applications for the assignment of pensions were filed via account on the Russian Pension Fund website and the Public Services Portal in 2019. Over 1 mln pensions were assigned on the basis of online applications without in-person visits, using information from the PFR database.

The payment of insurance and state pensions reached 7.5 trln rubles in 2019, which is 319 bln rubles or 4.4% more than in 2018. The payment of insurance pensions reached 7062 bln rubles, while the payment of state pensions amounted to 460 bln rubles.

Payment of pensions

Newly assigned pensions, including pensioners receiving insurance and state pensions, reached 43.6 mln by the end of the year. It reduced by 326,000 since the beginning of the year.

During the year, about 39.9 mln pensioners were receiving old-age insurance pension, which grew to 14,600 rubles on the average, including 15,500 rubles for non-working pensioners. Meanwhile 3.8 mln pensioners were receiving state pensions, which neared 10,000 rubles on the average.

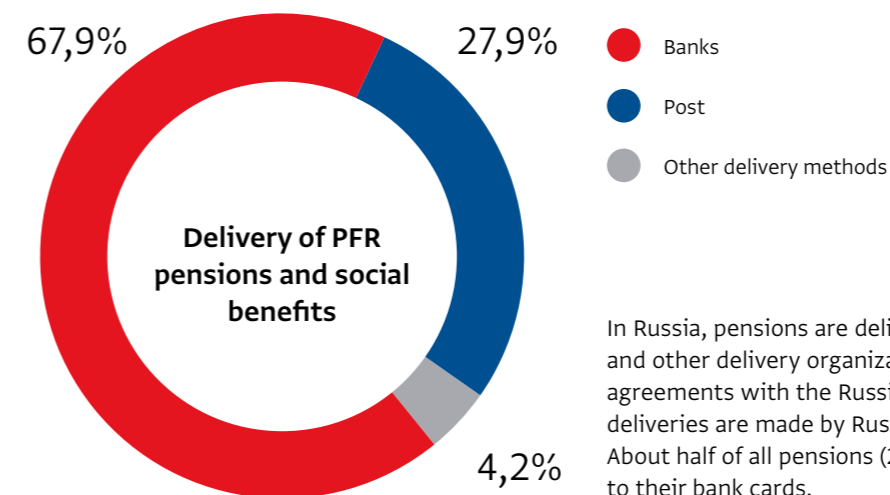
In 2019, Some 4.5 mln pensioners (10.3%) were receiving payments before they reached the retirement age.

About 185,400 pensioners had two pensions. These include WWII veterans and persons with war-related disabilities (whose pensions reached 37,400 and 30,500 rubles on the average, respectively), parents and widows of deceased servicemen (average pensions stood at 26,000 rubles 25,7 rubles, respectively), as well as people with the badge of «Resident of Besieged Leningrad» (who had an average pension of 30,800 rubles).

By the end of the year, the payment of insurance and state pensions reached 7.5 trln rubles, or 319,000 rubles (4.4%) more than in 2018. Most of the funds, 7 062 bln rubles, were paid as insurance pensions, while 460 bln rubles were spent on state pensions.

In 2019, 3.8 mln non-working pensioners were receiving a federal social supplement to their pensions, which stood at 1,900 rubles on the average. The overall spending of the Russian Pension Fund on federal social supplement to pensions amounted to 94.4 bln rubles.

Management of the delivery and assignment of pensions is mostly done via electronic services of the Russian Pension Fund. In 2019, the number of applications for choosing or changing the pension delivery method filed via account on the PFR website or on the Public Services Portal reached 3.7 mln or 72.5% of all pension delivery applications received by the PFR.



In Russia, pensions are delivered by post, banks and other delivery organizations that have relevant agreements with the Russian Pension Fund. Most deliveries are made by Russian Post and Sberbank. About half of all pensions (22.1 mln) receive pensions to their bank cards.

Pension raise

All pensions paid by the Russian Pension Fund are annually increased consistent with the inflation rates and the growing subsistence minimum of a pensioner. Since 2019, insurance pensions have been growing at rates higher than the forecasted inflation.

On January 1, insurance pensions of 32 mln non-working pensioners were increased by 7.05% (inflation stood at 4.3% at the end of 2018). An average pension grew by 1,000 rubles to 15,500 at the end of the year.

Pension entitlements of future pensioners were increased by 7.05% with a higher value of the pension coefficient and the fixed payment on which the insurance pension is based. The pension coefficient value grew from 81.49 to 87.24 rubles, while the fixed payment went up from 4 982.9 to 5 334.19 rubles.

State pensions, including social ones, increased by 2% on April 1, consistent with the growth of the pensioner subsistence minimum in 2018. The pension raise applied to 3.8 mln people. An average size of the social pension, which is the most common type of state pension, increased to 9,300 rubles.

The payments to pensioners who stopped working during the year were also increased consistent with the previous pension raises. The payments to pensioners who continued to work in 2018 were automatically adjusted on August 1, consistent with the amount of pension contributions received over the period of their employment. In all, pensions of 12.2 mln pensioners were increased (11.4 mln in 2018).

In 2019, 185,400 pensioners were receiving two pensions. These include WWII veterans and persons with war-related disabilities, persons with the badge of «Resident of Besieged Leningrad», parents and widows of deceased servicemen.

Payment of pensions abroad

The Russian Pension Fund is paying pensions to Russian and foreign citizens who retain their pension entitlements if they move to another country, as well as under international social security agreements. The Fund pays pensions irrespective of the country of residence and citizenship of the pensioner, except for social pensions.

The safety of pension entitlements gained in Russia is also guaranteed to foreign citizens who worked for Russian companies and retired in their home countries if such countries and Russia have social security agreements.

In 2019, there were 20 agreements between Russia and 24 countries on the mutual payment of pensions.

The number of Russian pensioners residing abroad and receiving payments under those agreements grew to 63,200 (as against 60,800 in 2018). PFR payments on such pensions grew 8.9% to 4.9 bln rubles (from 4.5 bln rubles in 2018).

The number of foreign pensioners residing in Russia and receiving pensions under such international agreements is much smaller, 7,000 (as against 5,600 in 2018). The spending on pensions of such pensioners reached 819.4 mln rubles, or 41% more than they were in the previous year (581.7 mln rubles).

In all, Russian Pension Fund payments are received by pensioners in 123 countries. Their number grew by 9,800 (3%) to 339,500 in 2019.

Of that number, 164,100 pensioners receive pensions via banks in the Russian territory (the payments stood at 28.6 bln rubles in 2019), while 175,300 pensioners receive payments in the country of residence, and their pensions are paid in a foreign currency (such payments amounted to 20.9 bln rubles).

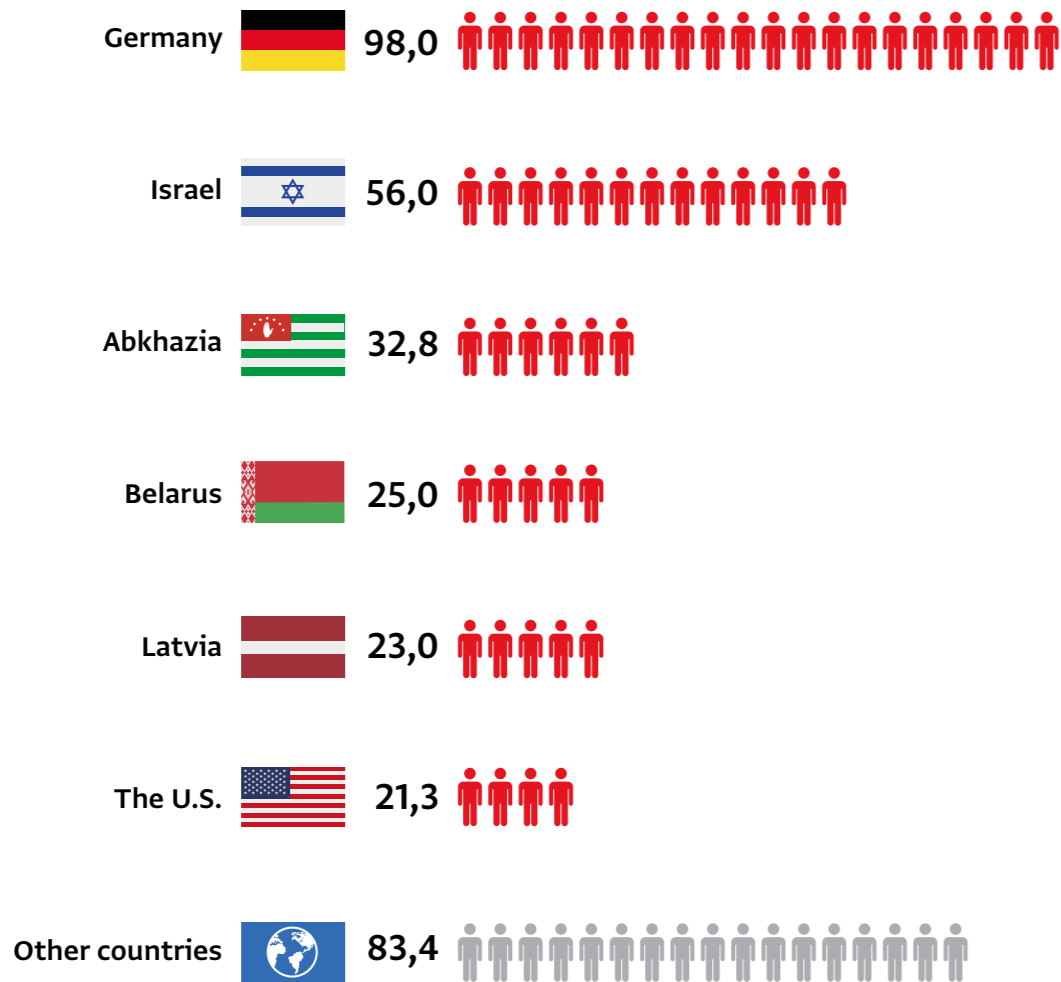
All pensions assigned since 2015 under international agreements are paid to Russian pensioners residing abroad exclusively in the Russian territory, via banks or lawful representatives.

The overall PFR expenditures on paying pensions abroad reached 49.5 bln rubles in 2019, or 10.7% more than in 2018.

In 2019, there were 20 international agreements regulating social security relations between Russia and 24 countries. PFR pensions were received by **63,200 pensioners** residing abroad consistent with the agreements based on the reciprocity principles.

States with the largest number of recipients of Russian pensions

thousand people



- **Over the year**, Pension Fund specialists took part in negotiations on the implementation of Russian agreements with Belarus, Latvia, Czechia and Estonia.
- **New social security** agreements were reached between Russia and Azerbaijan, Belgium, China, Luxembourg, Macedonia, Moldova, Mongolia, Portugal, Slovenia, Tajikistan, Turkey, Uruguay, South Korea, and Japan.
- A social security agreement between Russia and Hungary was signed **on October 30**.
- **On November 4**, Russia ratified the March 4 protocol on adjustments to the social security agreement with Bulgaria dated February 27, 2009.
- An agreement on mutual social security services in Eurasian Economic Union member states was signed **on December 20**. It is subject to ratification.

Russian Pension Fund payments are received by pensioners in 123 countries. By the end of 2019, the number of such pensioners reached **339,500**, up **9,800**, or **3%** since the previous year.

Abkhazia, Belarus, Latvia and Israel host the largest number of Russian pensioners among countries that have social security agreements with **Russia**. **Germany, the United States, Finland and Canada** top the list of countries without such agreements with Russia.

FORMATION AND PAYMENT OF PENSION SAVINGS

About 800,000 pensioners and people of pre-retirement age received pension saving payments totaling 17 bln rubles in 2019.

Formation of pension savings

Pension savings are being formed by 76.3 mln Russians, and the savings of 38.9 mln of them are operated via the PFR. In 2019, 150.6 bln rubles earned as a result of the investment of pension savings via the state management company VEB.RF and private management companies working under agreements with the Russian Pension Fund were credited to the accounts of those citizens. The earnings stood at 107.6 bln rubles in 2018.

Pension savings of Russians have also grown due to the pension co-funding program. Voluntary contributions of program participants amounted to 4.0 bln rubles in 2019, while the state co-funding of voluntary contributions made in 2018, which, consistent with the law is provided in 2019, reached 4.7 bln rubles.

In addition, mandatory funded pension insurance contributions totaling 0.34 bln rubles, which were received as debts and arrears of the previous years, were credited to accounts.

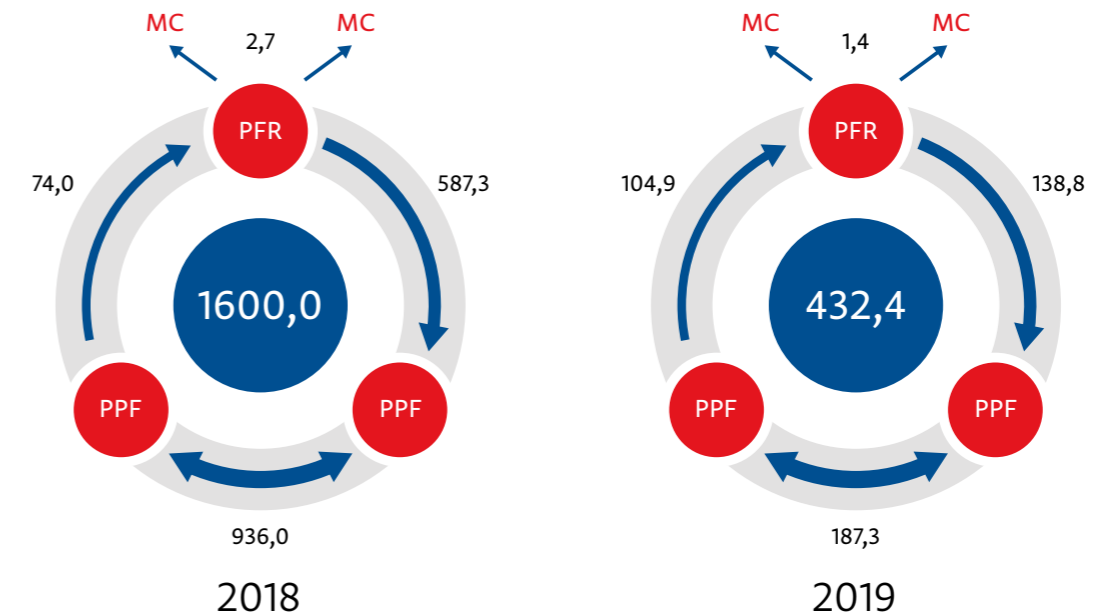
Some 12.6 bln rubles were received as revenue on temporary depositing of pension savings and mandatory pension insurance reserves in banks.

Over the year, private pension funds transferred 4.98 bln rubles to the PFR (5.1 bln rubles in 2018). For its part, the Pension Fund transferred 45.36 bln rubles to private pension funds, including 40.41 bln rubles within the framework of transfers requested in 2018 (transfers amounted to 168.8 bln rubles in 2018, including 162.9-bln-ruble transfers requested in 2017).

Another 17 bln rubles were assigned for payments to pensioners and their survivors.

Pension savings' transfer to management companies, private pension funds

Number of persons who chose another manager of their pension savings (thousand)



PFR – Russian Pension Fund
MC – Management companies
PPF – Private pension funds

The Pension Fund transfers all money forming pension savings to management companies, which operate under an agreement with the PRF, or private pension funds, which operate in the field of mandatory pension insurance, consistent with the choice of citizens. It not only distributes new funds but also re-distributes pension savings, consistent with the choice of citizens.

In 2019, the PFR received 345,800 applications for the transfer of pension savings, which is 5.7 times less compared to 2018, when 2 mln applications of the kind were submitted. The number of applications reduced due to the restrictions on available channels for the submission of such applications, imposed in 2019, and information about the losses incurred in the event of transfers made in less than five years.

The PFR processed 195,400 applications for premature transfer to another fund, which were

filed in 2015, upon the expiry of the five-year period mandatory for changing the fund without losing investment income.

Out of 540,400 processed applications, 432,400, or 80%, were approved.

Same as in 2018, most of the approved transfers (187,300, or 43.3%) moved the funds from one private pension fund to another.

Meanwhile, 138,800 (32.1% of all applicants) transferred their pension savings from the PFR to private pension funds, 104,900 (24.3%) came back to the PFR from private pension funds, and 1,400 (0.3%) chose a new management company and kept their money at the PFR.

In 2019, applicants were informed about consequences of the premature transfer of funds and the possibility to withdraw a transfer application filed earlier. In 2019, the Pension Fund sent

3.7 mln notices of the amount of losses to be incurred from the premature transfer of funds and received 10,800 notices from applicants who cancelled their plans to choose another fund.

As a result, the share of premature transfers reduced 60.5% over the year (from 95.8% in 2018), and the losses incurred from premature transfers of pension savings were the all-time low.

Meanwhile, the share of applicants returning to the PFR from private pension funds grew by almost five times since 2018, from 4.6% to 24.3%.

As a result of transfers, the Russian Pension Fund assigned 12.2 bln rubles to private pension funds and 0.3 bln rubles to management companies.

Investment income assigned by the PFR to the mandatory pension insurance reserves as a result of premature transfers from the PFR to private pension funds stood at 2 bln rubles.

At the end of transfers, 38.6 mln Russians are forming their pension savings with the state management company VEB.Rf, while 37.3 mln people are doing so with private pension funds and 0.3 mln people with private management companies.

The new rules of premature transfers of pension savings, which took effect in 2019, reduced the share of premature transfers with the loss of investment income to **60.5% (from 95.8% in 2018)**. Losses incurred from premature transfers of pension savings were the all-time low.

PFR participation in pension savings guarantees

Alongside other funds operating pension savings, the Russian Pension Fund is a participant of the system of pension savings guarantees. This is a two-level system. The first level guarantees pension savings with own reserves of pension funds. Whenever those funds are insufficient, guarantees are provided on the next level, by the Deposit Insurance Agency, with the annual contributions of all funds.

In 2019, the Russian Pension Fund assigned 2.25 bln rubles to the mandatory pension insurance reserves to guarantee the safety of pension savings (2.36 bln rubles in 2018), while 437.8 mln rubles were assigned to the Deposit Insurance Agency (459.7 mln rubles in 2018).

Seeking to prevent fraud, the Pension Fund and the Federal Notary Chamber launched an interagency e-service in 2019 to verify the power of attorney to transfer pension savings.

Temporary depositing of pension savings

All funded pension contributions are transferred by the Russian Pension Fund to management companies and private pension funds for investment purposes. By law, the transfer is not immediate, and the Pension Fund temporarily invests pension savings in Russian banks to increase the funds before they are handed over to professional managers.

In 2019, the PFR held 22 deposit auctions, including 16 at the Moscow Exchange and six at the St. Petersburg Exchange. The auctions resulted in the conclusion of 52 deposit agreements. Over 463 bln rubles were deposited for 17 to 193 days.

The income from pension saving deposits reached 12.6 bln rubles, which is 8.9% income much higher than the annual inflation (3%).

For comparison, the profitability of pension savings' investment in the expanded portfolio of the state management company VEB.RU stood at 8.6% in 2019. The overall profitability of pension savings' investment by private pension funds was 8.2%.

Most income was received from deposits of mandatory pension insurance reserves, which yielded 12.45 bln rubles. The income from depositing of voluntary contributions for the formation of pension savings and mandatory insurance contributions of employers reached 0.12 bln rubles.

The Russian Pension Fund earned **12.6 bln rubles** from temporary depositing of pension savings in banks in 2019.

The Russian Pension Fund assigned **2.25 bln rubles** to the mandatory pension insurance reserves to guarantee the safety of pension savings. In addition, **437.8 mln rubles** were assigned to the pension savings guarantee fund of the Deposit Insurance Agency.

Funded pension system and its participants

(as of Dec 31, 2019)



Insured parties

Most working Russians are forming pension savings. First of all, these are people born in 1967 and younger, participants in the state pension co-funding program and maternity capital certificate holders who spend some of the maternity capital funds on funded pension. In all, 76.3 mln people have pension savings.



Pensioners

The payment of pension savings began in July 2012. Most pensioners receive their saving as a one-off payment, as their pension savings were formed within a brief period and amounted to a small sum. The one-off payment of pension savings was received by 652,200 pensioners in 2019. The number of recipients of monthly payments from funded pension and term payments exceeded 109,000 by the end of the year.



Employers

Most savings in the funded pension system come from mandatory insurance contributions of employers paid from 2002 to 2013. Contributions to the funded pension system were suspended by law in 2014, and now employers can make only voluntary contributions for the pensions of their employees within the framework of the pension co-funding program. In 2019, employers paid 65.9 mln rubles as voluntary contributions to the funded pension system.



Russian Pension Fund

Serves as an insurer in the formation of pension savings. All funded pension insurance contributions are paid to the PFR, which transfers them to management companies or private pension funds consistent with the applicants' choice. Pension savings of those who chose the PFR as their insurer are invested by the state management company VEB.RF and 17 private management companies offering a total of 21 investment portfolios. Pension savings operated by management companies via the PFR were being formed by 38.9 mln people at the end of 2019. Those savings totaled 1 867.5 bln rubles.



Private pension funds

Same as the Russian Pension Fund, private pension funds serve as insurers in the formation of pension savings. They sign mandatory pension insurance agreements with citizens and savings investment agreements with management companies. According to the Russian Central Bank, 37.3 mln people were forming their pension savings with 33 private pension funds in 2019. The savings operated by private pension funds totaled 2 832 bln rubles.



Management companies

Invest pension savings in financial assets and receive income. A person who never transferred one's pension savings from the PFR or chose a management company has pension savings operated by default by VEB.RF, the state management company, which serves the largest number of insured parties (38.6 mln) and operates the largest amount of pension savings (1 833.9 bln rubles). In 2019, the PFR was also working with 17 private management companies offering 19 investment portfolios. Some 275,000 people were forming pension savings totaling 33.6 bln rubles with those companies. The Pension Fund terminated its agreement with three private management companies in 2019.



Deposit Insurance Agency

Since 2015, the Deposit Insurance Agency has been serving as the administrator of the Fund for Pension Savings Guarantee. The agency collects and controls the payment of contributions to the fund and invests them. In case of emergency, the Deposit Insurance Agency guarantees the payment of compensations to citizens and liquidates private pension funds with revoked licenses.



Central Bank

Serves as the regulator of the saving system, controls the activity of management companies and private pension funds consistent with the law, protects rights and lawful interests of insured parties in the formation of pension savings.

In 2019, **38.9 mln people** were forming their pension savings with the Russian Pension Fund via the VEB.RF state management company or a private management company.

Assignment and payment of pension savings

In contrast to insurance pensions, pension savings are paid several ways, depending on the way of their formation and beneficiary.

In 2019, the Pension fund assigned 874,600 pension savings, which are 305,400 less than the year before. The decline was mostly seen in one-off payments (265,400, or 28.4% less than in 2018), as fewer people reached the retirement age in 2019 (the retirement age grew by six months in January). Another reason for the decline in one-off payments is the retirement of an increasing number of people whose pension savings were formed over a long period of time and could be paid monthly rather than a one-off sum.

Still, same as in the previous years, most payments (669,500) were one-off sums received by people with pension savings of less than 5% of the overall amount of their insurance and funded pension balance. Pension savings of those people were formed within a brief period of time and can be paid as a lump sum.

On August 1, pension saving payments to 108,700 pensioners grew consistent with the annual review based on the additional pension insurance contributions or investment of pension funds. Some 77,100 pensioners received larger funded pensions, while 31,600 pensioners had term payments increased.

The Russian Pension Fund has paid **140 bln rubles** as pension savings over 7.5 years since July 2012. Over that period, monthly and one-off payments of pension savings have been received by **9.7 mln persons**.

Assignment and payment of pension savings in 2019

as of Dec 31

| Type of pension saving payment | Number of assignments, thousand | Number of beneficiaries, thousand | Average amount, rubles | Total payments, mln rubles |
|--------------------------------|---------------------------------|-----------------------------------|------------------------|----------------------------|
| Funded pension | 15,6 | 78,0 | 956 | 833 |
| Term pension payment | 6,0 | 31,1 | 1 687 | 581 |
| One-off payment | 669,5 ¹ | 652,2 | n/a | 12 228 |
| Payment of survivors | 183,5 | n/a | n/a | 3 358 |
| Total | 874,6 | 761,3 | - | 17 000 |

¹ The number of assigned one-off payments exceeds the number of beneficiaries, as in some cases a payment may be assigned to another person twice.

RECORDS OF PENSION AND SOCIAL ENTITLEMENTS

The technological potential of the Russian Pension Fund's information system, which has been successfully used to keep record of pension entitlements of millions of Russians over year, is now actively used to record a broad range of social benefits and social support from the government.

Federal Register of Disabled Persons

The following measures were taken in 2019 in furnace of the development of the Federal Register of Disabled Persons:

- A new service was prepared to expand the register with information about vehicles of disabled persons to provide free parking space. The new type of information from the FRDP will be available to the authorities in all Russian constituent territories responsible for the provision of free parking; the demand for free parking will be assessed faster and with a greater precision, and there will be no parking barriers for disabled persons traveling outside the home region. The extraterritorial principle of information will allow a disabled person to park for free in any city of the country.
- There is also a new service to facilitate the filing of employment applications by disabled persons. It will assist the search for employment, transportation to the place of work, and adaptation to the new job.
- Another service enables Russian Railways to verify disabilities in selling discounted tickets.
- A vacancy widget from the Work in Russia portal has been installed on the website of the Federal Register of Disabled Persons.
- The interaction with Rosobrnadzor has been established to verify disabilities of future graduates and to provide them with special conditions during exams.
- Amendments have been drafted to the Code of Administrative Offenses to penalize entities and agencies for incompliance with the procedure for submitting information to the FRDP.

Some **99% of disability pensions** are assigned and extended on the basis of information from the Federal Register of Disabled Persons. In 2019, information from the Register was used to **assign 388,000 pensions** and to extend **759,000 pensions**.

Information provided by agencies for the Federal Register of Disabled Persons

| | |
|---------------------------------------|--|
| Health Ministry | Information about high-tech medical assistance, «Seven Nosologies» morbidity information cochlear implantations, service provided by the ministry's health resorts |
| Medical and Social Examination Bureau | Confirmation of disability, individual rehabilitation or abilitation program. Post-injury rehabilitation program |
| Russian Pension Fund | Information about pensions and social benefits, information about labor record necessary for the assignment of pension |
| Rosobrnadzor | Information about education documents |
| Rostrud | Employment and salary information |
| Social Insurance Fund | Information about provided technical rehabilitation means, payments, and health resort service provided in the package of social services |

Disabled person's account sfri.ru

Disabled person's personal data

- Disability group and period.
- Assigned pensions and social benefits, including their amount.
- Individual program of rehabilitation and abilitation and accomplished measures.
- Provision of high-tech medical assistance and health resort service.
- Education and employment information.
- History of applications and feedback on received services.

Public web portal sfri.ru

Public information about disabled persons

Statistical information about the number of disabled persons in Russia, their age structure, disability group and cause, education and employment.

Life situations of disabled persons

FAQ about daily life situations of disabled persons, including the establishment of disability, the assignment of pensions and social benefits, and the job search.

Unified State Social Security Information System

Alongside the development of the Federal Register of Disabled Persons in 2019, the Pension Fund continued to work on the Unified State Social Security Information System (USSSIS), a larger project that keep record of social protection of disabled persons and the entire social sector in Russia. Over the year, the USSSIS underwent the following transformations:

- A service of notification about social entitlements was launched. The service operates as part of the USSSIS Social Calculator that contains information about all benefits provided in particular regions.
- The formation of a list of parentless children in need for housing began. The list was completed and uploaded into the USSSIS by the end of the year.
- A classifier of social protection measures was created to systematize payments and benefits available in various Russian constituent territories. The classifier is updated at least once a month and is available to the general public on the egisso.ru portal.
- Conditions were created for the exchange of information about assigned social benefits between executive agencies.
- The USSSIS portal acquired a new section with regulations on USSSIS operation, guidelines for particular regions, videos with instructions how to use the USSSIS, as well as accounts of information supplier and user. The portal also opened a news section for registered users and information about subsistence minimums in Russian constituent territories.

USSSIS goals

- Unification of social protection measures provided by public and municipal authorities, institutions and organizations.
- Possibility of more accurate forecasts of budgetary social expenditures.
- Better quality of public and municipal services.
- Higher awareness and broader use of social entitlements.
- Possibility of targeted social support whenever that is really necessary.

In 2019, the USSSIS was used in a pilot project aimed to achieve national targets of higher income and poverty reduction. Executive agencies received analytical information from the USSSIS to prepare forecasts for social support and to evaluate the efficiency of earlier measures.

Records of pension entitlements

Alongside the development of new opportunities in the recording of social protection entitlements of Russian citizens in 2019, the Russian Pension Fund continues its core activity and kept accounts in the mandatory pension insurance system.

Main services provided by the Fund in the recording of pension entitlements is the registration of new participants in the pension system, the updating of account information, the provision of information about key aspects of the forming pension and assigned payments, and the protection of personal data.

Registration in the mandatory pension insurance system

The registration in the mandatory pension insurance system is a key public service provided by the Pension Fund to begin the formation of pension entitlements of any person. Every person registered in the system is provided with an individual account, SNILS, which later serves as identifier of pension entitlements. SNILS shows the amount of pension insurance contributions, labor record and the number of pension coefficients. In 2019, the PFR registered 0.8 mln new members of the mandatory pension insurance system, and the total number of accounts reached 156.1 mln.

Personal data protection

Information available on accounts in the Pension Fund is confidential. Therefore, personal data is protected on every level of the PFR system and at every stage of personal data processing, starting with the submission of information from individuals and legal entities and ending with information storage. Emphasis is put on the safety of personal data in the course of exchange between PFR territorial divisions and in relations with third parties that provide pension and social service.

Updates of pension entitlement records

Pension entitlement information available on accounts in the mandatory pension insurance system is based on employer report of the accrued and paid insurance contributions and labor record of workers. In 2019, the Pension Fund used the information from employers to update accounts of 63 mln Russians consistent with their pension entitlements.

Information about pension and social entitlements

The Pension Fund provides several kinds of information to participants in the mandatory pension insurance system. The most popular service is the provision of information about pension entitlements, including the number of pension coefficients and labor record. In 2019, The Pension Fund provided such information at the request of 32.6 mln citizens. About 1 million requests were made via PFR client services, and almost 31 mln requests were filed online via accounts on the Pension Fund website and the Public Services Portal.

Data validation in electronic interagency interaction system

The Pension Fund is an active member of the electronic interagency information system, which various authorities are using to exchange information necessary for the provision of public services to citizens. In 2019, the Pension Fund provided information from its database at 346.2 mln requests for confirmation of personal data of citizens, SNILS, types and amount of PFR payments, etc.

32.6 mln requests for information about pension entitlements were processed by the Russian Pension Fund in 2019. Information was provided at 31 mln requests via accounts on the Pension Fund website and on the Public Services Portal.

CO-FUNDING OF PENSION SAVINGS

Over 11 years of the pension saving co-funding program, participants have voluntarily contributed 65.3 bln rubles to their future pensions and received state support at an amount of 63.4 bln rubles.

The program of state co-funding of pension savings was launched in October 2008 to enable voluntary contributions for funded pensions amounting to 2,000-12,000 rubles per year with relevant state co-funding.

Contributions were made by 414,000 program participants in 2019. Their contributions reached 4 bln rubles, with an average contribution of 9,700 rubles.

Employers, which are also allowed to participate in the program and to pay contributions for their workers, reached 65.9 mln rubles.

The state contributed 3.7 bln rubles in 2019 to co-fund the contributions made by program participants. Consistent with the law, the funds will be credited to participants' accounts in May 2020. Meanwhile, in May 2019, the Pension Fund credited 4.7 bln rubles to accounts as state co-funding of the contributions made in 2018.

Together with the voluntary contributions made in 2019, the overall funding of the program reached 65.3 bln rubles. Over that period, the state co-funding of the savings amounted to 63.4 bln rubles. Another one billion rubles was contributed by employers. The total sum of pension savings accumulated in 2009-2019 neared 130 bln rubles.

The contributions made under the program of pension savings co-funding are invested by management companies at the choice of participants and can be inherited.

Some **414,000 persons** made voluntary contributions to the pension savings co-funding program in 2019. An average contribution grew to **9,700 rubles** year-on-year.

It is possible to control the formation of savings via account on the Pension Fund website or the Public Services Portal, as well as with statements provided by Pension Fund client services and multifunctional public service centers.

There are special terms for pensioners participating in the program: their voluntary contributions are quadrupled instead of being doubled.

In 2019, the payments to participants in the pension savings co-funding program reached **581 mln rubles**. The payments grew by a third, and the number of recipients reached 30,700 over the year.

State program of pension savings co-funding

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|--|----------------|----------------|------|-------|-------|-------|-------|-------|------|------|------|--------|
| Contributors, mln | 0,6 | 0,7 | 0,8 | 1,0 | 1,8 | 1,2 | 0,9 | 0,8 | 0,7 | 0,6 | 0,4 | — |
| Contributions, bln rubles | 2,6 | 3,6 | 3,9 | 6,1 | 12,6 | 9,6 | 7,0 | 5,6 | 5,3 | 4,9 | 4,0 | 65,3 |
| Average contribution, thousand rubles | 4,2 | 4,9 | 5,1 | 6,4 | 7,0 | 7,7 | 7,6 | 7,4 | 8,1 | 8,4 | 9,7 | — |
| Employer contributions, mln rubles | — ¹ | — ¹ | 97,7 | 126,1 | 117,3 | 200,6 | 129,3 | 107,4 | 92,2 | 85,3 | 65,9 | 1021,6 |
| State co-funding, bln rubles | 2,5 | 3,4 | 3,9 | 5,9 | 12,4 | 9,4 | 6,8 | 5,5 | 5,1 | 4,7 | 3,7 | 63,4 |

¹ Included in contributions of the relevant year.

MATERNITY (FAMILY) CAPITAL

The number of Russian families that received maternity capital reached 7.3 mln in 2019. They have been paid 2.63 trln rubles since over the program period.

In 2019, the Pension Fund issued 626,500 maternity capital certificates. The total number of certificates issued since the program launch reached 9.7 mln. Funds were fully spent by the end of the year under 6.3 mln certificates. In 2019, the maternity capital amount reached 453 026 rubles.

Over the year, families filed over 950,000 applications for spending maternity capital funds totaling 291.6 bln rubles. There were 926,100 applications for spending 302.1 billion rubles in 2018.

Same as before, most applicants wished to improve their living conditions – 644,100 applications, or 67.8% of all applications filed over the year, had such purpose. Although housing remains the main spending article in the maternity capital program, an increasing number of families show interest in funding the education of their children. The number of applications for funding education and educational services of schools, preschools, vocational schools, and higher educational establishments grew 22% to 207,000 in 2019. This is another proof of the long-standing status of the education sphere of the maternity capital program as the most actively developing.

There were 98,600 applications for monthly payment of maternity capital funds for the second child. In 2019, the right was given to families with per capita income smaller than the 1.5-fold amount of the regional subsistence minimum of able-bodied persons. Monthly payments of the Pension Fund amounted to 8.4 bln rubles over the year.

Over the year, 676 applications were filed for spending maternity capital funds on

The maternity capital program was extended until the end of 2026 – family aspiring for maternity capital funds must have the first, second or subsequent child born by that time.

mother's funded pension, and another 102 applicants sought funding of social adaptation and integration of disabled children. The new option, which appeared in 2016, allows to spend the money on specialized goods and services for disabled children.

Since the beginning of the maternity capital program, the Pension Fund has met almost 7.5 mln applications for spending the funds. The overall amount of spent funds reached 2.63 trln rubles by the end of 2019.

As a result, 6.3 mln certificate holders (64.9% of the entire number) fully spent their maternity capital, while 2.4 mln families have fully preserved their maternity capital and could use it in the future.

In 2019, families filed over **950,000 applications** for spending maternity capital funds to the total amount of **291.6 billion rubles**. In 2018, there were 926,100 applications for spending **302.1 bln rubles**.

Maternity capital use

| Areas | Statements, thousand | | | Funds, bln rubles | | |
|---|----------------------|--------------|----------------|-------------------|--------------|----------------|
| | 2018 | 2019 | 2007-2019 | 2018 | 2019 | 2009-2019 |
| Improvement of living conditions: | 714,3 | 644,2 | 6 471,0 | 289,0 | 270,4 | 2 440,3 |
| • with loan: | 456,0 | 400,1 | 4 108,2 | 192,4 | 176,7 | 1 665,8 |
| • without loan: | 258,4 | 244,1 | 2 362,8 | 96,7 | 93,7 | 869,4 |
| - construction | 49,6 | 46,1 | 535,6 | 12,5 | 12,7 | 132,6 |
| - purchase | 185,1 | 175,7 | 1 674,1 | 74,9 | 74,3 | 671,8 |
| Education of children | 169,0 | 206,8 | 877,9 | 10,2 | 12,7 | 50,2 |
| Mother's funded pension | 0,7 | 0,7 | 5,2 | 0,2 | 0,1 | 1,1 |
| Goods and services for disabled children | 0,1 | 0,1 | 0,3 | 0,004 | 0,003 | 0,013 |
| Monthly payment | 42,1 | 98,6 | 140,7 | 2,9 | 8,4 | 11,3 |
| Total | 926,1 | 950,4 | 7 495,1 | 302,1 | 291,6 | 2 502,9 |

Applications for spending maternity capital funds have been filed since 2007, and the payments began in 2009, as children whose families received maternity capital certificates turned three. In 2009-2011 and in 2015-2016, families also received four one-off payments of maternity capital funds. In all, 128.3 bln rubles were paid over those years

SOCIAL BENEFITS

Social benefits and supplements received by over 20 mln Russians in 2019 topped 522 bln rubles.

Monthly benefit

Assigned to war veterans, WWII veterans and persons with war-related disabilities, members of their families, people exposed to radiation accidents and nuclear tests, disabled persons of all groups, disabled children and some other categories.

- Beneficiaries – **15 mln people**
- Amount – **from 541 rubles to 63 708 rubles** depending on the beneficiary's category.
- Yearly payment – **410 bln rubles.**

Package of social services

This is part of the monthly benefit, which includes drugs, medical goods, dietary food for disabled children, health resort service, and free transportation to health resort and back. The benefit can be monetized either fully or partially.

- Beneficiaries – **4.9 mln people** (services, fully or partially), **12.6 mln people** (money, fully or partially).
- The monetary equivalent of the package of social services is – **1 121 rubles.**
- Yearly payment – part of monthly benefit.

Benefit for care for disabled persons

Compensates for the lost income of non-working able-bodied citizens who take care of disabled persons: people with 1 group disabilities, people who need constant care, people older than 80.

- Beneficiaries – **2.1 mln people.**
- Amount – **1 200 rubles.**
- Yearly payment – **43 bln rubles.**

Benefit for care for disabled children and people with Group 1 life-long disabilities

Assigned to compensate for the lost income of non-working able-bodied citizens who take care of disabled children and people with group 1 life-long disabilities.

- Beneficiaries – **577,400 people.**
- Amount – **1 200 rubles, 5 500 rubles** (before July 1) or **10 000 rubles** (after July 1) depending on the beneficiaries' category.
- Yearly payment – **49.3 bln rubles.**

Funeral benefit

Received by families of deceased non-working pensioners.

- Beneficiaries N/A.
- Amount **5 946 rubles.**
- Yearly payment – **8.7 bln rubles.**

Monthly supplementary benefit of WWII veterans

Assigned to WWII veterans and people with war-related disabilities, former prison camp inmates, people with «Resident of Besieged Leningrad» badge, and some other categories to raise their income.

- Beneficiaries – **353,000 persons.**
- Amount – **500 or 1 000 rubles,** depending on the beneficiary's category.
- Yearly payment – **3.6 bln rubles.**

Compensation of cost of transportation to and from vacation destination

Assigned to non-working pensioners of the North to compensate the cost of their transformation to and from vacation destination in Russia.

- Beneficiaries – **263,200 persons** (money), **5,600 persons** (ticket), **900 persons** (money and ticket).
- Average amount – **14,400 rubles** (money), **32 700 rubles** (ticket).
- Yearly payment – **4 bln rubles.**

Supplementary benefit for outstanding achievements and merits

Assigned for outstanding achievements and merits to Heroes of the Soviet Union and Russia, Heroes of Socialist Labor and Labor, people decorated with Glory and Labor Glory Orders, Order of Merit, Olympic champions, and some other categories of citizens.

- Beneficiaries – **15,000 persons.**
- Amount – **13 209, 17 436 or 21 927 rubles** depending on the beneficiary's category.
- Yearly payment – **3.3 bln rubles.**

Compensation of cost of resettlement transportation

Assigned to non-working pensioners of the North to compensate the cost of transportation in their resettlement from the Arctic and similar regions.

- Beneficiaries – **9,000 persons.**
- Average amount – **39,500 rubles.**
- Yearly payment – **0.3 bln rubles.**

As of December 31, 2019

INFORMATION CAMPAIGN

The diversity of Russian Pension Fund's services attracts a huge audience. Hundreds of thousands of people use PFR services across the country every year. The PFR is using a vast range of communication tools to communicate with to the audience. The Pension Fund's information campaign relies on every available mass media channel.



TV videos

In 2019, the Pension Fund released a number of TV videos about the formation of pension entitlements, factors essential for the pension size, new opportunities in using maternity capital, and electronic services. PFR videos were aired by such federal channels as Channel One, NTV, Channel 5 and REN TV. In all, the videos were aired more than 2,400 times on television.



Press modules

Modules presenting information on the most topical aspects of pension entitlements and social benefits were published by nine Russian newspapers and magazines with the largest national circulation in the course of the Pension Fund's program aimed to raise social security awareness of citizens. Printed media outlets published 83 information materials of the PFR on five subjects, namely, the pension forming procedure and factors essential for pension entitlements, labor market legalization, new opportunities of using maternity capital, electronic services of the PFR, etc.



Radio announcements

Pension Fund announcements were aired by 19 leading national radio stations, including Avtoradio, Ekho Moskvy, Love Radio, Hit FM, Europa Plus, DFM, Energy and others, in 2020. The announcements addressed such issues as the pension forming procedure and factors essential for pension entitlements, electronic services of the PFR, new opportunities in using maternity capital, labor market legalization and other issues. Pension Fund announcements on four subjects were aired 3,500 times on the radio over the year.



Out-of-home advertising

Russian Pension Fund information is displayed in Russian cities to inform the population about factors essential for pension entitlements, opportunities of using maternity capital, and ways of receiving public services. In 2019, 5,700 copies of PFR materials dedicated to four issues were displayed on out-of-home boards.

Opinion polls* indicate that **77% of Russians** have seen information materials of the Russian Pension Fund in mass media and other sources of information.

* IForce polled women aged 25 to 60 and men aged 25 to 65 in 130 populated localities in 80 Russian constituent territories in June and November 2019.



Interaction with mass media

The press services of Pension Fund offices around the country are interacting with mass media and spreading information via printed outlets, television, the radio, social networks, blogs and public events. There are programs and interviews with PFR heads and specialists, and current information is provided to the media. The operations of press services are integrated into the Fund's activity and aims to assist specialists from territorial divisions in their work.

In 2019, PFR branches and territorial divisions published 16,200 press releases and prepared 760 press events, which resulted in 7,500 publications in mass media. There were also 1,700 PR events and 6,500 media publications based on their results.



Information materials

Brochures, booklets, posters and other information materials on all frequently asked questions are available in Pension Fund offices and client services across the country. In all, 51 types of printed materials with a total circulation exceeding 14.6 mln were released in 2019. A monthly corporate newspaper was released in PFR offices with an annual circulation of 109,100 copies.



Website

The Russian Pension Fund website, pfr.gov.ru, presents complete and current information in regard to pensions and social benefits in Russia, as well as all types of PFR information materials in the electronic form. In 2019, the PFR website was monthly visited by 27 mln people. In all, the website as visited over 32 mln times over the year. On the average, users viewed two pages per visit for about a minute. The most popular sections of the website were the Pension Calculator, the Consulting Center, PFR public services, Pensioners, and Life Situations.



Social networks and blogs

Alongside the Pension Fund website, PFR groups and pages on the VKontakte, Odnoklassniki, Facebook and Twitter social media serve as an active channel for the dissemination of information. They not just present current, useful information regarding pension issues in the format customary for social media users, but also give direct access to PFR specialists who offer explanations on various matters. More than 357,000 information materials were published and 65,200 consultations were provided to citizens on Pension Fund pages on social media in 2019. The number of subscribers of PFR social media groups reached 333,700. More than 13 mln people saw Pension Fund materials on social media over the year.



Internet banners

In 2019, Pension Fund information banners and videos were posted on major web platforms, among them Yandex.ru, Mail.ru, Aif.ru, Gazeta.ru, Vedomosti.ru, Mk.ru, Vk.com, Odnoklassniki.ru, Rutube.ru, etc. In all, over 251.7 mln PFR information materials were published on the Internet over the year.



Consulting Center

Current information on main aspects of pensions and social benefits was provided by the Pension Fund nationwide throughout 2019 via the PFR Consulting Center. The Center can be contacted on the phone 8-800-250-8-800 or via the PFR website, using the online consultant service.

Over the year, Center operators gave consultations to more than 630,000 persons. Pension entitlements, pension types, higher retirement age, maternity capital, compensation and monthly benefit for care for disabled persons, and use of the account on the PFR website were the most popular subjects.

Main themes of Russian Pension Fund information materials in 2019:

- Amendments to pension and labor laws
- Formation of pension entitlements and factors essential for the pension size
- Ways to increase pension
- Legal salary
- Delayed retirement
- Increase of pensions of working and non-working pensioners
- Rules of using maternity capital funds
- Electronic public services



Information provided via trade unions

In 2019, the Pension Fund continued to explain pension laws and innovations to labor collectives, some 11,100 coaching seminars were organized during the year for trade union activists, in addition to 45,000 meetings with enterprise workers. More than 1.1 mln workers attended those meetings. In addition, PFR specialists visited 48,200 entities and gave consultations on pensions and social benefits to 839,100 members of labor collectives. Information materials of the Pension Fund regarding the formation of pension entitlements and calculation of the future pension were distributed at all meetings. More than 1.5 mln leaflets and over 1.2 mln PFR brochures were distributed, in all. Meanwhile, corporate publications of employers and trade unions published over 5,200 PFR information materials regarding pensions and social benefits.



Pension awareness of the young

In 2019, the Pension Fund accomplished Stage 9 of the «Pension Depends on You» program launched in 2011 to enhance pension and social benefit awareness of the younger generation. Fund specialists give over 18,000 classes across the country in general education, vocational and higher educational establishments. The PFR annually published a textbook entitled «All about Future Pension for Study and Life» to explain the main principles of operation of the Russian pension system in a simple and clear form. In 2019, the textbook had a circulation of 901,400. It was provided to educational establishments and students for free. In addition, more than 55,600 students familiarized themselves with the way PFR operations are organized during open days at all PFR offices. Federal, regional and district mass media released about 12,700 publications and videos during and after the campaign.



Raising computer skills of pensioners

In 2019, the PFR and Rostelecom continued the Internet ABC project aimed to improve computer skills of Russian pensioners. The project is based on the Internet ABC textbook and the Azbukainterneta.rf web portal that help people of pre- and post-retirement age to learn about the computer structure and the use of text, video, audio and photo files. The textbook tells senior citizens how they can receive public services online, browse the Internet, communicate on social media, email letters, and feel secure in their online activities. More than 300,000 pensioners have been trained how to use a computer since the project began in 2014.



Pension awareness website for schoolchildren and students

The PFR educational resource for schoolchildren, school.pfr.gov.ru, continued its operation in 2019. The website explains in an illustrative and interesting way how the Russian pension system works and how one should start forming a pension. The PFR project explains main aspects of the formation of pensions to schoolchildren and students and suggests what should be done to form pension entitlements. Teachers use the website and its materials for pension awareness lessons that take place across the country every year with the Fund's assistance.

An opinion poll* suggests that the awareness of Russians about the procedure and rules of forming pension entitlements reached 75% in 2019. Some 70% of citizens know that the length of labor record and the amount of official salary are the main factors of the future pension.

* IForce polled women aged from 25 to 60 and men aged from 25 to 65 in 130 populated localities in 80 Russian constituent territories in June and November 2019.

APPLICATION PROCESSING

The Russian Pension Fund provides citizens and entities with numerous ways for feedback and filing of applications.

It is possible to make a proposal, to ask a question or to file an application or a complaint with the Russian Pension Fund either in person or in writing on every level of the Fund system: 2,200 district and inter-district client services, 84 branches in constituent territories, or the Executive Directorate in Moscow.

There is an online reception office on the Fund website for users' convenience. Applications are also received by the PFR Consulting Center on the phone or online 24/7.

In 2019, the number of written applications filed with the Pension Fund's Executive Directorate grew by 52,300 to 299,800 (292,100 in 2018), including 243,200 applications received by PFR offices in regions and 56,600 by the Executive Directorate.

Most of the filed applications were on issues of recalculation of pensions and the quality of pension provision - 35,200 (62%). Other key issues were obtaining and using maternity capital, formation of pension savings, online services, length of service formation.

All applications received from citizens and insuring parties were timely processed by the Fund, explanations were given to the applicants, and some of them were helped receive necessary documents and services. Specialists analyzed proposals, applications and complaints, and emphasis was put on massive cases. Reports of possible corruption in the PFR were given special attention.

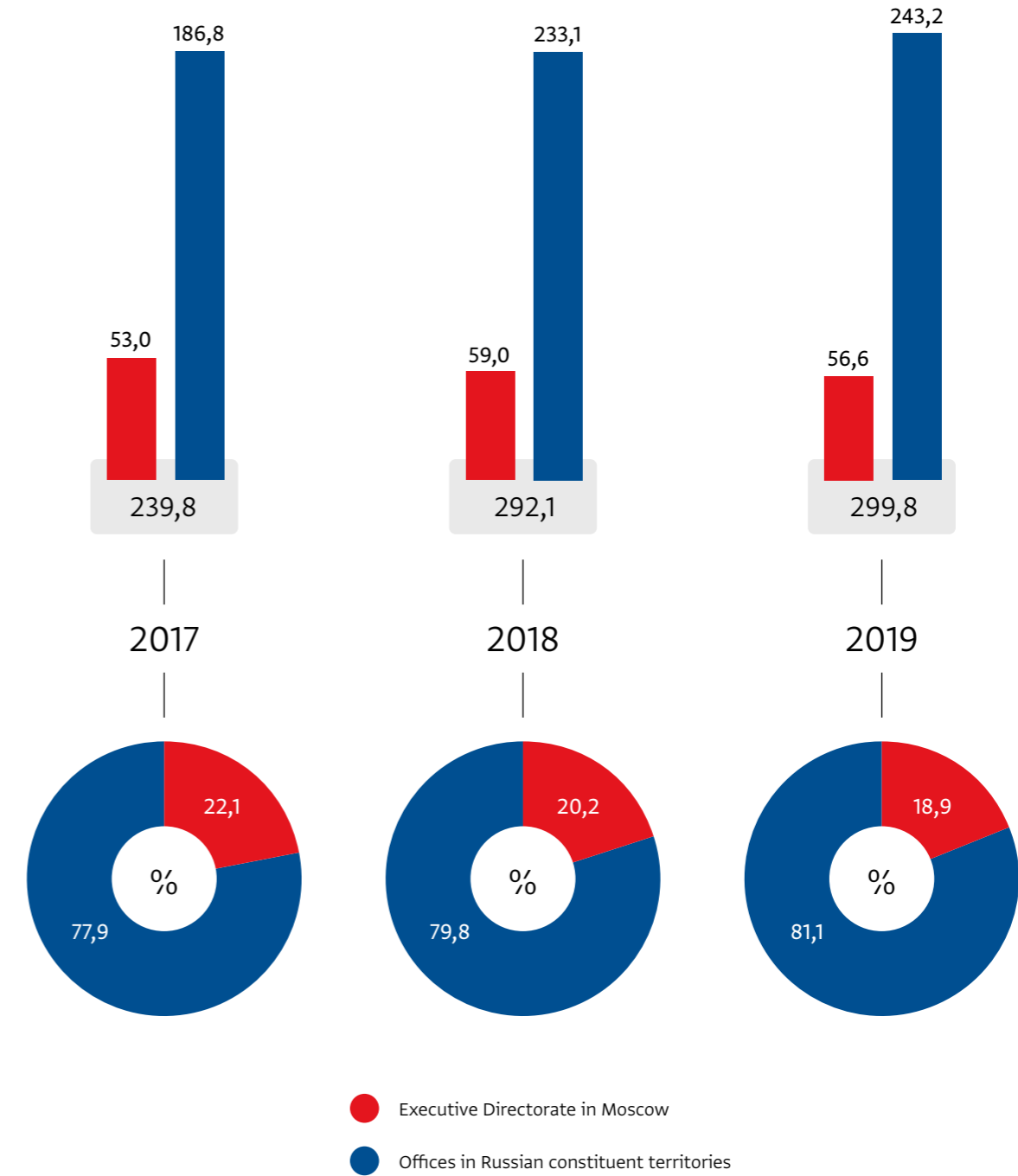
For the sake of swift response to applications, Pension Fund branches had information hotlines, which gave consultations to over 2.4 mln people over the year (1.8 mln in 2018).

Fund specialists received 123,700 citizens during daily working hours at Fund offices (117,000 in 2018).

On December 12, 2019, the Pension Fund took part in the national open doors day for the seventh time, and almost 3,000 persons received information either in person, by videoconference or on the phone.

For applicants' convenience, the Russian Pension Fund website has an online office accepting virtual applications. In addition, applications from citizens and insuring parties are received by the Russian Pension on the phone or online 24/7.

Applications to the Russian Pension Fund (thousands)



INTERNATIONAL COOPERATION

The Russian Pension Fund is doing systemic work to develop multilateral and bilateral ties with foreign partners to strengthen Russia's standing in the field of pensions and social security.

Cooperation with international organizations



Eurasian Economic Commission (EEC)

Russian Pension Fund representatives took part in meetings of the Eurasian Economic Commission over the year.

An agreement on social security in EAEU member states was signed at a meeting of the Supreme Eurasian Economic Council in St. Petersburg in December 2019.

Following a series of negotiations and consultations with representatives of pension authorities of EAEU member states and the EEC, PFR specialists joined a working group tasked with drafting a document on strategic areas of the development of Eurasian integration over the period until 2025.

International cooperation developed by the Russian Pension Fund in the field of social security and pension insurance is an important area of Russia's integration into the global community. Most countries of the world are working together to solve problems encountered by social security systems.



International Social Security Association (ISSA)

In 2019, the Russian Pension Fund received a number of ISSA awards.

At the Regional Social Security Forum in Baku, Azerbaijan, in May 2019, the PFR received diplomas for advanced actuarial practices and online assignment of pensions.

At the World Social Security Forum in Brussels, Belgium, in October, the Pension Fund received a certificate of recognition for the active work of the ISSA Liaison Office for Eurasia in 2017- 2019.

At the 38th session of the ISSA Council, which took place on the sidelines of the World Social Security Forum on October 18, PFR Board Deputy Chairman Nikolay Kozlov was reelected ISSA treasurer for the period until 2022.

Kozlov, who was serving as the ISSA treasurer since 2017, provided solid protection of the ISSA budget and funds from a number of challenges by forming the Membership Committee. The Committee supervised by Kozlov studied the financial and budgetary situation in the ISSA, prepared short-term and long-term guidelines for strengthening the ISSA standing, and a mechanism to adjust the membership duty coefficient to maintain security of ISSA products and services.

In December, PFR Board Deputy Chairman Sergey Afanasyev delivered a report on long-term social security outlook entitled «Determination of Needs of Senior Citizens» at a seminar of the ISSA European network.

PFR delegations took part in the 13th ISSA Forum for Technical Commissions and meetings of the Technical Commission on Old-Age, Invalidity and Survivors' Insurance.



Organization for Economic Co-Operation and Development (OECD)

In 2019, the Pension Fund presented and verified statistical data for an update of the Russian Federation profile in the OECD pension statistics database, OECD publications, and the OECD Global Pension Statistics Project.

The Fund also took an active part in joint meetings of the OECD Working Party on Private Pensions and the International Network of Pension Regulators and Supervisors, a conference of the International Organization of Pension Supervisors, and meetings of the Task Force on Pension Statistics.



International Association of Pension and Social Funds (IAPSF)

A conference entitled «Pension Reform in Uzbekistan and Foreign Practices» took place in Tashkent in April. A representative of the Russian Pension Fund delivered a report on the strategy of Russia's pension system development at the forum.



International Labor Organization (ILO)

The PFR took part in an ILO conference within the framework of the Global Social Protection Week in Geneva in November 2019.

Participation of Russian Pension Fund representatives in international organizations

PFR Board Chairman

Maxim TOPILIN

- Member of the International Social Security Association (ISSA) Bureau
- Chairman of the ISSA BRICS Project Steering Committee
- Member of the ISSA European Network (IEN) Steering Committee
- Member of the ISSA International Annual Awards Committee

PFR Board Deputy Chairman

Nikolay KOZLOV

Treasurer of the International Social Security Association (ISSA)

PFR Board Deputy Chairman

Sergey CHIRKOV

Member of the Advisory Committee on Social Security, Pension Rights, Medical Care and Professional Activities of Workers of the Eurasian Economic Union member states

Head of the PRF Department for Pensions of Persons Residing Abroad

Oleg POLOKHOV

Member of the Advisory Committee on Social Security, Pension Rights, Medical Care and Professional Activities of Workers of the Eurasian Economic Union member states

Head of the PFR Actuarial Computation and Strategic Planning Department

Arkady SOLOVYOV

Deputy Chairman of the ISSA Technical Commission on Statistical, Actuarial and Financial Studies

Head of the PFR International Cooperation Department

Lilia TARANIK

Member of the interagency working party (the OECD Insurance and Private Pensions Committee, the Working Party on Private Pensions) for interaction between the Russian Federation and the Organization for Economic Co-operation and Development (OECD)

Events held in the Russian Federation

- In February 2019, the Russian Pension Fund, supported by the Russian Labor and Social Protection Ministry, held an international seminar on the quality of social service and the use of digital technologies by state-run social institutions.

The two-day forum addressed modern trends of digital transformation aimed to improve the quality of service, the development of electronic government and the «one-stop» system in social protection, and the application of digital instruments in healthcare and social insurance.

The event was attended by specialists from Russian and foreign ministries and agencies, representatives of Eurasian countries, and international experts from Australia, Germany, Denmark, Indonesia, China and other countries.

- A delegation of the Iranian Social Security Organization visited the Russian Pension Fund in June to study the national practices and to exchange the best available practices in the fields of social security and pension insurance.
- A delegation of the German Pension Insurance for Mining, Railways and Marine visited the Russian Pension Fund in August to study and exchange practices in the fields of social security and pension insurance in Russia and Germany.
- A Serbian delegation visited the Russian Pension Fund in November to discuss the implementation of the Russian-Serbian social security agreements of December 19, 2017, and January 17, 2019. The sides also discussed a draft agreement between the PFR and the Serbian Social Security Institute on the procedure of exchange of electronic documents.
- A meeting with a delegation from China took place on the premises of the Higher School of Economics Natural Research University in December.

International forums

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

- A joint conference of the Survey of Health, Ageing and Retirement in Europe, a pension seminar with the theme «Understanding Ageing Societies» in Budapest, Hungary.
- The 24th Baltic social security conference with the theme «The Future of Social Security Administering – New Technologies, Technological Opportunities and Challenges» held in Stockholm, Sweden, in October. A representative of the Pension Fund presented digital transformation of the Fund's public services at the conference.

- The World Pension Summit organized by the international publishing house Pension & Investments in the Hague, the Netherlands, in October. The summit announced results of a contest for innovations in social security, and the PFR was named a laureate in the nomination «Innovations in the Development of National Pension Systems».
- A republican seminar with the theme «Mandatory Social Insurance amid Modernization of Social Protection System» held in Nur-Sultan, Kazakhstan, in November. A representative of the Pension Fund delivered a report on the formation of the Federal Register of Disabled Persons and the Unified State Social Security Information System.

Bilateral cooperation

The Russian Pension Fund maintains business contacts with partners in Poland, Germany, France, Spain, the Czech Republic, Hungary, Finland, Serbia, Israel, Iran and China.

Over the year, Fund specialists held consultations on drafting intergovernmental social security agreements with South Korea, Tajikistan, Belgium, Israel and some other countries. A draft agreement on pensions in Eur-

asian Economic Union member states were discussed with Armenia.

At the invitation of the Russian embassies to Latvia and Israel, the Pension Fund provided consultations on pension matters to citizens.

The PFR was also cooperating with the diplomatic missions of Latvia, Poland, Hungary, Belgium, France, Germany, Switzerland, Sweden and South Korea.

