



STATE COMMISSION FOR REGULATION OF FINANCIAL SERVICES MARKETS OF UKRAINE
MINISTRY OF LABOR AND SOCIAL POLICY OF UKRAINE
SECURITIES AND STOCK MARKET STATE COMMISSION
DNIPROPETROVSK OBLAST STATE ADMINISTRATION

PRESS RELEASE

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The State Commission for Regulation of Financial Services Markets of Ukraine, in cooperation with the Ministry of Labor and Social Policy of Ukraine, State Securities and Stock Market, and Dnipropetrovsk Oblast State Administration, and with the USAID Capital Market Project's sponsorship, conducted the Roundtable "Non-State Pension Funds: Economic, Tax, and Social benefits for Ukrainian Enterprises from the Implementation of Pension Programs" in Dnipropetrovsk.

The objective of the event was to inform the employers located in Dnipropetrovsk and Zaporizhzhia Oblasts of the mechanisms to implement pension programs at companies through non-State pension funds (NPFs), to point out social and economic advantages and tax benefits for employers and employees from participating in NPF activities.

Participating in the Roundtable (RT) were People's deputies, government officials, employers, representatives of State executive bodies, trade unions, professional NPF market participants and academics.

On 1 January 2004, a new, three-pillar pension system started to be introduced in Ukraine. The Government of Ukraine pays special attention to the 3rd, voluntary, pillar of the pension system implemented in keeping with the Non-State Pension Provision Law of Ukraine. NPFs provide services of non-State pension provisioning, its principal objective being for individual participants to get access to pension payouts in addition to the mandatory State pensions.

The prospective development of NPFs looks quite promising. According to the Financial Services Regulator' statistics, the number of registered NPFs had reached 85 as of 20 June 2007, the total NPF assets value being almost UAH 200 Mio. However, despite this steep increase in the number of NPFs, the total number of NPF participants on that date was only 231,500.

According to research results, one of the main factors constraining the participation of employers and individuals in the system of non-State pension provision is lack of awareness of NPFs operations, since NPFs are new financial institutions in the eyes of a majority of the population. At the same time, these institutions are one of the most popular means of saving funds for life after retirement.

Therefore, time has arrived to improve the people's awareness of the proper and complete information on this matter, which is important for the actual and potential NPF participants and contributors. At this stage, the main target audience for this awareness campaign has been employers, since they are the principal contributors to NPFs, paying the most pension contributions in favor of their employees that account for almost 97% of total pension contributions.

According to sociological surveys, none of the chief executives of companies and enterprises has been against his enterprise participating in the non-State pension provision system in the future. This fact is a good indicator suggesting that, in the near future, non-State pension funds will become a significant resource to ensure additional social benefits for individuals and a powerful means to attract investment resources in Ukraine's economy.



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