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Assessment of pension systems in Peru, Chile, Brazil, Colombia, Netherlands, Denmark, Finland, Mexico, New Zealand, Africa, China, Japan, Spain, Sweden, USA and Canada

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***Abstract* - This article interprets the pension insurance procedures, considering that Peru has the following systems: the private pension system (AFP), in which workers receive the funds accumulated during their work as the national pension insurance (ONP) and the personal savings account, distributes the amount paid by the workers (mutual funds) and the retirees are canceled as a pension point. Taking into account the misinformation of pension insurance provided by public and private entities, it was decided to generate the correct information to achieve sufficient decision-making for each worker, because this choice is for the economic future of the worker. Also, a complete tour of the pension systems of Latin America, Europe, Asia.**

Index Terms - Pension, evaluation and insurance systems, mutual funds.

INTRODUCTION

At present, all organizations that have workers registered on their payroll must give a certain discount to the salary of each worker to cover the pension insurance of each one of them; This discount is included directly in the pension fund of each employee, whether it is a private pension system (SPP) or a national pension insurance (SNP) depends on their affiliation of the employees of the organization.

The National Pension System (SNP) is managed by the Social Security Standardization Office (ONP), which is a technical and professional public institution in the economic and financial fields. In this system, money paid by workers goes to a mutual fund to pay the pensions of today's retirees.

The Private Pension System (SPP) is administered by an organization called the Pension Fund Administrator (AFP), which is responsible for providing retirement, disability, survivor benefits and funeral expenses using the Personal Capitalization Account (CIC) model. . This means that the worker will receive what he has accumulated during his work.

Many times, when a worker begins to work in the organization, they do not know or understand what is the best option or the best convenience to choose pension insurance, so it is assigned according to the employer's standard, which leads to future problems ; because of the possibility of changes of pension insurance is not good for workers, especially when you want to change from national insurance to private insurance. In addition to promoting the development of assets and the capital market of Peru, the creation of the Private Pension System (SPP) is also important for the development of its culture of social security savings.

However, more than 20 years after its constitution, SPP faces the challenge of being able to achieve its integration because it has a high degree of mistrust in its members and pensioners, and it also lacks a section on managed pension funds (AFP) and reforms, as the government has not fully implemented. On the other hand, considering the high degree of ignorance of the different authorities on this issue, it is important to analyze the challenges faced by the real reforms of the pension system for the benefit of its members, the executive is about to be elected and the legislative branch.

I. *Pension Systems*

The pension system belongs to a group related to social security, focused on workers who receive income after retirement from the labor market. The concept of the pension system is much more specific than the concept of social security; in the same way, the latter necessarily implies the participation of the State (financial or administrators), and the pension system can be public, private or a combination of both. Workers' contributions are often the source of funds.

II. *Pension systems in Peru*

What are AFPS?

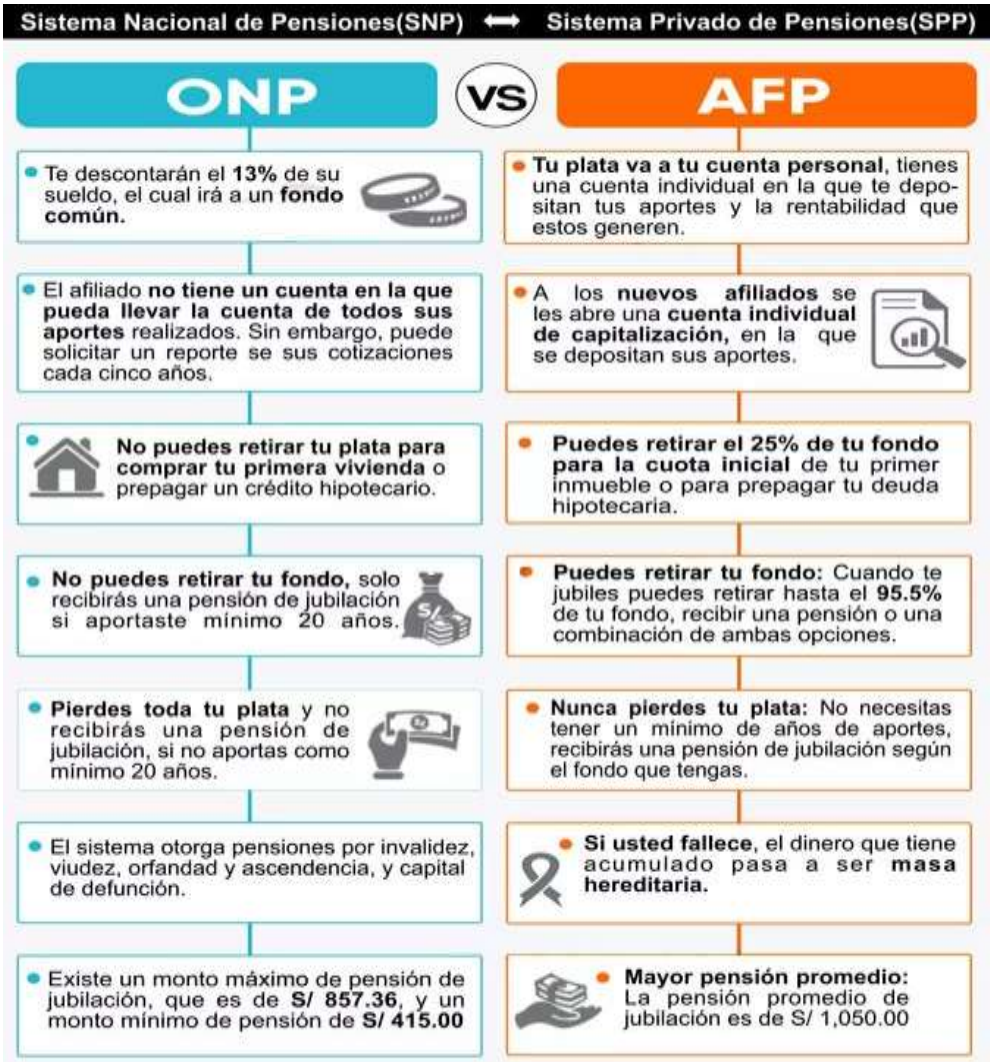
AFP, or pension capital manager, tends to be an investor foundation specifically responsible for managing pension reserves, providing pensions and some socially convicted utilities (such as survival and disability insurance). The purpose of AFP is to manage your funds in order to provide you with a pension if you stop working due to old age or disability. If you die, you can also protect your family by providing a pension.

Likewise, it is an applicable pension system: unified and universal. Unified: Because the pension requirements and their AFP earnings are known in advance. Universal: Since all workers have the right to obtain pensions through savings, regardless of their situation.
As the amount that you must collect in an indispensable way is aliquot to your income, even if you change your economy or are about to retire. However, you can save it voluntarily and have clear rules to improve decision making.

What is ONP?

The National Pension System (SNP) is managed by the Social Security Standardization Office (ONP) according to a distribution model, which deals with a mutual deposit paid by all associates each month. The funds raised by the fund will be distributed to all associates who meet the pension requirements. In the case of the ONP, there is a lower and a higher pension: not just submitting everyone's contributions.
Currently, ONP associates contribute 13% of their salaries to the pension pool, the retirement years are 65 years and the pensions range between S / 500 and S / 893, depending on the year and amount of the contribution. The ONP covers the risks of disability pension, old age and survival of the partner's families. Likewise, it also complies with the registration of public or private, independent or affiliated, foreign or national workers.
In addition, the ONP provides pensions only to people who have paid at least approximately 20 years. In other words, if you are a citizen who has contributed for 18 years but is fired, you cannot return to contribute, even if you reach retirement age, you will not receive a pension. Our country has a mixed pension plan. Workers must choose to join the SNP managed by ONP or the SPP managed by AFP.
The Peruvian Institute for Economic Research indicates that 19% of people aged 65 and over obtain a pension from the SNP or SPP.
SNP operates through a distribution system, with pensions ranging from 500 soles to 893 soles. But this only provides pensions to people who have contributed for at least 20 years. However, SPP operates through a personal accumulation plan: the pension is calculated using the amount collected in the personal account by affiliated company, therefore there is no lower pension or lower contribution years.
In the same way, we must bear in mind that the Peruvian system has proposed a national project of voluntary collaboration, Pension 65, which has a non-tax program, which means that people aged 65 and over in extreme poverty must obtain a subsidy of 250 soles every two times a year.

The average pension of the SPP is higher than that of the SNP.



Source of the 2007 MEF Technical Report.

III. Pension system in Chile

The amount you deposit in the AFPs is called pension contributions and is invested in your individual accumulation account. Your pension funds must be: voluntary and / or forced.
Currently, subordinate workers (self-employed since 2018 and will be enforced at that time) must pay 10% of the taxable salary. These contributions are collected during the time you become an effective worker, plus the benefits you receive from the selected accrual, until you reach the legal age to claim a future pension: 65 for men, 60 for women, or earlier, if fulfill some requests.
But you can also make voluntary contributions, for example: in APV (Voluntary Pension Savings) or account 2.

What are the Multifunds?
Assessment of pension systems in Peru, Chile, Brazil, Colombia, Netherlands, Denmark, Finland, Mexico, New Zealand, Africa, China, Japan, Spain, Sweden, Usa and Canada Assessment of pension systems in Peru, Chile, Brazil, Colombia, Netherlands, Denmark, Finland, Mexico, New Zealand, Africa, China, Japan, Spain, Sweden, Usa and CanadaThey are an alternative to which you must invest your savings in AFP in order to be profitable over time. These alternatives are called A, B, C, D and E funds, and their risks and expected returns are different. You can invest your savings in one fund or divide it into two funds.

AFP increases its funds by investing its funds in financial instruments, which can bring different types of returns to these savings. Financial instruments are tools that generate profitability. AFP Cuprum can only invest in its assets in the manner prescribed by the ABCDE Funds Law, which means that the investment risk is lower than other savings or investment choices or tools.
Depending on the danger you want to take (and the time before you stop working), you should choose 1 or 2 of the 5 types of funds. In this way, you can decide the type of investment you will make based on previously known information.

Did you know that your savings are separated from the assets of the AFP?
Therefore, you are going to be the owner of your transposition and the only thing that the AFP does is manage it.
Like any utility, there are management costs. For your mandatory savings, it is 1.48% on your taxable wages each month. For intentional funds, the amount is an amount of the managed balance that you have.

What anticipated products does the AFP offer us?
The articles that you must sign in AFP Cuprum are divided into three parts: intentional, mandatory and withdrawn. The forced account becomes 10% of the course and is deducted from your taxable income (if you are a dependent worker) or your declared income (if you are an active worker) every month. There are two types of voluntary accounts: intentional anticipated savings (APV) for pension purposes and free-use intentional fund accounts (account 2).
In the events that exist, these are deposit instruments suitable for their productivity and low cost.

How much must be estimated indispensable in the AFP?
The mandatory pension savings are directly proportional to your income. The 10% is calculated on the basis of your taxable remuneration and is made through the amount of donations. If you are a subordinate worker, your worker will pay through payroll throughout the year. If you are a self-employed person, you have to pay at least once every year (with the income statement) or monthly. The minimum number of years or minimum accumulated balance that has not been contributed to the system is eligible for funding. You only have to comply with the established regulations of said application.
In addition to the mandatory contributions, the survivorship and disability insurance (SIS) and the commissions corresponding to the AFPs are also paid.

IV. Pension System in Brazil

Brazil's collective protection method is included in a broader concept, namely social security. If the pillar classification is used, in accordance with the standards used by the Social Security Secretariat (SPS), pillar 1 will be basic social security based on the general system (RGPS) in its two rural and urban subsystems. And RPPS. This pillar is the public administration, which is mandatory for the entire working class, has fixed benefits, has mixed funding (contributions from employers and employees, and taxes), has standards of intergenerational solidarity and between systems (rural and urban), and faces social tolerance.
Pillar 2 consists of the so-called supplemental forecast setup. This type of pension insurance is basically concentrated in the private sector and is voluntary, governed by capitalization standards and is administered by various complementary pension entities (which can be open or closed) supervised by the Ministry of Social Security. It is estimated that fixed capital pension institutions manage around 17% of GDP, while open funds represent between 3 and 4% of GDP.

The last and equally important pillar is social assistance, which provides non-contributory pensions to senior citizens who are through the poverty line.

Sistema de Previsión Social en Brasil

	Régimen General de Previsión Social (RGPS)	Regimenes Propios de Previsión Social (RPPS)	Previsión Complementaria (PC)
Asegurados	Trabajadores del sector privado	Empleados públicos de la Unión, estados (26) y municipios (2.207 – 40% del total)	Todas las personas
Afiliación	Obligatoria Admite FPC	Obligatoria Admite FPC (pendiente de reglamentación)	Voluntaria
Tipo de régimen	Beneficio definido	Beneficio definido Capitalización en algunos estados y municipios	Capitalización
Contribución (alícuotas)	22% empleadores 11% empleados	22% empleadores 11% empleados	Variable
Tope máximo de beneficio	R$ 2.800,00	Variable dependiendo de la institución	
Actualización de la pensión	Inflación pasada	Inflación esperada Regla de transición: paridad con el salario de activo	
Órgano regulador	Ministerio de Previsión Social (MPS)	Ministerio de Previsión Social (MPS)	Ministerio de Previsión Social (MPS)
Fiscalización	Ministerio de Previsión Social (MPS)	Ministerio de Previsión Social (MPS)	Ministerio de Previsión Social (MPS) Consejo General de Previs. Complementaria (CGPC) Comisión Monetaria Nacional
Administración	Instituto Nacional del Seguro Social (INSS)	Respectivos gobiernos	Entidades de derecho privado

Fuente: Elaboración propia sobre la base de Schwarzer (2004) y Alcántara de Melo (2006)

V *Pension system in Colombia*

The Colombian pension method was carried out in 1993 and with 2 similar systems: average premium (RPM) and personal savings (RAIS). The workers belonging to RPM must receive pensions at age 57 (ladies) and 62 (men) when they have estimated 1,300 weeks. At RAIS, donations and returns form a personal account. The amount of savings identifies the pension. Likewise, there is a pension system that is not estimated, the Mayor of Colombia. RPM is vitally managed by COLPENSIONES. RAIS is managed by pension capital managers. There is no centralized information system through the important points of the pension system, including employment and pension history. The asset guarantee rate is 36% of the EAP and the liability guarantee (pension beneficiaries) is 33% of the elderly. Through the default plan, the liability guarantee rate reached 66%. In 2018, the known collection in pensions of the central government represented 3.4% of GDP, and the general scheme represented 4.4% of GDP. In the long term, due to the evolution of the population pyramid, among other factors, the financial sustainability of the pension system is threatened. The system is unfair, because pension subsidies are centralized in the wealthiest segments of the community.

Proposal for parameterized restructuring offers (age and amount of the pension, contribution rate and exchange rate).

The disappearance of the RPM or the creation of a system of pillars (structural reform) that adapt both systems has been offered. the known collection in pensions of the central government represented 3.4% of GDP, and the general scheme represented 4.4% of GDP. In the long term, due to the evolution of the population pyramid, among other factors, the financial sustainability of the pension system is threatened.

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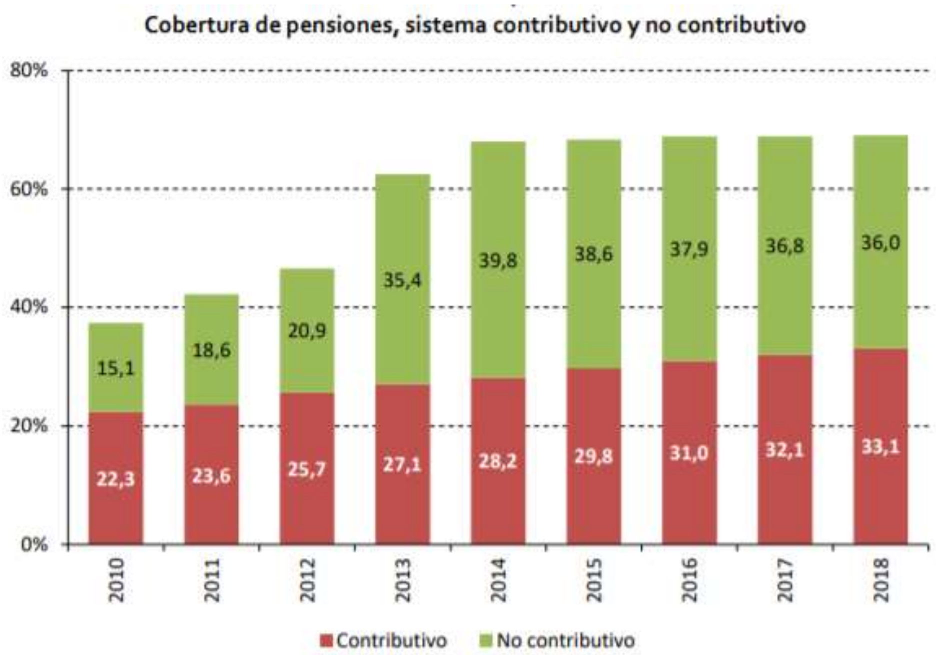
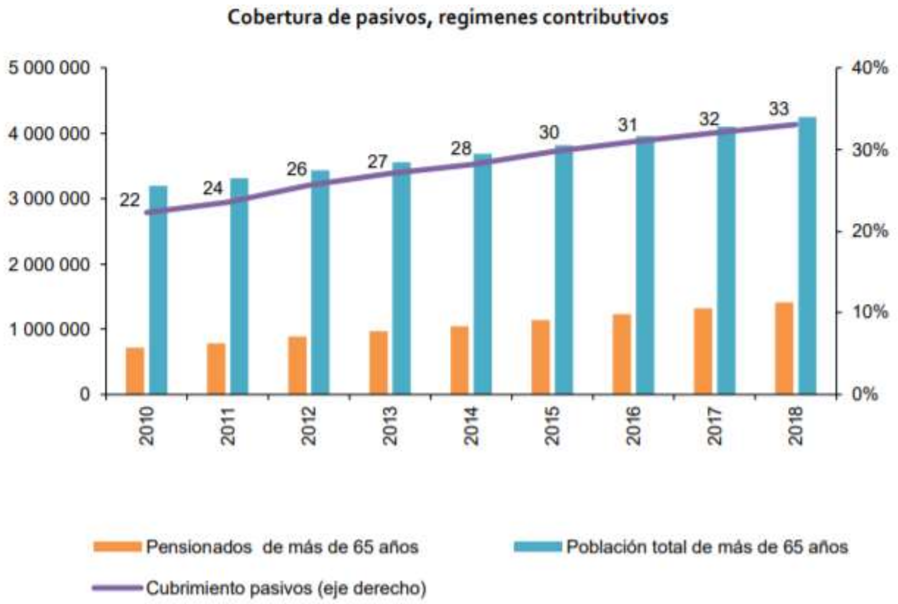


Fuente: Calculado a partir de datos del Ministerio de Trabajo, MHCP (DGRESS), FOMAG, Fiduciaria la Previsora y DANE.



Fuente: Pensionados de más de 65 años: MHCP-DGRESS, Asofondos y Fiduciaria la Previsora (para FOMAG). Población mayor de 65 años: DANE. Se calculó a partir de los datos de población proporcionados por el DANE, Ver (DANE, 2020). Como hubo un cambio en la participación de la población mayor de 65 años entre los censos de 2005 y 2018, se suavizó con una tasa uniforme en el incremento porcentual de esta participación.

According to the 2019 Melbourne Mercer Global Pension Index (MMGPI), a global index that lists global retirement systems, the Netherlands, Denmark and Finland are in the top six in terms of the adequacy, sustainability and integrity of pension systems . The index is derived from a study that emphasizes the breadth and diversity of the pension system at the global level, even showing that even the superiors present errors.

VI Pension system in the Netherlands (Holland)

The Dutch pension method includes basic lump-sum benefits, mainly for poverty; the company's compulsory collective plan system (including disabled, widowed and orphans), which covers more than 90% of the workers, and the pillar or system is private and voluntary. This is a completely transparent system because all beneficiaries can access information on public pensions and employment information in the national registry.

As mentioned above, the Dutch pension model is based on three pillars. The first is the basic pension, which is financed through taxes and contributions. It is not exactly the same as the non-contributory benefit in Spain, although it is similar (among other things because it is small in amount and above all it has the character of a benefit). This pillar should be only a network to guarantee a minimum. To be entitled to it you must have contributed: they contribute 2% of the maximum annual amount. For those who have not reached the minimum income, there are accessories.

The important point of the model in Holland lies in the subsequent pillar, a semi-mandatory and nation-driven business plan. Approximately 90% of workers in the Netherlands have pension plans of these particularities that are contracted by their employers managing them through entities independent of the latter. Donations are usually distributed according to the plan of 2/3 companies (equivalent to Spanish business donations) and 1/3 workers. The biggest difference with other systems is that what we call real savings accumulates from the first day that workers enter the labor market to their retirement accounts. This account is not affected by the demographics of how many workers there will be in the future.

The third pillar of the Dutch model is personal insurance. They have certain tax advantages, although they are not very common due to the expansion of the company's plans (and the huge amounts they guarantee). Only the self-employed or workers in sectors not covered by the business plan make intensive use of the third pillar.

Pillar 1 (Public)	**Pillar 2 (Private)**	**Pillar 3 (Private)**
State Pensions (PAYGO System) with bank benefits.	Business pensions. High level of development.	Individual private pensions
Financing: Quotes and taxes	**Financing:** Quotes	**Financing:** Quotes
AOW (state pension for the elderly)	Sector plans Business plans Independent professional association plans	Rental insurance Deferred capital insurance

VII Pension system in Denmark

In the same way, the per capita benefit of Denmark is 30% better than that of Spain, almost at full employment, its inhabitants appear in the rankings of the best worldwide, and they also have a solid retirement system, in addition of the previous one. The pension system in Denmark is made up of 3 parts: a notorious forced distribution system, an additional forced management system devoid and the last one is voluntary and private management. The main pillar of the pension system is forced and notorious, called FP (FolkePension). It is for general use, residential, non-contributory and financed with taxes. The next pillar is composed of the named ATP (Arbejdsmarkedets Tillægspension) and SP, which are mandatory.

The ATP is an additional autonomous system, of which the majority are financed by employers and workers. On this occasion, the pension needs the time necessary to pay at least 41% of the basic state pension. The employed must participate, while the self-employed participate voluntarily. SP (Særlige Pensionsopsparing) comes to be a system in which self-employed and employed workers must participate in their entirety by the employee. Donations to these projects stopped in 2004 and the system ceased to exist in approximately April 2010.

The last pillar is spontaneous and includes the personal contributions that citizens must make to pension plans individually or outside of their employment plans. Due to established tax incentives, these projects have increased significantly in recent times. The vast majority are decisive contributions. Regarding nursing care, the main pillar encompasses all inhabitants over 65 years of age, although this age will gradually increase from 67 years of age through the period 2024-2027. Starting in 2025, the legal retirement age will be indexed according to the existence belief to consider the impact of persistence. If you want to receive a full pension, you must have lived in Denmark for 40 years. Through the mandatory occupancy system (ATP), the amount of the pension is identified based on the estimates paid and the calculation of income. The right to enjoy the above benefits is equal to the age provided by the public system.

Pilar (public)	Pilar (private)	Pilar (private)
Objective: Redistribution of income and prevention of poverty by guaranteeing a minimum pension.	**Objective:** Guarantee a replacement rate through a savings system linked to employment.	**Objective:** Flexibility in saving
Financing: Taxes	**Financing:** Quotes	**Financing:** Quotes
State Pensions (Social Pension)	Occupational pension plans	Individual private pensions
(*) ATP **CIVIL SERVICE PENSION** **SAP SPS**		

(*) The ATP, Civil Service Pension, SAP and SP systems cannot be clearly classified as the first pillar or the second pillar because they have the common characteristics of both. The posture in the chart identifies which column you are closest to.

VIII Pension system in Finland

In Finland, the pension method is also very famous. This includes national pension and labor pension. For nationals, it is an amount intended to guarantee the minimum income of retirees who do not have other pensions or receive very small amounts. In fact, in the case of receiving a work pension, if the work pension exceeds the prescribed maximum limit, the amount of the pension will decrease proportionally in the increase with work pension, or even you will not get anything.

For their part, occupational pensions are designed to guarantee the standard of living of workers when they are active. Companies must include employees in the occupational pension system. Among them, companies and workers are listed together. The company withholds part of the workers' salary and pays it to the pension institution together with the corresponding amount from the company. These pension plans are administered by private insurance companies or managers.

In calculating the retirement age and pension, the Finnish government reformed the system almost two years ago, gradually increasing the retirement age from 63 to 65 to ensure the sustainability of its public finances. The problem of the aging of the population that almost all the Hesperian countries face is not strange. In addition, the country's public debt is also very high, reaching 137,545 million euros in 2018, which is 58.9% of GDP.

It also includes a new model for calculating the amount of pensions, which is based on the amount of contributions that the worker has made throughout the time he is working, plus the amount paid after age 53, as was the case at the time. In this way, the amount depends on the worker's contribution and the worker must allocate 1.5% of his salary, so the longer he has been in the service, the higher the pension. In the old computer system, if only the working years of the last 10 to 12 years were considered, the pensions of highly paid workers were higher, just a few years before retirement.

IX Pension system in Mexico

In Mexico there are public and private pension plans; fixed income (distribution) and fixed contribution (personal accounts); special plans that include state, federal, university and parastatal companies, as well as public and private plans for Department workers.

First, the coexistence of different pension systems not only does not bring benefits, but also makes it difficult for workers who change jobs under different pension plans to obtain pensions. By operating all these systems under different rules, it does not allow to carry and recognize the rights of workers. That is, a worker who decides to change jobs must know which pension plan he is contributing to and see if his new job belongs to the same plan, otherwise he will lose the amount of time for estimating and the balance that he has accumulated in the same plan. . pension. The above program.

The World Bank is one of the vital promoters of the global pension system, which is why it suggests that some pension system has a hierarchy based on a composition of 5 pillars to ensure the safety of the community and economic stability.

These pillars must include pensions for the less protected community, pensions for workers in the formal sector, and pensions for voluntary contributions. According to the proposal, the Mexican pension system consists of 4 pillars: The non-estimated pillar is based on a pension that provides a certain degree of protection to those who most need protection and do not pay community security.

This type of pension is called a pension for the elderly and is funded by the federal government; the mandatory distribution pillar refers to the pension plan that receives contributions but the benefits are distributed through the fiscal reserve or solidarity fund; the mandatory pillar of the personal account is to receive contributions from employees.

The pension plan is calculated based on contributions paid jointly by employees, employers and the government; and finally, a voluntary pillar that includes individual retirement accounts, private plans or personal plans of financial institutions.

Before 1997, the pension method was administered by IMSS (people who work in subordinate organizations) or ISSSTE (people who work in government organizations). The factor with this method is that retirees receive lower pensions than today, and then to improve the performance of the pension entry of each worker, a method of personal accumulation was innovated, through which workers can make donations to financially deprived organizations named Afores (managed retirement funds) from that moment on.

They are financial entities whose job it is to specifically manage the money saved by the worker so that he can use it in retirement.

hese entities are authorized by the Ministry of Finance and the Ministry of Public Credit, and the National Commission of the Retirement Savings System (Consar) is the body that supervises them.

Many Afores are part of the legal banks in Mexico, so these Afores only focus on managing and depositing the amount of the laborers. Also, it should be noted that while Afores is a trustworthy banking company, Afores is not a bank or an insurance company.

Every worker has a non-transferable private account that can only be registered in an Afore. In his lifetime as a worker, said account has accumulated the quota and contributions from the employer, the government and the worker himself.

The contribution money is calculated based on the basic contribution salary of each worker, and the limit is 23 installments as a minimum.
At the same time, each Afore is divided into four subaccounts:

Retirement, Old Age and Unemployment Subaccount (*)		**Voluntary contributions subaccount (**)**	**Housing subaccount (***)**	**Sub-account of additional or complementary contributions (****)**
Mandatory contribution		Additional contributions made by workers are in addition to the mandatory contributions. They have no maximum or minimum amount. The worker can make voluntary contributions, or his employer can be deducted from his salary. Voluntary contributions can be made every 2 or 6 months (depending on Afore).	This is a subaccount with only employer contributions, and contributions are made every two months. The amount you allocate for this is equal to 5% of the basic contribution salary of each worker you have. This money enters the Infonavit and the amount is recorded in the Afore, in other words, these donations have to appear in the Infonavit account statement of the worker.	They are made by workers or employers at any time and are available until retirement. The funds in this subaccount are invested by an investment company for professional retirement (Siefores) and are invested in four other areas depending on the age of the employee:
Pattern	Every 2 months, 2% of the base salary is paid for retirement, 3.15% of the unemployment and retirement contributions.			
Federal government	Under the concept of social contributions, it is paid once every two months, and 0.225% of the base salary is paid for unemployment, the elderly and the elderly; in addition to 5.5% of the general minimum wage.			
Employee	Pays 1.125% of the base contribution salary every two months.			

(*) With these contributions, workers' savings will increase over time and they will be able to use the money before age 65, because this is the legal retirement age.
(**) Workers have higher returns after retirement, but there are also tax incentives (voluntary donations can be tax deductible), and if there is an emergency, you can withdraw resources from voluntary donations (up to 15 after requesting Afore).
(***) The accumulated balance in this subaccount must be used by workers to request a loan for the purchase of a home through Infonavit. In case the worker has never requested an Infonavit loan, the amount collected for it is added to a retirement account so that the worker can enjoy retirement.
(****) Basic Siefores (SB)
SB1: It is someone who is about to retire (60 years or more).
SB2: It is about a person between 46 and 59 years old.
SB3: Employees from 37 to 45 years old.
SB4: Workers aged 36 and under.

X Pension system in Mexico

The New Zealand Pension Fund (NZSF), the first pillar was operated in 2001 through a sovereign pension fund called the New Zealand Pension Fund (NZSF). It corresponds to the public non-contributory pension system financed by the state through general taxes (universal and without proof of income) and applies to all people who have reached the age of 65 and have lived in the country for at least 10 years as of then. Being 20 years old and living 5 years past 50 years. New Zealand abandoned the pension system based solely on personal capitalization to form a universal system financed by general taxes (including all persons reaching retirement age) (New Zealand Pension Fund),

The second pillar corresponds to the KiwiSaver Voluntary Savings Plan, which manages New Zealand's hybrid pension model, which countries such as Australia and Peru have replicated, mainly based on annual government pension payments. All New Zealanders 65 and over. Currently, if retirees are single or total USD 14,228 (approximately USD 6,700,000 Chile or 30,718.80 Peruvian soles), the value of the basic pension is USD 18,954 per year (approximately 9 million Chilean pesos or 41,264.05 Peruvian soles) per person Retired, if your partner also receives a pension, whether in the case of marriage, civil union or domestic partnership.

This amount is supplemented by a voluntary contribution system or a state-subsidized apartment board method. Workers choose KiwiSaver suppliers and then pay monthly (3%, 4% or 8% of salary), in addition, employers are required to pay 2% of total salary each month. Additionally, as a way to encourage participation in the KiwiSaver program, once workers enter the system, the state will donate NZ $ 1,000, increase tax refunds, and even help donors buy their first homes.

If you meet the residency requirements, the age of the universal pension is 65 years. On the other hand, for certain purposes, it is also allowed to withdraw funds from the KiwiSaver voluntary account in advance, including the purchase of the first home (only after 3 years), permanent immigration, suffering from severe financial difficulties or serious illness. As of December 1, 2011, individuals can receive a New Zealand pension if the following conditions are met:

- 65 years or older
- New Zealand citizens or permanent residents
- Be a resident of New Zealand at the time of application

They must also have lived in New Zealand for at least 10 years from age 20 and five years from age 50. In some countries, time spent abroad for certain reasons can be counted towards retirement in New Zealand.

Finally, the third pillar corresponds to voluntary career plans in the private sector, which operate independently or as part of the main trust and operate under a fixed-income or fixed-contribution pension plan model. This is a long-term savings plan that helps members retire with additional contributions from their employers. It offers five multiple asset class funds and a pool account, as well as a "lifetime" option to invest members' savings in the most age-appropriate fund.

The New Zealand Retirement Fund (NZSF)	KiwiSaver
Has a client: the Government	Has more than 2.2 million individual accounts
It is a non-contributory public pension system (common and no proof of income is required)	Each account requires management teams, IT infrastructure, customer service and communications
This is a benefit paid to New Zealand citizens and residents aged 65 and over	The money in your account is locked until retirement
Funded by the state through general taxes	Use to buy a first home or to receive assistance (disability or financial hardship)

Globally it is one of the countries with the best pension where Australia ranked 3rd with a B + rating and New Zealand with a B rating as shown in the following graph

X1 Pension system in Africa

At first glance, pensions may not appear to be the most pressing problem for the African region. While social security is discussed to some extent, private (or rather funded) pensions are rarely discussed. One can

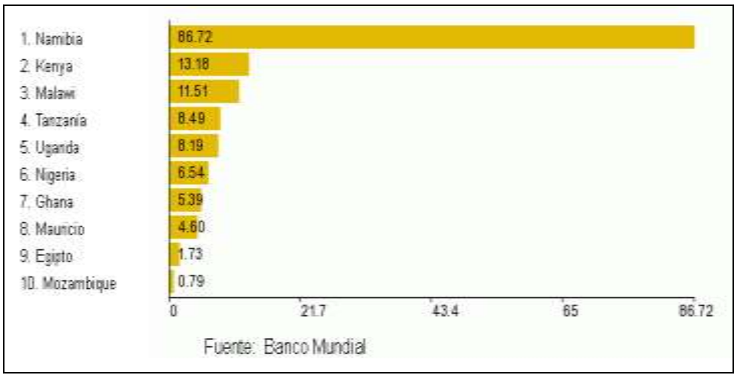
The urgent question of the correction of pensions in Africa is not only the requirement to introduce a system of social protection, helping to alleviate demographic pressure, poverty of the elderly and supporting the homes of grandparents after the AIDS pandemic. / HIV and regional problems. Furthermore, there is an urgent need to reform the existing pension system in the region, the cost of which will often replace expenditures in other key areas (such as health and education). Coverage of these systems is low (less than 10 or often less than 5 percent of the population) and generally only for civil servants or a minority of relatively well-paid workers in the formal sector, resulting in highly regressive systems, with cross-subsidies required from indirect taxes (usually VAT) as pension payments from these systems often exceed contributions. The need for efficient pension arrangements in the region is unquestionable: although the challenges in introducing them remain great (in particular, the large informal sector of workers).

At present, compared to other parts of the world, this is not a problem. Africa will grow old too. The United Nations estimates that by 2050, the global community aged 60 and over will be close to 2 billion, and about 80% of the world's population. they will live in developing countries (see image 1). As elsewhere, citizens older than 60 years, especially those older than 80 years: demonstrating the most developed community group on the African continent, the number of older people increased by 50% between 2000 and 2015, and almost it increased fivefold in 2050 (Help Age International (2006a).

Even now, a fifth of the world's poorest people (approximately 100 million citizens), living on less than $ 1 a day, are over 60 years old (van Dullen (2007). As in other parts of the world, Social pressures of urbanization and shrinking family sizes will make it difficult for older African people to depend on family support. Global experience shows that aging-related problems, including pensions, cannot be solved prematurely. Developing countries they should try to use the "sweet spot" of their population to meet these challenges. Most low-income African countries do not have pension or community security methods, but some nations do offer some form of pension coverage.

On your social security: There is no general social security system, and the same company is responsible for providing health insurance to its workers through private health insurance. The contributions between the company and the workers are usually equal (6% or 7.5% of each part of the salary). Private pension funds: They are promoted by agreements and donations between workers and employers. The South African system does not include retirement benefits. Subsidies for unemployment and accident insurance: Subsidies are financed with contributions from the State, companies and workers. The protection of this fund (Unemployment Insurance Fund) is limited to the first six months of unemployment.

African pension fund assets as a percentage of GDP: 2017 averaged 14.71%. The highest value is Namibia: 86.72% and the lowest value is Mozambique: 0.79%. Below are all the tables of the nations in which the data is shown.



Renovations to Africa's pension and health systems will subdue the country's political scene in 2019.

XII. Pension system in China

In China, in 2005, the elderly population aged 65 and over represented 7.6% of the total community, or 100 million citizens, but in the next 45 years, this figure will rise to 23.6%, or 330 million of older inhabitants. The old age of the community will also significantly increase the number of "older people". Although the world's population over 80 is less than 100 million, in China alone, the size of this group will exceed this number by 2050, and Chinese society will have to feed a quarter of the world's elderly.

In China, the pension method is indefinitely new and the monthly payment is very small, it does not reach 100% of the population. But for the national treasury, this is a considerable expense. According to OECD data, in the world report each year linked to pensions, China's pension spending in 2014 was similar to 3.4% of its GDP. This amount is, indeed, less than the OECD average (7.9%) and the Spanish average (10.5% of GDP).

In China, according to legal data, about 800 million of the 1.3 billion Chinese citizens have been considered in the pension system, compared to 200 million 15 years ago. In addition, the theme is very simple and varies according to the place of residence of each inhabitant (urban or rural area) and even their job position, since public citizens receive higher pensions than those who work in private organizations. For this concept, Beijing citizens can receive an average of 3,000 yuan a month (405 euros at the current exchange rate), but in rural areas, the amount can drop to a ridiculous 80 yuan (10.8 euros at the current exchange rate). change currently). People begin to gather at an early age to give the best possible welcome to old age.

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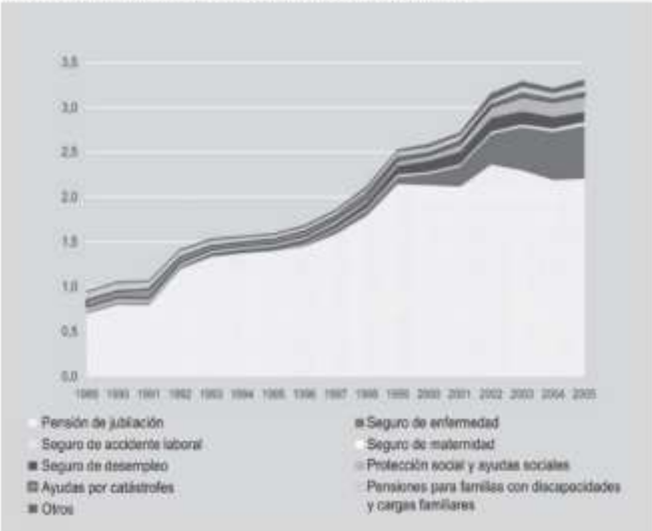
Gráfico 2. *El gasto público como porcentaje del PIB de 1989 a 2005 (China asigna la mayor parte del gasto de la seguridad social a las pensiones)*



Fuente: National Bureau of Statistics, 2006

Legal statistics show that of the 1.3 billion Chinese people, some 800 million have been included in the pension system, compared to just 200 million 15 years ago. Likewise, the theme is very simple and varies according to the location of residence of each inhabitant (urban or rural area) and even their job position, because public workers receive higher pensions than those who work in private organizations. With this concept, Beijing residents can earn an average of 3,000 yuan per month (405 euros at the current exchange rate), but in rural areas this figure can be reduced to a ridiculous 80 yuan (10.8 euros at the current exchange rate). change currently). People tend to get together earlier to survive in old age.

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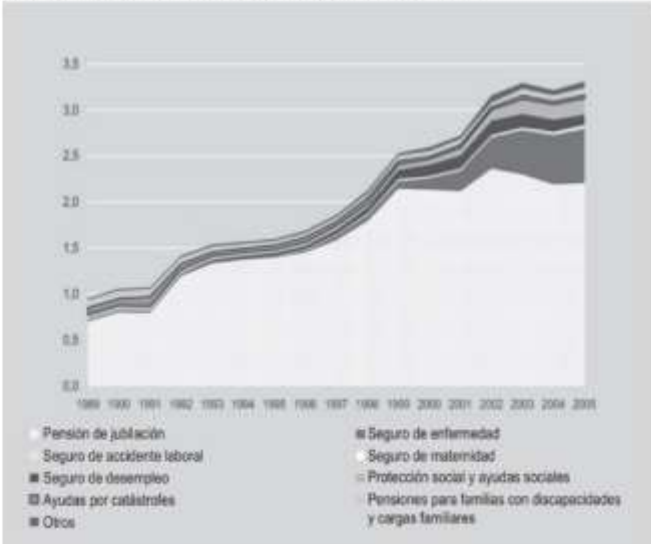

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XIV. Pension system in China

Japan is the oldest country in the world. But his illusion of life is one of the highest in the world. The reason for the enormous birth challenge: between now and 2060 its population is expected to decline by a third. Although Japan's unemployment rate is very low, causing a high percentage of the working-age community to contribute to the method, birth problems put the sustainability of its welfare state at risk.

It is a system to receive the "basic annuity" shared by all. Hospital admission is guaranteed in old age and in unforeseen circumstances such as illness and death. All people living in Japan, including foreigners between the ages of 20 and 59, must be registered with the National Retirement Pension. In addition, you can also register in the KOSEI NENKIN system (social pension) in the company where you work. All of these are added to the national pension. Approximately 75,900,000 people contributed to the system.

National pension affiliates and procedures for joining

Members of the national pension are classified into the following three types and the affiliation procedure is as follows.

Insured 1, those who live in Japan and are between 20 and 60 years of age and do not fall within the following insured 2 or 3. Those who do not have Japanese nationality and remain with a medical stay visa or a long tourist visa duration are exempt from the national pension.

For foreigners who fall under the first insured, after creating a resident card in the municipal office, the national pension of the same municipal office can apply for membership at the counter of the property.

Insured 2, those who work for companies, factories, etc. and have social annuity insurance, etc. Since the registration procedure is performed by the business owner, like the company, the procedure by the person himself is not required. Ask your employer for more details. Insurance premiums are deducted from salary and paid by the business owner.

Insured 3, where a spouse between 20 and 60 years old who lives in Japan and depends on insured 2. (Dependent spouse). Temporary travelers abroad can become the third insured person as a special case. The registration process will be carried out through the business owner of the company where the spouse who is the second insured works. There is no premium charge. The second insured person will assume the burden.

Monthly premium

The monthly premium for the monthly national pension is 16,540 yen. The monthly premium is until the last day of the following month. Insurance premiums can be paid in cash at financial institutions such as banks, post offices, convenience stores, etc., as well as account transfers, and you can also use the Internet. There is also a system where premiums are discounted if premiums are paid in advance for a specified period in the future. In addition, the prepayment by account transfer is the amount of the discount greater than the advance payment in cash.

Pension benefits provided by the national pension

1) Basic old-age pension

In principle, it will be paid from the age of 65 to those who meet the conditions such as paying the national pension premium for 10 years or more.

★ Annual amount = 781,700 yen (annual amount for the second year of the decree when the premium is paid for 40 years)

2) Basic disability pension

If you are in a state of disability corresponding to the degree of disability due to illness or injury while enrolled in the national pension, the basic disability pension will be paid.

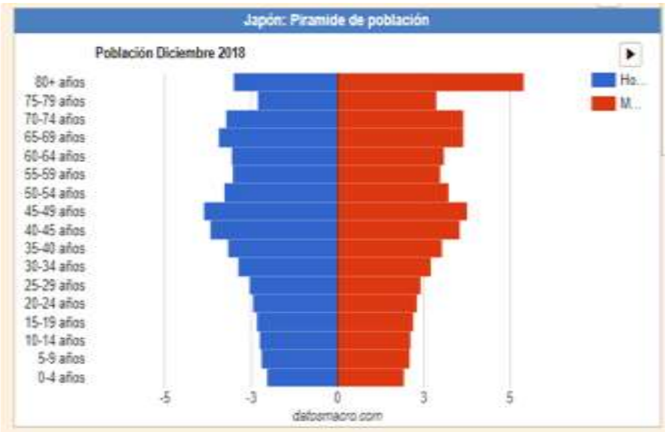
★ Annual amount = 977,125 yen (annual amount for the second year of first grade) 781,700 yen (annual amount for the second year of second grade)

3) Basic survival pension

If a person enrolled in the national pension dies, the basic survivor pension will be paid to the survivor (a spouse with a child or a child) who has maintained their support.

★ Annual amount = 1,006,600 yen (annual amount for the second year of the decree paid to a spouse with one child)

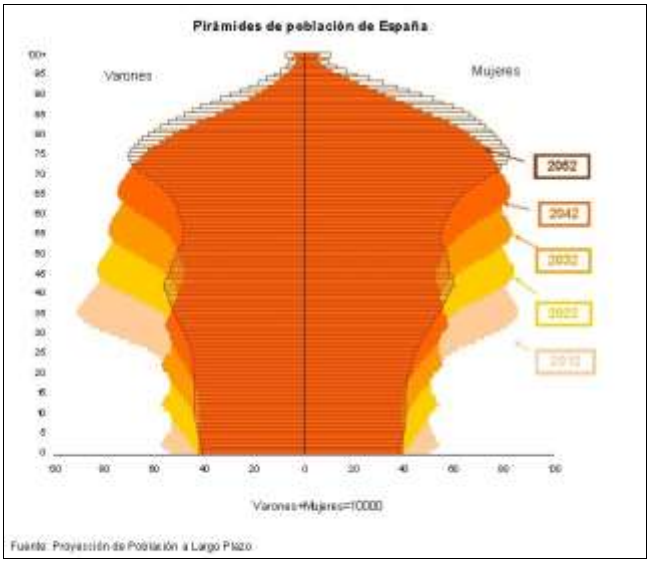
The longevity of the Japanese community endangers the pension system. The old age of the inhabitants and the collapse of the birth rate are a deadly combination of maintaining wages. The report of the Financial System Commission warned about the gap between the affiliations and the expenses of retirees. He demonstrates this graphically through a forecast that takes into account the affiliations for public pensions and private subsidies of the average retired couple and compares them with their living, housing and medical amounts for the remaining three decades. The result is terrible, because they need a lot of board aptitude, about 20,000 million yen (164,000 euros) to preserve their life status. Obviously, this number is not recommended for the large number of inhabitants.



Citizens of Japan retire after the age of 65 and receive an average pension of 150,000 yen (1,233 euros), which is obviously not enough to lead a comfortable life. It is estimated that 20% of the people live in relative poverty. Retirement is usually supplemented by other jobs, which is why, for example, most taxi drivers are elderly.

XV Comparison with the Spanish reality

Spain is facing a demographic growth similar to that of Japan. In terms of life expectancy, both names are among the highest in the world (85 for women and less than 80 for men), and their birth rate is less than 1.5 children per lady. The hierarchy of the community foreseen for the following decades is very true: we are facing a serious aging of the population.



In addition, unlike Japan, Spain has a high unemployment rate, especially among young people, which puts additional pressure on the great challenges of population growth because it generates fewer taxpayers and larger beneficiaries.
That is why reforms must be initiated to ensure the sustainability of the system under these new conditions.

Pension system in Europe - Spain and Sweden
Spain has a compulsory pension system, financed by contributions from its community custody method. It has a three-pillar pension system based on mandatory state pensions, and a lower market that offers spontaneous company pensions and private pension intentions for those who want to increase their retirement income. There are other ways to increase income through retiree loans or mortgages.
Resident foreigners working in Spain have to request a Spanish pension, but they must fulfill some predetermined requests, in some situations international pensions are transferred or included in their Spanish pension. The main government reforms in recent times have been aimed at lowering pension interest rates in Spain, but they are still higher than in other nations. The 2013 law changes with the contribution age and the calculation time of the pension contributions, making it difficult to obtain this benefit. It is 67 years from the 65 years of retirement stipulated in 2013 to 2027. Those who have estimated at least 38 years and 6 months can continue to retire at 65 with impunity.
In Sweden, the Swedish pension rule focuses on nominal accounts or personal accounts, whereby everyone receives a pension based on their contributions throughout their working life. This system merges private and public pensions (hybrid system). On the other hand, it is the same as Spain in that it leaves the estimates and leads to the payment of pensions, on the other hand, it becomes a system of accumulation of fixed contributions (rather than fixed income in my country).
In Sweden, "the pension is calculated on the basis of the accumulated balance in a personal virtual account, which consists of the total contributions and income generated on the date of retirement". This means that it will be based on your contributions and the assets in your personal account. Interest is paid, so everyone can retire at whatever age they want. "The interest rate applicable to the virtual account is determined through the salary catalog, which includes showing the growth of salaries and which, in addition, depends on the growth of inflation and salaries per capita."
Principles in Spain
Principle of distribution
Employee contributions are used to fund pension contributions for retired workers.
The principle of fiscal proportionality
The pension that a worker receives after retirement will be proportional to the amount he paid during his work.
The principle of universality
Those who cannot contribute to the system can enter their non-estimated system, which provides a number of instruments to ensure their attention.
Principles of public administration
The system is fully managed and financed by notorious entities.
The principle of adequacy of well-being
Benefits must be sufficient to meet demand and be commensurate with the wages workers receive while employed.
Principles in Sweden
Provide minimum pension protection for people 65 and older who have not met the minimum payment standard. In this case, the state is responsible for completing the missing parts.
With the mandatory nature of the personal financing system of occupational pension plans, they pay 7% of their total salary in the form of fixed contributions. More than 90% of employees own one, although the company also contributes to the plan (10% of total salary). The total contribution rate is 18.5%. Of this percentage, 16% goes to nominal accounts and 2.5% to personal pension plans. The funds assigned by the state to the nominal account are deposited in one of the 4 reserve funds owned by the public pension system.
Private capitalization system, they use that 2.5% of the funds for personal pension plans. There are 5 types of funds that can be allocated for savings, and citizens can use the funds saved from the age of 61.
People included in Spain
To obtain the minimum state pension, you must have had to work in the Spanish social security department and have paid at least 15 years. In addition, to request a full Spanish pension, you must work and pay for at least 35 years and 6 months. Another situation is that there must be at least two years in the 15 years before applying for the pension. Some exceptions can be considered during the contribution period, such as maternity leave, unemployment or certain dangers at work.
The government plans to increase the minimum payment period from 15 to 25 years by 2027, and requires Spain to have a maximum pension standard of 37 years. If you move to Spain from another EU country, you can consider your pension rights in Spain when calculating your pension rights in other EU member states. Spain has also signed numerous bilateral pacts with non-European nations, which allows many outsiders to deposit or merge pensions from other nations to Spain. The self-sufficient also have to receive Spanish pensions, as long as they have registered in the community safety box for the self-employed and have contributed to social security.
The current retirement age for men and women in Spain is 65 years and 6 months, and this figure will gradually increase until 67 years in 2027. But if you have paid 36 euros, the retirement years will remain 65 years of security social for a year and a half. Provided you have at least 33 years of

contributions, you can retire 2 years before retirement age; or 4 years if fired. If you have a disability or are doing certain high-risk jobs, you can request a Spanish pension from the age of 60, and in some cases up to the age of 52.

Quote discount in Spain

The percentage varies according to the number of years of social contribution. The percentage used is 50% from the age of 15. From year 16, between the first month and month 248, the contribution of each additional month will increase by 0.19% AND 0.18% throughout 248 months, the percentage to the supervisory base does not exceed 100 %, except in situations where the pension age is better than the result of the application.

However, for 2027 a transitional and gradual time will be established, and the previous percentages will be replaced by the following:

PERCENTAGE - RETIREMENT - QUOTED YEARS								
APPLICATION PERIOD	**FIRST 15 YEARS**		**ADDITIONAL YEARS**				**TOTAL**	
	Years	**%**	**ADDITIONAL MONTHS**	**COEFFICIENT**	**%**	**YEARS**	**YEARS**	**%**
2013 to 2019	fifteen	fifty	1 to 163 83 remaining	0.210.19	34.23 15.77			
	fifteen	fifty	Total 246 months		50.00	20.15	35.5	100
2020 to 2022	fifteen	fifty	1 to 106 146 remaining	0.210.19	22.26 27.74			
	fifteen	fifty	Total 252 months		50.00	21	36	100
2023 to 2026	fifteen	fifty	1 to 49 209 remaining	0.210.19	10.29 39.71			
	fifteen	fifty	Total 258 months		50.00	21.5	36.5	100
FROM 2027	fifteen	fifty	1 to 248 16 remaining	0.190.18	47.12 2.88			
	fifteen	fifty	Total 264 months		50.00	22	37	100

The percentage varies according to the number of years of social contribution. The applicable ratio is 50% from 15 years of age, 3% for each year from 16 to 25 years and 2% for each year from 26 to 25 years. 100% at 35 years of age.

PERCENTAGE SCALE BY QUOTED YEARS	
Years of listing	**Percentage of the regulatory base**
At 15 years old	fifty%
At the age of 16	53%
At 17 years old	56%
At 18 years old	59%
At age 19	62%
At age 20	65%
At 21 years old	68%
At 22 years old	71%
At 23 years old	74%
At age 24	77%
At age 25	80%
At age 26	82%
At age 27	84%
At age 28	86%
At age 29	88%
At age 30	90%
At age 31	92%
At age 32	94%
At 33 years old	96%
At 34 years old	98%
At age 35	100%

Pension system in the US and Canada

When it comes to perfecting and strengthening the management of sectors as important as pensions, it is always important to understand and observe the practice of other nations, one of the purposes is to ask them how to solve possible habitual factors, how to improve supervision and measurement, which ones? the responses of accredited agents and products, what effective stimuli to respond to, and what their and behaviors toward overall retirement savings. The foregoing demonstrates SUPEN's interest in understanding and understanding the Southern Cone pension system, and has extracted valuable knowledge from it. In addition to this, it is considered interesting to know the experience of industrialized countries in the operation and supervision of pension plans, because the investment markets are more improved, has a superior level of experience in managing many innovative financial products, as does the situation in the United States and other OECD nations. In this position, the purpose is to detail the management of the United States pension system, in order to draw some lessons that may be important in the management of integration and estimation of the pension sector in Costa Rica. The appreciation for this particular system is based on its growth and knowledge, which makes it so great that today it is an important institutional investor not only in the United States but also worldwide. To achieve this goal, we first describe the peculiarities of the North American pension system, its characteristics, the types of plans that already exist, and its legal basis. What's more, The fiscal procedure, the supervisory and accounting aspects of the plans are emphasized, ignoring specific aspects such as the supervision of transpositions, the structure of the portfolio and the peculiarities of the managers. Finally, it describes an original and very interesting system that has existed in the country for many years, which delivers shares to workers and forms a very powerful pension support.

Pension systems in the US

The current pension system in the United States is a double method because there are 2 overlapping systems that provide income to retirees: the old-age, survivors and disability insurance system of the federal government (OASDI), commonly known as "social security ". (Social Security) and a huge and diverse retirement system sponsored by private and public sector employers. Since the OASDI is a distribution system, it does not accumulate assets and does not intervene promptly in the capital trace. It is also based on the following set of options. First of all. It is worth mentioning that US law does not provide obligations for organizations to formulate pension plans; However, when they are declared collaboratively or as the effect of a bargaining group, they have to comply with the contract. existing legislation and specific regulations. Another aspect to declare is that the greatest declarative problem of the extraordinary development of the funds of community pensions of the nation are the fiscal incentives available for this form of saving, which indicates to the extent that although it is not a mandatory system, it is quite common. . and uniform. from. The entity that develops the pension plan for its employees is called a sponsor, which is why it is called a private company (65% to 70% of the total), federal government, state or local government, union or individual solely for their benefit. In most situations, these pension funds are financed with contributions from employers, although employees often participate as well. existing legislation and specific regulations. Another aspect to declare is that the greatest declarative problem of the extraordinary development of the funds of community pensions of the nation are the fiscal incentives available for this way of saving, which indicates to the extent that although it is not a mandatory system, it is quite common. . and uniform. from. The entity that develops the pension plan for its employees is called a sponsor, which is why it is called a private company (65% to 70% of the total), federal government, state or local government, union or individual solely for their benefit. In most situations, these pension funds are financed with contributions from employers, although employees often participate as well. existing legislation and specific regulations. Another aspect to declare is that the greatest declarative problem of the extraordinary development of the funds of community pensions of the nation are the fiscal incentives available for this form of saving, which indicates to the extent that although it is not a mandatory system, it is quite common. . and uniform. from. The entity that develops the pension plan for its employees is called a sponsor, which is why it is called a private company (65% to 70% of the total), federal government, state or local government, union or individual solely for their benefit. In most situations, these pension funds are financed with contributions from employers, although employees often participate as well. Another aspect to declare is that the greatest declarative problem of the extraordinary development of the funds of community pensions of the nation are the fiscal incentives available for this form of saving, which indicates to the extent that although it is not a mandatory system, it is quite common. . and uniform. from. The entity that develops the pension plan for its employees is called a sponsor, which is why it is called a private company (65% to 70% of the total), federal government, state or local government, union or individual solely for their benefit. In most situations, these pension funds are financed with contributions from employers, although employees often participate as well. Another aspect to declare is that the greatest declarative problem of the extraordinary development of the funds of community pensions of the nation are the fiscal incentives available for this form of saving, which indicates to the extent that although it is not a mandatory system, it is quite common. . and uniform. from. The entity that develops the pension plan for its employees is called a sponsor, which is why it is called a private company (65% to 70% of the total), federal government, state or local government, union or individual solely for their benefit. In most situations, these pension funds are financed with contributions from employers, although employees often participate as well.

Responsibility for retirement expenses

The amounts to be paid for retirement are seen as a liability clearly borne by the employee, vitally in the situation of huge organizations, as part of the competitive profits that the organization can provide to employees. Employers and workers don't see it as a tax, but they see occupational pension plans as a favorable alternative to higher wages, and are mostly used to persuade workers to retire frequently, lest they face the loss of some or all of your benefits Possibility. Employer contributions. For these reasons, in most situations, pension funds are viewed as a form of remuneration that does not cause taxes and as a way to obtain stable salaries. When a certain form of retirement plan is declared, pensions are based on debts that the organization will be forced to face at some point, and as an obligation it means the risk of not having available funds to comply with the contractual constraints of the employer. In this case, the pension plan becomes one of the main functions of the company's financial director, who is committed to establishing the goals of the plan and monitoring its results.

Determination of employer contributions

The contribution that the company must make to the pension fund is determined according to certain negotiating or actuarial investigations. The most commonly used actuarial method to estimate normal costs is the cumulative favor spending plan, which predicts how much current investment is needed to meet accrued benefits that year; therefore, as workers approach retirement, more and more donations are provided each year. Another widely used planning is the horizontal spending method, which means that the organization contributes a similar amount to each worker each year, or a fixed percentage of their annual pay.

Magnitude of funds.

Due to their quantity, pension funds are an important role in the North American economy and financial markets. To better understand their scale, the assets of these flows represented 29.3% of GDP in 1970 and increased to 40.7% in 1980; five years later, they represented just over half of the products and in 1991 they showed 66%. At the end of 1995, its total assets amounted to US $ 40.374 billion, making it the largest institutional investor in the world.

Other operational peculiarities.

US law stipulates that any worker who leaves the company after having worked in the company for at least 5 years has to obtain a part of the pension they receive, this is called the right to grant. In addition to pensions, related plans generally cover other utilities, such as disability or death benefits. Plans rarely promise to improve pensions in retirement, but many companies voluntarily increase pensions during periods of high inflation, such as fully adjusted federal government employees. Pensions are not the only way organizations should help employees retire; almost all companies provide health benefits. Compared to pensions,

Types of pension plans

Unsurprisingly, the private pension system in the United States consists of a large number and a wide variety of plans, among which business or professional plans are the most prominent, provided by large and medium-sized companies, unions and public institutions. . Public entity (state and local), which can vary from one activity to another or even from one company to another. For self-employed workers or lower companies, there are other choices, which have a similar tax method. Despite the differences in numbers and types, pension plans are divided into 2 more popular general simple categories and the third category that merges the two, as follows:

Hybrid plans

The mixed or designed pension plans merge the peculiarities of the two simple types of plans in the previous paragraph. In the United States, they were shown in 1985 for the first time and have become very popular recently because employees do not have to bear all the investment risks, such as fixed contributions, and they are not that expensive or difficult. Implement as a defined benefit fund, especially when it comes to a small number of workers who have performed for an organization for a long time.

A good example of this type of plan is the "performance compensation plan", in which the employer contributes to the fund a specific amount per year in a fixed tax method and awards a certain lower level of profits in effect, depending on the laborer's service, such as a displayed profit plan. Employers manage pension funds and periodically notify employees of the value of their accounts. As in the fixed benefits situation, when the fund does not cause the growth necessary to meet expected earnings, the employer is forced to contribute the significant amount to correct the debit.

CONCLUSIONS

After reviewing the aforementioned proposals, it is concluded that, as the years have passed, the number of active people in a certain job in relation to the number of retirees, has shortened its gap considerably, which became in a drama for the defined benefit system, which proposed a fixed retirement payment to the employee who went into retirement. The financial unfeasibility of this type of system made people opt for its counterpart, that is, defined contribution schemes. However, by doing this, the risk that the retiree runs is greater, since by investing, he can both win and lose, making it unsafe to maintain his standard of living after his retirement.

The American pension system is a 2-pillar system: a tax-funded community security system and a private system recommended by employers in the private and public sectors. The size of this second group makes it a major institutional investor in the North American capital market and has a large impact on financial innovation.

The legislation does not carry out detailed inspections of each fund or managing agent, but establishes a minimum contribution amount for sponsors and general provisions to ensure that government agencies pay pensions.

Due to their peculiarities and nature, pension plans are considered debts of large and medium-sized companies, and their contributions are generally not considered tax evasion. When it comes to workers and employers, they see it as a favorable substitute for high wages, which encourages their persistence in the organization. In short, in almost all situations, pension funds are seen as a form of remuneration that does not generate taxes and as a way to preserve more stable wages.

In terms of supervision, the vital concern is whether the defined benefit fund has a deficit or a surplus, in this case, it is necessary to adjust it according to the contribution level to avoid tax penalties and higher insurance costs. In terms of investment, the laws of North America are very manageable, fundamentally they recommend rules of prudent people.

In addition to business or career plans, there are other interesting options. Among them, it emphasizes the situation of ESOP, in which the shares are granted to the employees of the organization and constitute a pension fund, which also has an important advantage in the taxation of the participants.

RECOMMENDATIONS

A comprehensive renovation of the new private pension system (SPP) in the hands of academics, researchers, actuaries, and various professional entities must be taken into account to correct the errors of the current reforms in order to achieve better benefits for members and future pensioners. related to coverage, quotes, commissions, higher profitability, higher pensions, etc.

The pension fund managers and the banks, insurance companies and regulators of the AFPs must strengthen communication with the affiliated institutions so that the latter and the general public understand the advantages of the pension savings system.

It is important to establish mechanisms of educational and financial culture to prevent populist suggestions from government authorities and / or candidates from stimulating the interest of citizens, but in the long run this will harm savings and pensions.

A new mechanism must be established that allows the inclusion of potential taxpayers in the SPP through voluntary savings, with or without social security purposes, to avoid the errors of the previous reform, which suspended the previously planned mechanism.

A youth contribution incentive scheme (matching contributor) should be established to promote early savings and encourage formal employment for this group of future SPP contributors.

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