

# Improving The Accounting Of Length Of Service And The Amount Of Wages For The Calculation Of Pensions.

**Boqiyev Navruz Nosirovich**

Chief Inspector of Pensions and Benefits of Qibray district branch of the Pension Fund of Tashkent region (group leader),  
Master of the Banking and Finance Academy of the Republic of Uzbekistan

**Abstract**— *It is no secret that a number of efforts are being made today to improve the pension system. It is safe to say that bringing the quality of pension services in line with modern requirements is becoming one of the main goals of this period. An example of this is the reform to improve the accounting of length of service and the amount of salary for the calculation of pensions. This thesis also provides detailed information about the process of improvement in this direction.*

**Keywords**— pension amount, insurance premium, labor activity, salary, income, budget, financing, pension calculation, social insurance, legislation, pension fund.

## 1. INTRODUCTION

The amount of the pension depends on the length of service and consists of the basic amount of the pension, the increase in the pension for the length of service, as well as the additional contributions to the pension. To calculate the amount of pension, a monthly salary is taken for any five consecutive years of employment during the last ten years, ie at the option of the person applying for a pension.

## 2. MAIN PART

The person applying for a pension must indicate in the application form the five-year period he or she has chosen. According to the Extra-Budgetary Pension Fund under the Ministry of Finance, the length of service is taken into account when receiving an old-age pension. For example, if a working woman with 30 years of work experience is on maternity leave for a total of 3 children during 8 years of work experience, in this case, the total length of service is 25 years when calculating the length of service for retirement. Any work performed by an employee with state social insurance, military service (including military service in the mobilization reserve) and participation in guerrilla detachments and formations, service in state security and internal affairs bodies, as well as in paramilitary guards, special communications agencies and insurance contributions to the Extra-budgetary Pension Fund under the Ministry of Finance of the Republic of Uzbekistan, regardless of departmental subordination, for individual labor activity or cattle breeding and sale of livestock products on personal auxiliaries and farms, time of care, time of study in higher education institutions, postgraduate, doctoral and clinical residency in basic doctoral and doctoral studies, full-time study, including study abroad, time spent on childcare leave until the child reaches 3 years of age, as well as officers, and wives of conscripts who have lived with their husbands in places where it is not possible to employ them, Spouses (husbands) of employees of diplomatic missions and consular posts of the Republic of Uzbekistan, as well as persons sent on business trips to positions offered by the Ministry of Foreign Affairs of the Republic of Uzbekistan to international intergovernmental organizations must be abroad, but not more than 10 years. Retirement is also provided in case of insufficient length of service. In this case, pensions are awarded in proportion to length of service.

Irrespective of the available breaks in work, any consecutive five years of employment during the last ten years of employment are taken into account for the calculation of the pension. Approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated September 8, 2011 No 252. According to the Regulation on the procedure for recalculation of wages received for the calculation of pensions using individual wage coefficients, the salary received for the calculation of pensions is converted to bring the salaries of previous years to the level of wages on the day of retirement calculated. The average monthly salary received for the purpose of calculating the pension is determined by dividing the total amount of recalculated salary for sixty consecutive calendar months by sixty. The pension is calculated on the basis of an average monthly salary not exceeding eight times the minimum wage. Wages are deducted from the amount of wages calculated.

Indeed, today in our country, social protection has risen to the level of state policy. At the same time, if we focus on the efforts to improve the pension system, in 2019 alone, noble initiatives and improvements were implemented. Currently, a number of changes have been made to the procedure for calculating the length of service and salary for the calculation of pensions, is being improved. As of January 1, 2019, due to the abolition of insurance contributions to the Extrabudgetary Pension Fund from the income of citizens in the form of wages, a new procedure for determining the length of service and determining the average monthly salary for pensions from 2019 is established. At the same time, when calculating the

pension, any work is taken into account if the employee has paid insurance premiums. This procedure is used to determine the length of service for the period of employment until January 1, 2019. For the period of work performed after this date, any work that is considered as income in the form of wages is taken into account, the main reason for which is the abolition of insurance premiums. To calculate the pension, the following income is added to the salary, as well as the natural part of the salary:

- All income in the form of wages, which are insurance premiums (for the period up to January 1, 2019)
- All accrued income (for the period after January 1, 2019)

### **3. CONCLUSION**

All types of cash benefits, such as income in the form of wages, are added to the salary received for the calculation of pensions for persons not covered by state social insurance in accordance with the law. Salary for the calculation of pensions of citizens of Uzbekistan employed abroad - from the amount of insurance contributions paid to the Extrabudgetary Pension Fund under the Ministry of Finance of Uzbekistan (for the period up to January 1, 2019) and based on the amount of the single social payment paid (for the period after January 1).

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