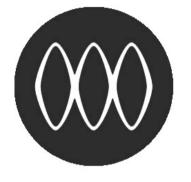
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Administrative and I.T. Challenges for Russian Authorities

Reflection on the Russian Case (Room Document N°13, Session 8)

Agenda

- Expectations of Workers
- Responsibility of Enterprises
- Systems and Administration
- Duties of Governmental Agencies



Expectations of Workers



Contributions

- Standard procedures to elect voluntary contributions
- Enterprise calculates required contributions correctly
- Enterprise submits all contributions in a timely manner
- Oversight by Treasury to detect late funding and take action
- Ability to file claims against enterprise without fear of retribution



Pension Fund of Russia

- Reasonable rates of return
- Plan/account information
 - Initiate transactions
 - Transaction confirmations
 - Request account information
 - Answer worker questions
 - Research worker inquiries
- Timely annual statement easy to understand
- Documented claims procedures



Pension Fund of Russia

- Easy process for annual election for transfer to private fund
- Timely transfer of account balance to private fund
- Confirmation and explanation of transferred amount
- Transparency of fees



Private Funds

- Reasonable rates of return
- Access to information
- Timely periodic statements
- Documented claims procedures
- Transparency of fees
- Government oversight



Responsibility of Enterprise

- Communication Program
- Standard procedures no discrimination
- Timely eligibility calculations and contribution submission
- Accurate participant data
 - Standard ID
 - Address
 - Dates of hire
 - Wages



Contribution Reconciliation

- Identify the contributions
- Reconcile control totals to report
- Verify the breakdown by worker
- Post the contributions to worker accounts
- Update worker's data

Allocation of earnings

- posting of income and expenses
- processing of payments
- processing of transfers to private funds



- Transfer Processing
 - Election process
 - Calculation of transfer
 - Posting of transfer
 - Confirmation to worker and Private fund
 - Update worker's data
- Distribution Processing
 - Claim procedure
 - Calculation of pension payment
 - Transfer of funds



- System Requirements
 - centralized database or decentralized database with telecommunication ability
 - ability to share data
 - powerful processing speed
 - significant storage capabilities
 - back-up and disaster recovery



Data:

- standard data format
- data submitted through the Internet
- pre-screening of data before entry and automated error checking
- reconciliation of data before entered into central database
- ability to share data with different agencies



Recordkeeping and Administration

System Protocol

- date and time stamp for contribution posting
- storage and retrieval of contribution history
- fee allocation routine
- income allocation routine
- transfer functionality
- distribution requests and calculations
- easy error correction
- merging of duplicate records
- report writing features



Duties of Government Agencies

- Build trust in the system by:
 - Creating dependable systems
 - Establishment and enforcement of procedures
 - Providing access to information
 - Allowing public oversight



Determinants of Success

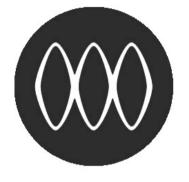
- Efficient collection of contributions
- Robust clearinghouse infrastructure
- Accurate Administration and Recordkeeping
- Effective oversight by governing bodies
- Competitive Private fund market



Questions



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Thank You

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