The New PENSION FUND SYSTEM IN CROATIA

✓ Presented by: Kristina Martinović
✓ spokesperson

AGENCY FOR SUPERVISION OF PENSION FUNDS AND INSURANCE
New System

✓ 3 Pillar system:

I. (reformed) PAY–GO · financed by contributions and state budget revenues

II. Compulsory pension funds · based on individual capitalized savings

III. Voluntary pension funds · based on individual capitalized savings
II Pillar – Compulsory Pension Funds

✓ 5% of gross salary
✓ Started on January 1, 2002
✓ Members:

  Employed under 40
  Employed between 40 and 50 may participate
✓ Membership in only 1 compulsory fund
✓ Establishment of 7 compulsory funds
✓ Establishment of 3 custodian banks
III. Pillar · Voluntary funds

- Croatian residents over 18
- Retirement payments after 50
- Preferable tax treatment:
  - Payments tax deductible
  - 25% government subsidy
- All legal regulations exist
- By the end of March, we expect the first voluntary funds to be on the market
Enrollment process

✓ Started November 15, 2001
✓ Only personal application at REGOS premises
✓ Although, agents not prohibited
✓ Dead-line March 31, 2002
✓ Expected number of employees 900 000
✓ 390,000 people have registered (more than a third of the eligible target group)
✓ For the registration process 228 REGOS windows have been opened for enrollment
Results of public opinion research

How well are you informed about the pension reform?
target group: employees 18-50 years

- November:
  - Very good: 24%
  - Good: 49%
  - Somewhat: 21%
  - Not at all: 7%

- December:
  - Very good: 49%
  - Good: 49%
  - Somewhat: 12%
  - Not at all: 6%

- January:
  - Very good: 57%
  - Good: 29%
  - Somewhat: 11%
  - Not at all: 3%
Do you know where to enroll for a pension fund?
Support for pension reform

Do you personally support the implementation of the pension system reform?

- 53% (I do)
- 29% (mostly yes)
- 8% (no)
- 5% (mostly no)
The Decision-makers

- Minister of Labor - Davorko Vidovic
- Director of HAGENA – Dragan Kovacevic
- Director of REGOS – Andelka Buneta
- Director of HZMO – Srecko Vukovic