PENSIONS PRIVATE- MEASURES TO PROTECT THE MEN

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Summary

The need for long-term financial planning should occur in the first years of youth, especially now that aging is a widely debated topic. In other words, financial planning should start with our first job. Although for most of us there will always be short or medium term priorities, such as buying a car or a house, we must not lose sight of the long term.

Cuvinte cheie: *pension private, measures, financial planning, men*

Clasificare JEL : A, A1

1. Introduction

The purpose of this article is to highlight the fact that private pensions alternative and today is an important measure to protect individuals in the future of Romania, because older people face many and serious difficulties including low income, limited mobility and a high level of social exclusion. While these problems are faced by all elderly, women and men alike, they tend to be more severe for women because of their low average pensions, their prevalence in the elderly population - 58.6 percent of those over 65 years - and their higher concentration in rural areas with less support and fewer services.

In the contemporary society, social insurance is a village an undue leverage to strengthen labor discipline. By the way covered by allowances paid and restrictions provided, social security and contribute to the strengthening of labor discipline, with positive effects on labor productivity, development of economic and social indicators. The advantages granted and restrictions, stimulates social security for personnel lifting, improving work quality, stability ssalariaţilor in the same unit, making a bigger seniority at work, unexcused absences from work combating or reducing the number of unused days for work.[2]

Speaking about the limits of private pension arises whether rules should be established to compel pension schemes or is it better for them to operate freely, allowing market forces to promote efficient service companies, adapted to the environment.

The constraints and the opportunities must be designed differently for developed countries than for developing countries. The reason for this recommendation is that in countries that have recently introduced mandatory private system, consumers have little experience of investing (or at all). "Many had little or no contact contacts with financial services providers before the pension reform. In addition, the financial services industries were rarely well developed.

This situation requires tenderers constraint rules regarding how the investment portfolios, the way these portfolios are presented, the European Institute of Romania - Impact Studies (PAIS II) their management, etc. In countries with more developed capital markets and a population with experience in investing the need for such rules is lower.

But if we classify pension schemes based on compulsory or voluntary insurance / voluntary contribution systems then obviously the government can assume greater responsibility than skate mandatory pensions.

In the context of a phenomenon more pronounced aging population puts pressure requires increasingly higher on the public pension system was a challenge for the countries of the world, including the economically developed with traditional social security systems.

Thus both at European and national level, has raised the issue of reforming these systems to ensure the sustainability of public pension mechanisms in order to increase the quality of life pensionaarilor at a level closer to that of the active period. The reform has resulted in the introduction and implementation of the social security system, two new pension arrangements, one compulsory and the other optional, both managed by private companies.

During 2005-2008, Romania has implemented the strategy of reform and modernization of the pension system based on diversification obtaining pensions (multi-system) fits in European trends in the field. In this decisive period for reform were developed su basic laws of the private pension system: Law No. 204/2006 on voluntary pension and

Law No. 411/2004 on private pension funds. The stability was a consolidated legal framework governing the organization and functioning of the private pension market entities and prudential supervision of the administration of these funds. Another important for the beginning of private pensions in Romania was set up and start up Supervisory Commission of Private Pension System (PPSSC), autonomous administrative authority prudential regulation and supervision, under parliamentary control, which ensures public control, transparent and efficient, management of private pension system.[7]

The pension systems around the world are in a continuous period of reinvention, evolution. The high cost of old led to rethinking their systems and the emergence of defined contribution scheme, the pension is strictly determined by the personal contribution of each and exploited throughout life through investments.

Romania, through the implementation of the private pension system, aligned to these trends, and the stability and predictability of the system may play an essential role for building confidence in private pensions.

The purpose of this type of private insurance is a private pension provision, which come in complementary pension granted by the public, by collecting and investing by private companies specialized part of individual social insurance contribution.

The effects that can generate echilibarat pension system are:

- Elimination of pressure on the social security budget and thus on the state budget.
- Boosting growth by investing amounts in retirement accounts
- Develop capital market. The assets of private pension funds can support the development of investment projects launched by the state or the private sector, the leverage offered by the capital market

For privately administered pension pillar II or "mandatory private pensions" are also known as the general public, is characterized by directing a share of personal social security contributions, paid monthly in the public system to private pension funds. Contributions are paid throughout the period during which the individual is a taxpayer in the public pension system.

Joining the privately managed pension system is obligatory for persons under the age of 35 years old and optional for those aged 35 to 45 years. Once in this mechanism, as required by law, there is no possibility exit di private pension system, but allowed the transfer between funds.[9]

It should be noted that the investments comprising the assets of these funds are regulated, supervised and carried out according to the risk class of each Fund, with maximum efficiency and prudence.

The right to privately administered pension at retirement opens in line with the retirement age in the public. Pension payment will be made by a private pension provider, and the pension is determined based on actuarial calculations and net personal assets, depending on the accumulated amount of ontribuţii and acstora investment by pension administrator wavy. For individuals whose personal net assets at the date of opening private pension rights and disability pensioners if, for conditions that do not allow the resumption of money can reach the beneficiary as a single payment.[2]

By law, the directors are required to contribute to a Guarantee Fund, and the law establishes safety and other private pension system for the separation of the assets of the fund manager, the technical provisions, the minimum rate of return, net contributions garntarea, etc. Pose a depository assets and financial auditor acts as a safety belt on private pension fund assets.

It should be noted that the money accruing pension fund can inherit if death occurs before this participant to request the opening entitlement.

The "Personal Account" and "investment" are key elements in the private pension system. The new private pension funds is based on individual contributions of participants are managed by private companies, unlike public pension system. Pillar or "system state" is based on solidarity between generations of "paz Zou I go" (employees now pay for retired now), no individual accounts and current pensioners money is paid immediately, without making investments financial.[10]

Contribution to a private pension fund does not create additional financial obligations for participants, since it is a part of social security contributions paid by each participant in the public pension system. Share transferred to Pillar II is 2.5% in 2010, rising to 6% (percentage of gross wage earnings) in 2016.[8]

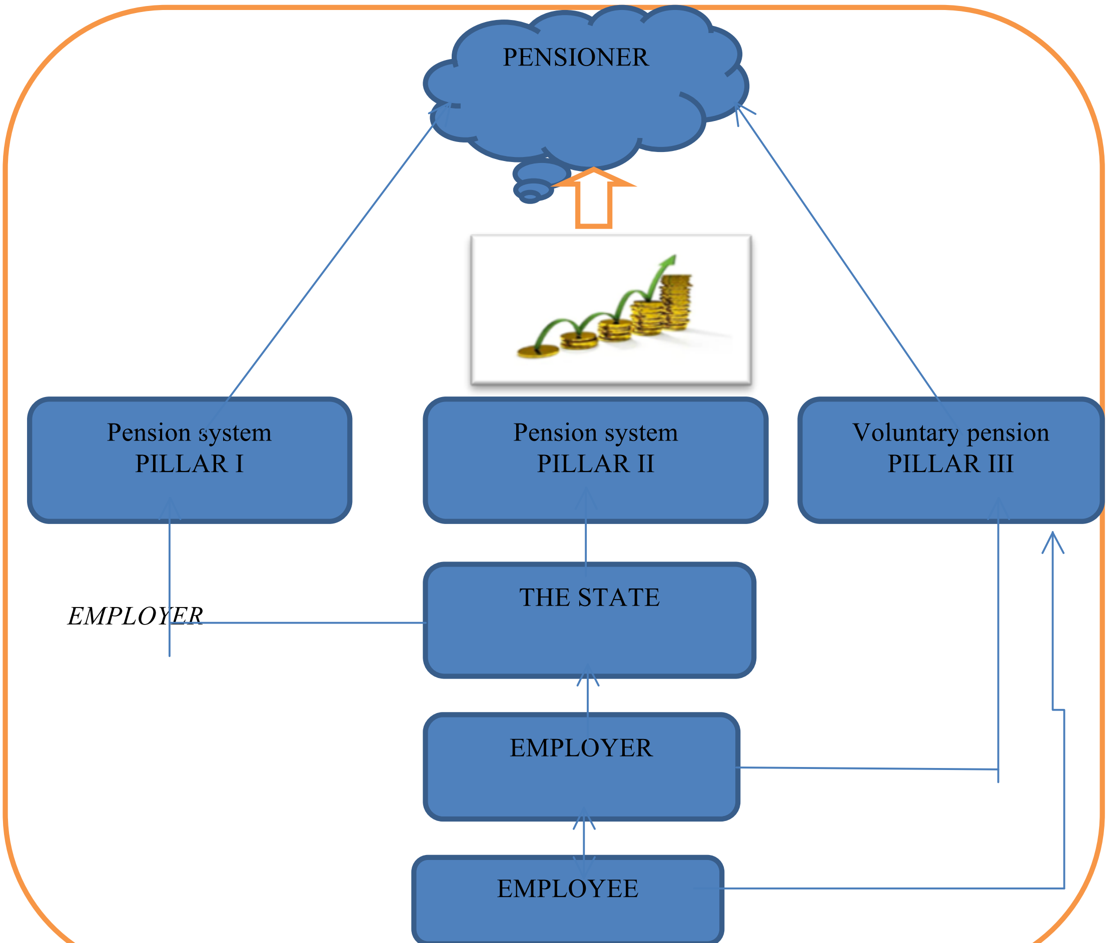

Fig. 1. A simple route money in the pension system in Romania

We must try to increase or even maintain contribute to voluntary pension fund, to the extent possible. In everyone's life, this period is the peak stage, the physical and mental activity. It depends on us how we regroup now and what we will have in retirement income. One solution is to divide the money for investment in short-term needs and long-term needs. Even if we put aside for private pension piţin May, this investment will increase in the long term, especially if added to the investment started at 25 or even earlier.

2.Conclusions:

The State pension will not be enough in retirement. Therefore, everyone will have to save for their old age.

In the context of a phenomenon more pronounced aging population puts pressure on increasingly large social protection mechanisms, management of the public pension system was a challenge for all countries, including those developed economic, security systems social tradition.

Is apparent both at European and national level, is also the issue of reforming these systems to ensure the sustainability of public pension schemes in order to increase the quality of life of pensioners, closer to that of the active period, by introducing and implementing Scheme insurance of two components, one other optional mandatory, both managed by private companies.

Experience of developed countries shows that private pensions administration had better results than one made exclusively by the State. World states, including economic development, social security systems have traditionally supported reforms implemented to ensure financial sustainability in the medium and long term and ensure higher pensions.

In conclusion, I can say that the best protection for a comfortable future is a strong financial plan.

Therefore each of us needs a long-term strategy since the first salary. The sooner we start building this financial future, so it will be stronger and will benefit from a more comfortable old age, carefree.

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