Statement from the Russian-Central Asian Constituency on the proposed pension reform in the Russian Federation

adopted by the unions in the constituency meeting, 18 September 2018

The public service trade unions in Russia and Central Asian members of EPSU/PSI:

- express their concern in connection with the current situation with the pension reform in the Russian Federation. Changes to the pension system affect the interests of all citizens and should be predictable, comprehensively discussed, thoroughly planned, and based on the consensus achieved between all parties to social partnership – workers, employers, and the Government;
- emphasize that the current two parameters of the labor market (employment and wages) generally determine the balance in any pension system. Since wages, or, more specifically, labor payment expenditures are the principal source for current payments to retirees in a pay-as-you-go pension system, it becomes evident how important wages are for the pension fund;
- note that recent increase of the minimum wage to the level of the living wage was one of the achievements of the trade union movement; another achievement was direct regulation (increase) of wages. Progressing in that direction, retirement age could have been raised gradually over 15–20 years without recourse to the shock variant. Deferring pension payments to those who will reach the retirement age in the nearest future, lack of a clear action plan on the part of the Government of the Russian Federation, sudden submission of the draft law to the State Duma without any preliminary discussions and approvals do not constitute a reform of the pension system. This is merely a technical default on the funds incoming in the pension system;
- express profound concern about the actions of the executive authorities that submitted the draft law “On increasing the retirement age” without discussing it with the parties to the social partnership; and call upon lawmakers to carefully consider and take into account all proposals submitted by trade unions on modifying the current pension law. Otherwise, any reforms are doomed to fail.