

## **Abstract**

### **Legal regulation of pension supplementary insurance funds system**

The need of a rapid and comprehensive reforming of the pension systems is increasingly acknowledged by individuals and politicians in most countries. The reform of the pension systems is need for fiscal, economic and social reasons. The purpose is not to burden the state budget with the payment of pensions and while each provide the same standard of living after retirement. Therefore it is necessary to find an ideal retirement system for each individual state. The aim of this thesis is to highlight that a multi-pillar system is an ideal approach to deal with diverse fiscal and social reform.

Chapter Two is introductory and focuses on base importance of additional pension insurance.

The Second chapter describes the basic types of (all) pension systems. A comparison of the two system, that are most frequently appearing.

Chapter Third contains the characteristic of the current pension system in the Czech Republic.

The current pension system in the Czech Republic consists of two pillars of national mandatory pension insurance and voluntary private pension schemes. State pension pillar is based on continuous funding system (pay-as-you-go system), and Private pillar is based on the funded scheme financing.

A current state pension system is mainly due to demographic changes unsustainable in the future. The whole system goes into deficit.

Chapter Four examines relevant Czech legislation of pension funds.

Finances collected by pension funds are being invested in capital markets. This allows to obtain pay-off from savings. Pension fund scheme is a tax-advantaged and because a popular form of savings.

But Pension funds purpose is purely a complementary function in saving money for retirement.

Pension system is needed to be reform.

Reform of the pension system in the Czech Republic already started. The collapse of government probably break its completion. So the new legislation is again far away.

I propose that new legislation should be based on a three-pillar system. First state, guaranteeing a minimum pension. The second consists of the mandatory pension companies. The third pillar consists of voluntary funds, with fiscal support.