

Abstract

This work analyzes the current state of pension systems in countries of European union. First this work describes the division of pension systems, then captures the EU's objectives to build a sustainable pension system. The work also describes in detail the pension systems of Czech Republic and selected countries of EU. Finally, this work identifies by statistical method using an econometric model important determinants that affect pension costs of European countries. Econometric analysis uses balanced panel data set, which is compiled from annual observations of 28 member states of the European Union in the 2006-2013 time frame. For endogenous variables were used ratios of state spending on pensions as a percentage of GDP and exogenous variables were used together on the 15th. The model was tested on correlation, heteroscedasticity and normality. It was used econometric model with fixed effects with robust standard errors. Another aim of the work was to determine which the pension system is the best for states, if often used defined benefit or defined contribution system. This was solved by using dummy variables in the model. In conclusion, it outlined possible solutions for a sustainable pension system.