PENSION FUNDS (30 hours)

1. Goals and basic principles
   - Providers of pensions.
   - State incentives, regulation and supervision.
   - Beneficiaries.
   - Financing of pension benefits. PAYG. Funding.

2. PAYG pension schemes
   - General description.
   - Croatian pension system - I pillar: description, some specific properties, current position, some current trends. Dependency ratio, the actual pension value, the lowest pension, the lowest pensionable salary, early retirement pensions, the basic pension, pensions for some exclusive social groups based on special lows, indexation.

3. Funded pension systems – defined benefit schemes
   - Scheme design.
   - Financing methods.
   - Actuarial basis. Service tables, salary scales. Demographic and economic assumptions.
   - Present values of some standard pension benefits.

4. Funded pension systems – defined contributions schemes
   - General description.
   - Croatian pension system – II pillar: main properties. The transition cost. Replacement rates of new pensions.

5. Techniques of actuarial valuations
   - Demographic projections. Data and actuarial basis. Transition probabilities.
   - Financial projections. Data and actuarial basis.

Literature:
1. C. D. Daykin, T. Pentikäinen, M. Pesonen, Practical risk theory for actuaries, Chapman and Hall, London, 1994.
2. S. N. Iyer, Actuarial mathematics of social security pensions, ILO, Geneve, 1999.
3. E. M. Lee, An introduction to pension schemes, Institute and Faculty of Actuaries, Oxford, 1986.
4. World Bank, Averting the old age crisis: policies to protect the old and promote growth, Oxford University Press, New York, 1994.
5. Subject 304, Core Reading, Institute and Faculty of Actuaries
6. Zakon o mirovinskom osiguranju, NN 102/1998
7. Zakon o obveznim i dobrovoljnim mirovinskim fondovima, NN 49/1999
8. Zakon o mirovinskim osiguravajućim društvima i isplati mirovina na temelju individualne kapitalizirane štednje, NN 106/1999