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FEATURES OF ACCOUNTING REFLECTION OF NON-STATE PENSION INSURANCE

Annotation. Nowadays, the necessity of introducing mechanisms of non-state pension provision (hereinafter − NPP) and their compulsory introduction into the state system of pension policy is recognized by most countries of the world. In recent years in Ukraine, this topic is also becoming extremely relevant, so it is important to investigate exactly the theoretical and methodological foundations of NPP accounting in the domestic market of services.

Keywords. Non-state pension fund, non-state pension insurance, non-state pension provision, pension fund, pension system, accounting and reporting, income and expense accounting.

Statement of the basic material. According to the Law "About non-state pension provision", non-state pension fund (hereinafter - NPF) - is a legal person that has the status of a non-profit organization, functions and operates solely for the purpose of accumulating pension contributions for the benefit of participants in the pension fund with subsequent management of pension assets, and also carries out pension payments to participants of the fund in the order determined by the laws of Ukraine [1].

According to the data of the National Committee of Financial Services on 30.06.2019 the following 10 best open NPFs of Ukraine are highlighted: Emerit-Ukraine, Privat Fund, OTP Pension, Pharmaceutical, Dynasty, VSI, Ukraine, Social Standard, Ukrainian pension fund and Social perspective. The funds were ranked by net asset value, from higher to lower. As we can see, Ukrtelecom (Emerit-Ukraine) fund and two banking institutions - Privat Fund and OTP Pension were included in the top three [2].

In Ukraine NPP is carried out by concluding pension contracts by non-state pension funds, life pension insurance agreements by insurance organizations and pension deposit account agreements by banking institutions [3].

An important factor of the NPP is that the NPF is serviced by several market participants. Since NPFs are legal entities, they are obliged to keep accounting and provide financial statements, and it is worth noting that it is not the NPFs themselves that keep accounting, but the NPF administrators.

The peculiarities of the purpose and direction of the NPF operation also cause differences in accounting from other nonprofit organizations, such as the lack of target financing; the formation and accounting of share capital; the absence of most business operations inherent in other nonprofit organizations; the limited composition of income, the main of which are income from investing assets; the specific composition of expenses, much of which is the cost of service organizations; submission of financial statements in full and their disclosure due to the high level of control by the state; reporting according to international standards.

Income on a financial asset or liability measured at fair value is recognized as income (except as specified in 9 IFRS .5.7.1). NPF income must be measured at fair value, which has been received or is expected to be received, taking into account the amount of any trading discount.

Income that arises from the use by third parties of NPF assets that generate interest and dividends should be recognized on this basis: interest should be recognized using the effective interest method, and dividends should be recognized when the NPF's right to receive them is established.

When there is uncertainty about the receipt of an amount that is already included in income, the amount not received (or the amount for which it has become unlikely) is recognized as an expense rather than as an adjustment to the amount of revenue initially recognized.

The income of NPFs is recorded on the credit side of class 7 accounts in correspondence with the corresponding accounts on the debit side. In accordance with the peculiarities of the activities of NPFs, they do not include income from sales.

Contributions for which the identity of the payer and the grounds for transfer have not been established, and where the statute of limitations has expired, are credited to NPF income.

Debtors' debts on accrued passive income subject to receipt by the NPF (interest, dividends, etc.) are accounted on the debit of sub-account 373 "Settlements on accrued income" with analytical accounting for each debtor [4].

Guided by National accounting regulations (standards) 16 "Expenses", nonprofit organizations can use class 9 "Operating expense" accounts or both class 8 and class 9 accounts to record information about incurred expenses, but some NPFs use the 23 "Production" account, which is not appropriate because there is no production. It is suggested that accounts 84 "Other Operating Expenses" and 94 "Other Operating Expenses" be used. Similarly with income, the accrual principle is used to recognize expenses.

Also, in accordance with the NPF accounting policy established periodicity of distribution of the pension fund profit (loss), the NPF administrator concludes the fund income by the balances in the corresponding accounts of the seventh class and expenses of the pension fund activities by the balances in the corresponding accounts of the ninth class and writes off these balances to the second order sub-account 79 "Financial Results" in the section of activities (operations), for which the corresponding financial result was received.

Profit (loss) of a pension fund, which is accounted on account 79 "Financial results", when that account is closed, it is written off to account 44 "Retained earnings (uncovered losses)" under third-order accounts separately in terms of profit (loss) from investment of NPF assets (respectively, in subaccount "Profit from investment of NPF assets" of subaccount 441 "Retained earnings" or in subaccount "Uncovered losses from investment of pension assets" of subaccount 442 "Uncovered losses") and separately in terms of other uncovered gains (losses) of the fund.

Undistributed profit (uncovered loss) in the part of profit (loss) from investment of NPF's assets is subject to distribution among the participants of the fund. The amount of profit subject to distribution is reflected in the debit of subaccount 441 "Undistributed Profit" and the credit of 443 "Profit Used in the Reporting Period". Increase of liabilities to participants in case of distribution in their favor of profits from investment of pension fund assets shall be recorded in the credit of subaccount 402 "Mutual capital" in subaccounts opened for each participant and in the debit of subaccount 443 "Profit utilized in the reporting period". The unallocated profit (uncovered losses) in the part of other unallocated profits (losses) of the NPF is not subject to distribution (covering) and is carried forward to the following periods [4].

Conclusions. NPF is one of the most popular ways to make savings, including for old age, unlike bank deposits. Since 2017, the transition of Ukraine to non-state pension insurance was suspended due to the imperfect methodology of accounting, control, audit in NPF, as well as the outdated but not accurate regulatory framework, so research and improvement of accounting system of income and expenditure of NPF is extremely necessary.

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