



PENSIONS EUROPE

Pensions in CEECs

Lessons we learned

Azerbaijan International Insurance Forum, Baku

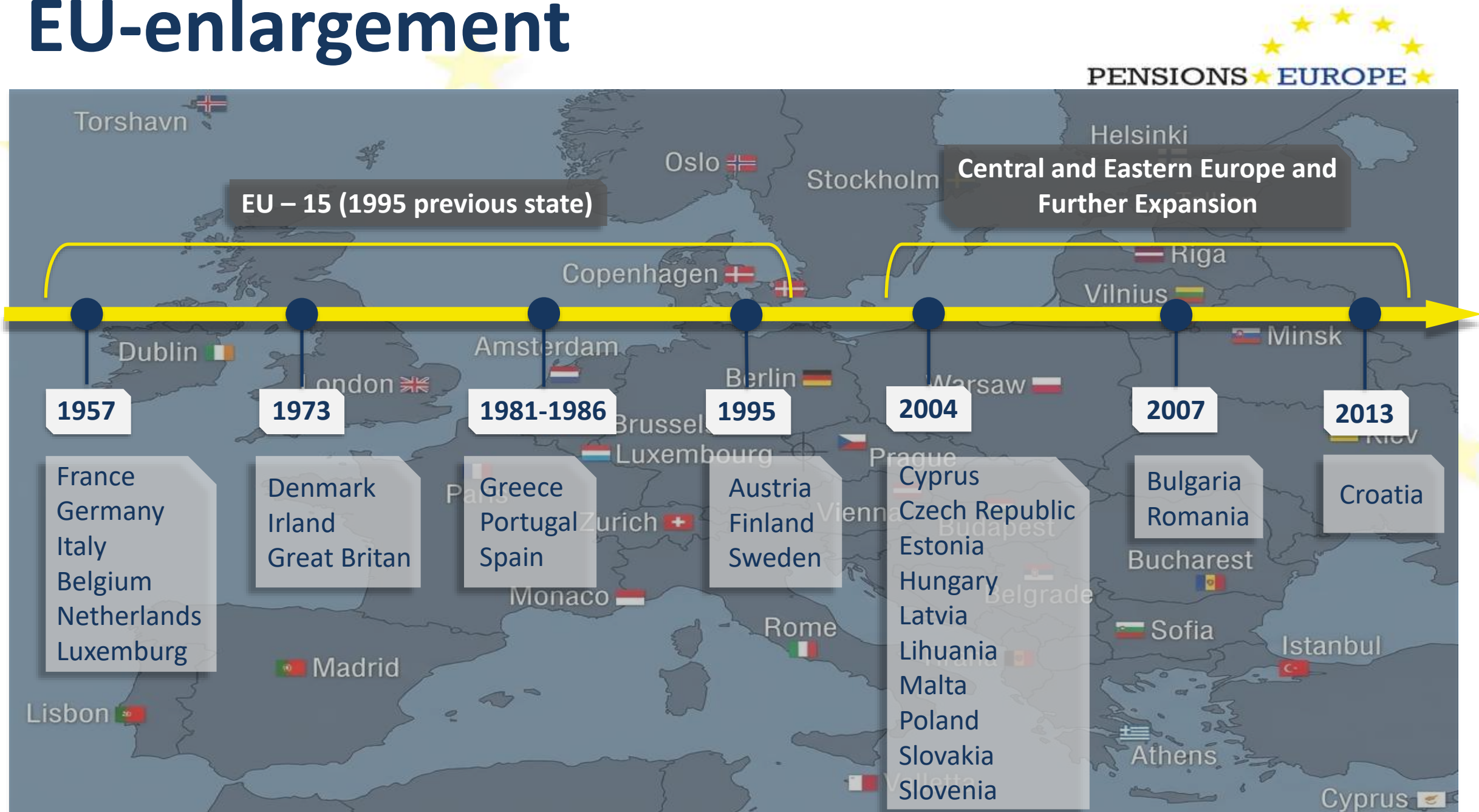
24-25.June.2026

Csaba Nagy

Chair; PE CEE Forum



EU-enlargement



Pension Systems in CEEC



	Country	Transformation of the state pension system - Pillar I	Mandatory private pension scheme - Pillar II	Voluntary private pension plan - Pillar III
	Bulgaria	1993-1994, 1996	DC (1999) 2001	DC from 1994
	Czech Republic	DB PAYG 1993-1995, 2003	from 2012	DC from 1994
	Estonia	1993, 1999-2002, German DB model	DC from 2002	DC from 1998
	Croatia	1998-1999	DC (1999) 2002	DC from 1999
	Poland	1999, Swedish NDC model	DC with guarantees from 1998	DC from 1998
	Latvia	1995, 1998, 2000, NDC	DC 2001 (2003)	DC from 1998
	Lithuania	1995, 2003-2004, basic pension plus earnings related DB component	DC from 2005	DC from 2004
	Hungary	1998, parametrically reformed	DC from (1997) 1998	DC from 1993
	Romania		DC commenced on Sep 17 th , 2007	DC from May, 2006
	Slovakia	1993, 2004, based on points system	DC from 2005	DC 1996
	Slovenia		mandatory occupational DC for certain professions from 2000	DC with guarantees from 2000
	Ukraine	pension concept in 1993 enacted on July 9 th , 2003		2004

Meet up with EU



	 EU	 CEEC
2nd pillar	Occupational	1st pillar bis
Investment regime	DB Transforming to DC	DC

Current situation 1.

Reforms failed:

Poland



- Started in 1997
- Nationalization 2014
 - Restart 2018 (PKK)
 - Employee Capital Plans

Hungary



- Started in 1998
- Nationalization in 2011



Estonia



- Started in 2002
- Government decesion in 2021
 - System changed voluntary
 - Possibility for withdrawals

Lithuania

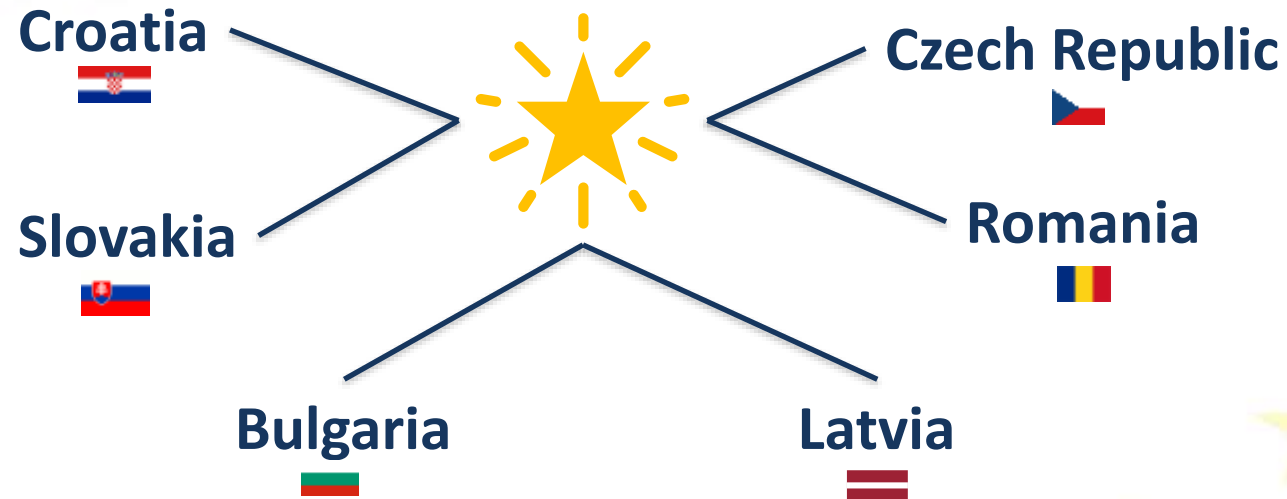


- Started in 2005
- Government decesion in 2025
 - Stop auto-enrolment
 - Possibility for withdrawals accelerated in 2026

Current situation 2.

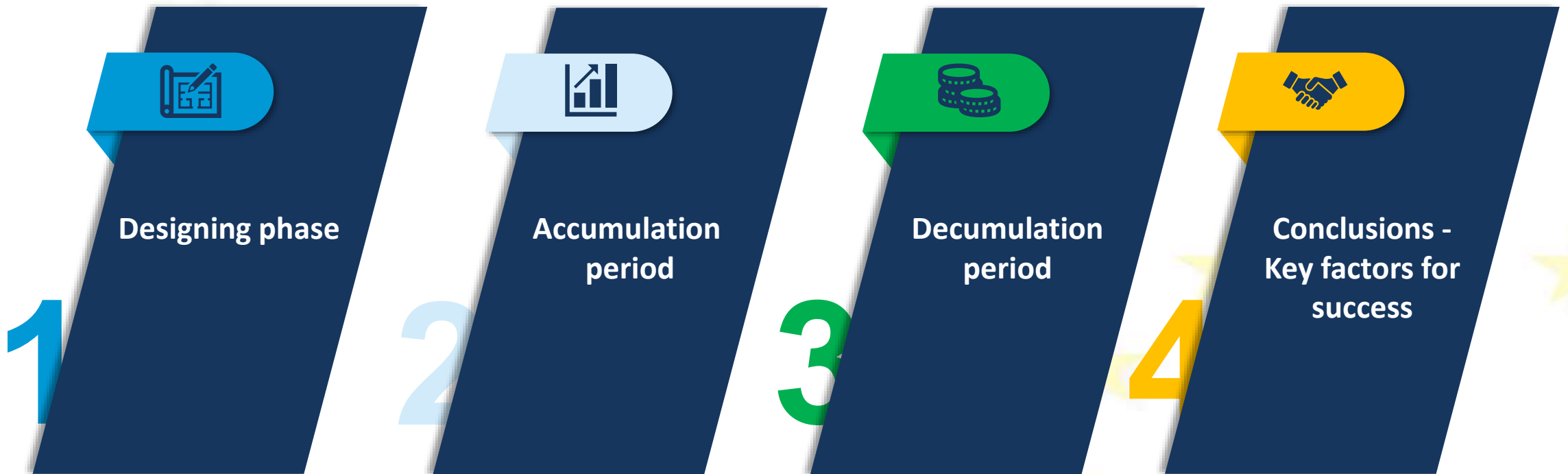


Successful reforms



-  Mergers, acquisition, redrawing the suppliers map
-  Some governmental intervention, influence
-  Some started play-out phase (*Bulgaria, Croatia, Romania*)

Lessons we learned



Designing phase of 1st pillar bis/Chilien or World Bank model



*Cautious and longtime approach, preparatory period, multiply
analysis and modelling of key factors !*

Decision on:

Contribution rate(s)



Min. waiting period, share of rights and
obligations between the 2nd pillar and
the 1st pillar



Operational requirements and
legislation



Allowed cost structure



Way of collection of contributions



Investment regimes (qualitative vs
quantitative legislation)



Portfolio mgmt (homogeneous,
multi portfolio or life-cycle funds)



Banking and custodian legislation



Main characters/services in the
payout phase



Supervision and authorities



Accumulation period

Launching the system



– Participants/Pension fund members

- Obligatory for school leavers ?
- Optional up to a defined age OR Auto enrollment?
- Not allowed above a defined age ?

01

- Providers of pension funds (founders/owners), contributors (agents, asset management), companies



02

- Operational requirements, accounting and admin systems, cost structure



03

- Competition



04

- Investments (in-house or outsourced)

- Qualitative or quantitative legislation built is some market protection



PENSIONS EUROPE



Decumulation period



**Correct, transparent
legislation required**



Providers

Pension fund itself
Insurance company
Centralised annuity
provider

Wide scale of services

- Lump sum
- Mathematical annuity (with guaranties)
- Mixed products
- Life-long annuity
- Annuity for 2 lives



**Explanations, education,
modelling, calculations for
members**



Conclusions - Key factors for success



- Very strong modelling background with stochastic approach



- Strong commitment and strategic partnership between the governing and opposition parties



1



- Strong supervision
- Education, education, information



2

- Involvement both employees, employers and state



- Continuous development, new IT solutions, digitalization



3



4

- **Ready to react to the challenges:**
Fintech or Pensions tech?
Role of AI?



Thank you for **your attention!**

csaba.nagi@gmail.com
nagycs@richterpenztar.hu
www.pensionseurope.eu