# DIGITAL PERSONAL PENSION PROFILE AS A TOOL FOR STRENGTHENING THE LINK BETWEEN CONTRIBUTIONS AND BENEFITS IN THE PENSION SYSTEM OF UZBEKISTAN

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***Abstract.*** *The thesis examines the digitalisation of pension administration in Uzbekistan from the standpoint of the insured person rather than the administering agency. It is argued that the invisibility of the relationship between contributions paid and the future pension weakens incentives for formal employment and is one of the institutional reasons behind the sharp rise in the share of new pensioners retiring without a full contribution record. Using official data of the Pension Fund for 2025, the study shows that the first, agency-side stage of digitalisation – the proactive assignment of pensions – has been completed successfully, yet it remains one-directional. A model of a digital personal pension profile is proposed, consisting of six functional blocks built on a unified logical registry, together with a three-stage implementation roadmap and a set of proactive services shifted from the stage of benefit assignment to the stage at which pension rights are formed.*

***Keywords:*** *pension administration, digital personal pension profile, contribution–benefit link, proactive public services, pension forecast, informal employment, trust, Uzbekistan.*

A pension system rests not only on financial resources but also on the confidence of those who finance it. In a pay-as-you-go scheme the worker exchanges today's contributions for a promise that will be honoured decades later. If the worker cannot observe how this promise is being accumulated, the contribution is perceived as an ordinary tax rather than as deferred income. The literature on pension design stresses that the strength of the perceived link between contributions and benefits shapes both labour supply and compliance [6]. The experience of countries that send insured persons an annual individual statement, such as the Swedish "orange envelope", shows that regular personalised information is an integral part of the credibility of a reform [7], while evidence from Germany indicates that receiving a statement of expected pension entitlements raises private retirement saving [8].

For Uzbekistan this issue is particularly relevant. About 40 per cent of the labour force is employed informally, and the share of new pensioners who retire without a full record of service increased from 6 per cent in 2010 to 61 per cent in 2025 [5]. Put differently, roughly two out of every three people entering retirement today have gaps in their contribution history. Part of this outcome is explained by structural informality, but part of it reflects the fact that workers discover the gaps in their records only when they apply for a pension, that is, at the moment when correcting them is most difficult.

Recent legislative changes have produced tangible progress in pension administration. Under the Law of the Republic of Uzbekistan No. ORQ-1066 of 19 May 2025, old-age pensions are assigned proactively, without a separate application by the citizen [1]. In 2025 the Pension Fund delivered 3.88 million interactive and proactive services: 91.3 thousand old-age pensions and 21.1 thousand disability pensions were granted without an application, 7.9 thousand disability pensions were recalculated proactively, and the passport data of 656.7 thousand persons were updated automatically [5]. These results confirm that the agency-side stage of digitalisation has been achieved. Its essence, however, is one-directional: the state processes information about the citizen faster and more accurately, while the citizen still cannot see how his or her own entitlements are formed. The 241.9 thousand electronic certificates issued on request in 2025 serve as an indirect measure of this unmet demand for information.

The root of the problem lies in data fragmentation. The information that determines a person's pension entitlement is kept in at least four separate systems: records of employment and length of service, data on social tax paid, the balance of the individual funded pension account, and records of pensions and benefits already assigned. This fragmentation has three consequences. First, the citizen is unable to assess his or her entitlements independently or to anticipate the size of the future pension. Second, errors in service or earnings records surface only at the time of retirement. Third, the link between contributions and the future pension remains invisible, which weakens the motive to choose formal employment.

To remove these consequences, the thesis proposes a *digital personal pension profile*, defined as an electronic service that brings together all information on a person's pension rights in a single personal account and projects the expected pension on the basis of current parameters. The profile does not require a new centralised database. It rests on a unified logical registry in which each primary data holder retains ownership of its records, while every record is linked to the person's single identifier and updated in real time through the existing interagency integration infrastructure (Figure 1).

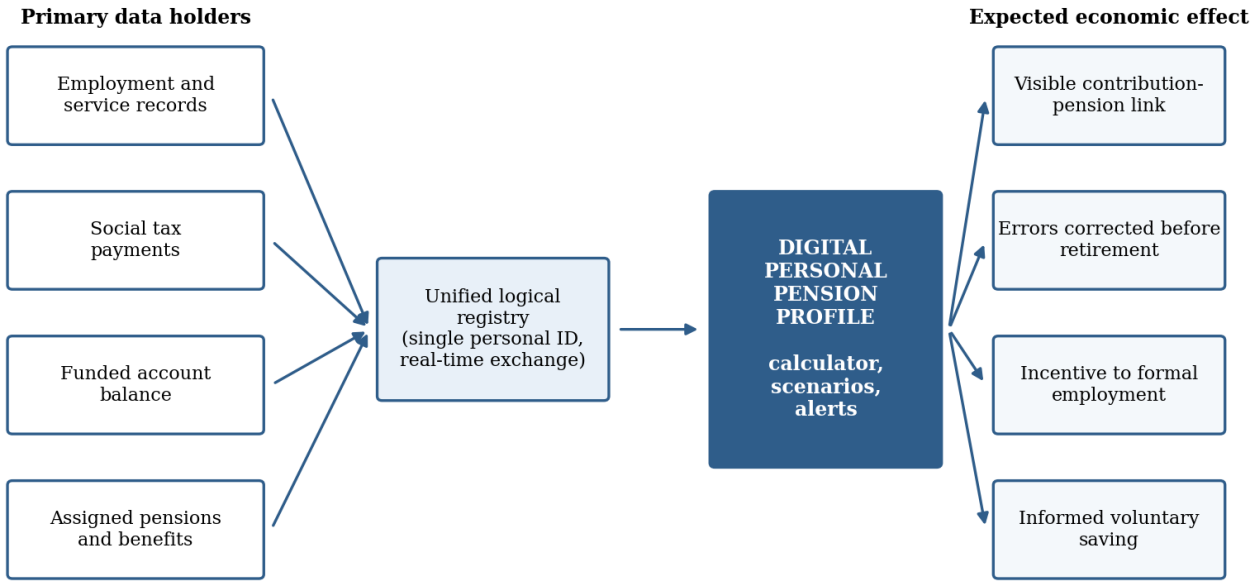



**Figure 1. Information flows of the digital personal pension profile and its expected economic effect[1].**

The functional content of the profile is organised into six blocks (Table 1). Three of them present the rights already accumulated, and three turn this information into guidance for future decisions.

**Table 1. Functional blocks of the digital personal pension profile[2].**

| Block | Content | Data source |
|---|---|---|
| Length of service | Officially recorded years of service, breaks and periods not yet credited | Employer reports, employment agencies |
| Contributions | Social tax paid and its base, by year | Tax authorities |
| Funded account | Balance, incoming contributions and credited investment income | Pension Fund |
| Pension forecast | Expected pension in soums and as a replacement rate of the current wage | Profile calculator |
| Scenario analysis | Change in the pension when service, wage or contributions change | Profile calculator |
| Alerts | Months without contributions, service gaps, missing documents | Unified registry |

The central element of the profile is the forecast calculator. It applies the statutory pension formula to the person's current length of service, earnings and regularity of contributions and presents the result in two forms: as an absolute amount and as a replacement rate relative to the current wage. The second form is the more

[1] Developed by the author.
[2] Developed by the author.

informative one, because it shows how the person's standard of living will change after retirement. The scenario block turns general advice into an individual calculation: a worker can see in advance what the formalisation of a wage, voluntary contributions or a later retirement would yield. This function gains weight in the light of the draft Presidential decree on reforming pension provision published for public discussion in September 2026, which envisages a gradual increase in the retirement age and an extension of the earnings period used in the benefit formula from 5 to 20 years [3]. The longer the earnings history that counts towards the pension, the more valuable it becomes for the worker to monitor that history continuously.

Proactive services should accordingly be moved from the stage of benefit assignment to the stage at which rights are formed. It is expedient to introduce automatic notification whenever contribution-free periods are detected; an offer to correct discrepancies in service or earnings data long before retirement; notification five years before pension age about the expected amount and the ways to increase it; and the transfer of the funded account balance at retirement without a request. The last element has already been set in motion by Decree of the President No. PF-22 of 16 February 2026 [2], while the Fiscal Strategy for 2027–2029 identifies the limited information on the placement and returns of funded savings as a weakness and sets the task of involving the population in managing its pension savings [4]. The digital profile is a practical form of fulfilling this task.

Implementation is advisable in three stages. In the first year, a regulation on interagency data exchange is approved, the single identifier is introduced and data quality is ensured, so that the baseline part of the registry becomes operational. In the second year, a personal account is launched on the Single Portal of Interactive Public Services and the service, contribution and funded-account blocks are connected to it, allowing citizens to see their rights in real time. In the third year, the calculator, scenario analysis and proactive alerts are added, and the system turns from an information tool into an incentive tool. The effectiveness of the model depends on data quality: service records for periods before electronic accounting still rely on paper documents, and their digitisation is a separate task. Incomplete historical data, however, does not limit the incentive function of the profile for current and future periods.

In conclusion, the digital personal pension profile makes the pension system visible to the citizen. The architectural and distributional improvements discussed in the literature can work only under such transparency, because a person who cannot foresee the result of a chosen strategy cannot be expected to make a rational decision [9, 10]. On the basis of the analysis, the following proposals are put forward:

1. To define the digital personal pension profile in the legislation on state pension provision and to oblige primary data holders to transmit records to the unified registry within a fixed period after each reporting month.

2. To place the profile on the Single Portal of Interactive Public Services and its mobile application and to send every insured person, including labour migrants and the self-employed who pay voluntary contributions, an annual electronic pension statement.

3. To establish a procedure and deadline for disputing service and earnings records, so that errors are corrected years before retirement rather than at the time of assignment.

4. To integrate the calculator with the parameters of the 2026 reform, so that each person can see how the new retirement age and benefit formula affect his or her own pension.

5. To use aggregated anonymised profile data for annual monitoring and publication of coverage and compliance indicators by region and sector.

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