



Collection costs in Pension Fund Systems (AFP)

Santiago, March 2006.

Executive Summary

This study describes the collection processes of pension fund contributions in the individually funded pension fund programs which have been established in Argentina, Bolivia, Chile, Colombia, Costa Rica, El Salvador, Mexico, Peru, Poland, the Dominican Republic and Uruguay. It also provides information regarding costs incurred by Pension Fund Managers in such processes during 2004.

This study is based mainly on information provided to FIAP (International Federation of Pension Fund Administrators) by the respective local associations of Pension Fund Managers in the afore mentioned countries.

Argentina, Costa Rica, Mexico, Uruguay, the Dominican Republic and Poland use centralized pension contribution collection models whereas Bolivia, Chile, El Salvador Colombia and Peru use decentralized models.

In the countries with centralized collection systems, the collection of pension fund contributions is performed jointly with the collection of contributions to other Social Security programs or the collection of some taxes. In the countries with decentralized collection systems, collection is exclusively for the pension fund system (in Chile pension fund contributions are collected jointly with the contributions for Unemployment Insurance and quotas for an indemnity program in case of dismissal of domestic help.)

In all the countries with the exception of Bolivia, electronic contribution collection systems have been developed (bank transfers via Internet) although in general, the use of this technology is restricted to companies with a minimum number of employees.

In 2004, Bolivia, El Salvador, Peru and Chile had the lowest collection costs whereas Poland and Mexico had the highest costs (0.51% and 0.80% of the total contributions collected in 2004, respectively). In any case, direct comparisons are not always valid as there are some differences in the information supplied and the characteristics of the collection process are not the same in all countries.

It is interesting to note that, contrary to what one would expect, the costs reported by the “decentralized” collection models are in general lower than the centralized models. This could be explained by the fact that part of the potential advantages of the centralized systems lie in the lower costs for the employers and in the lower costs of crediting individual accounts assumed by the Fund Managers, which processes are not included in cost measurement as they do not fit into the definition of “collection” adopted for this study. Furthermore, centralized systems could lead to lower additional collection costs of the combined social security contributions. In any event, the preliminary results reported herein suggest the importance of carefully examining

and measuring the supposed advantages of centralized systems.

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1. - Introduction

The purpose of this study is to describe the collection processes of pension fund contributions in the individually funded pension fund systems that have been established in Argentina, Bolivia, Chile, Colombia, Costa Rica, El Salvador, Mexico, Peru, Poland, the Dominican Republic and Uruguay, and measure the cost of such processes for the Pension Fund Managers during 2004.

This information should be useful for each country to identify the strengths and weaknesses of their respective systems and evaluate possible improvements in them. The efficiency of the collection process is important for Pension Fund Managers (AFP) because the associated cost is relevant (it can represent up to 4% of operational costs), and furthermore, because in some cases the collection of commissions is subordinate to the crediting of the contributions in individual accounts. At the same time, efficiency in the collection process is important for the members because they need their contributions to be duly and correctly credited.

The efficiency of the collection systems depends partially on the specific design characteristics. In this regard, the comparison between “centralized” and “decentralized” collection systems is especially relevant. In “centralized” systems there is usually one agency – public or private – responsible for the collection of pension contributions, the distribution of such to each of the Fund Managers, and the collection of contributions in arrears. In the decentralized systems, on the other hand, each Pension Fund Manager is responsible for the collection and requisition of both contributions and unpaid contributions.

This study is organized as follows: in the following chapter we analyze the methodology used for comparison between the collection systems and the information sources used. In the third chapter, the centralized and decentralized collection systems are described generically and the conceptual arguments for and against each one are given. In the fourth chapter the collection processes of each of the countries in the sample are described, including process stages and terms, costs for the Fund Managers for 2004, details of the cost structure (when information is available) and a brief description of the control procedures of pension fund contributions collection. Finally, the conclusions of the study are presented in the fifth chapter.

We thank the different Pension Fund Associations that are members of FIAP for their collaboration in the presentation of this study. We also thank Mr. Augusto Iglesias of PrimAmerica Consultores for his comments.

2. - Methodology

For the purposes of this study, the collection of pension fund contributions (hereinafter “collection”) will be understood to include all the processes and activities that begin with the reception of the payment form, (a form that the employers fill in with the members’ information and contributions to be paid); they continue with the payment of the respective contributions in a collection agency and with the bank conciliation (checking of the amounts declared in the forms against the bank deposits); they continue with the sorting of the information (in the case of centralized systems), and they end with the depositing of the funds in the bank account of the respective Fund Manager and the sending of the information (by the collection agency or, in the case of a centralized system, by the responsible agency) to such Fund Manager.

According to the foregoing description, the tasks necessary for completion of the payment forms, (which are usually the responsibility of the employer), are not included as part of the collection process, nor are the procedures of crediting in the individual accounts which the Fund Managers must perform (although those that a “centralized collector” might perform are included), nor are the collection procedures of contributions in arrears. *So that, according to the definition of this study, “collection” begins when the collection agency receives forms and payment from the employer and ends when the Fund Manager receives the forms and the respective funds from the collection, agency.* ^{Note}

COLLECTION		
Employers fill in the payment form of the Pension Fund Contributions with the worker’s information and the amount payable and take it to the collection agencies	Reception of the forms from the employer Forms sent from the collection agencies to the Pension Fund Managers Typing (in a centralized system) Bank conciliation Updating of information (in a centralized system) Sending of updated information to each Fund Manager	Process of crediting the pension fund resources to the individual accounts of the members

Charts colored yellow are not considered in this study.

Therefore, with this definition, the costs of the collection processes reported in this study do not include the costs incurred by the employer in filling in the forms and paying the corresponding amounts, nor the costs that the managers incur to credit the collection to the individual accounts (and to collect contributions in arrears).

On the other hand, in this study we attempt to measure only the collection costs which the Fund Managers themselves incur either directly or through payments made to third parties for services linked to the collection process (for example, payment to the

agencies- banks - that receive the funds; or payment to the “centralized” collection agency). This means that costs in which other agencies that participate in this process might incur and which are not transferred to the Fund Managers, are not measured.

The foregoing observations become especially relevant when comparing the different collection methods. For example, it is possible that a centralized collection system in which an agency other than the Pension Fund Managers assumes the cost of checking the veracity of the information and conciliation of the payment information with the individual registries, would allow the Fund Managers to reduce their own crediting costs compared to what would be the case in a decentralized system. In this case the compared measurement of collection costs that are presented in this study could be biased against the centralized systems as they would not reflect the positive effect of such on the other operative costs of the Fund Managers.

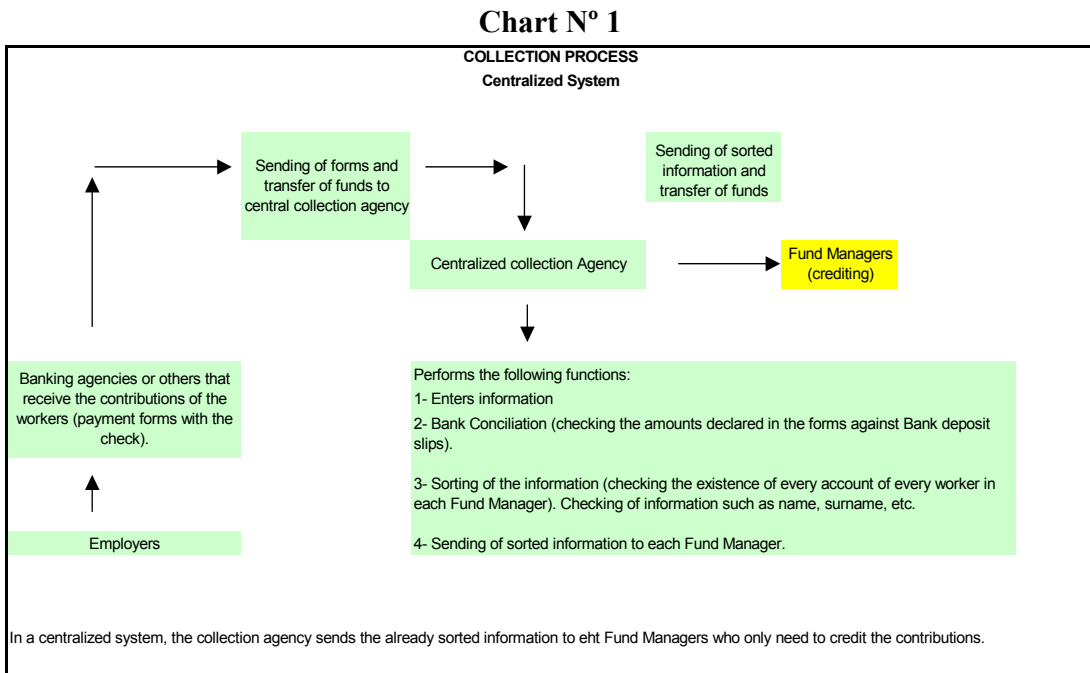
In order to gather information, FIAP requested the Association in each country to complete a specially prepared form and to attach a brief description of their respective contribution collection systems. They were also requested to indicate the total collection costs (in dollars) for 2004 and the percentage of this cost in relation to the total collection (in US dollars) during the year. Finally, they were also requested to fill in a form with information on the structure of the collection costs.

FIAP did not independently check the quality of the information received.

3. - Centralized and decentralized collection systems

There are two basic systems, or models, of pension fund contribution collection: the centralized system and the decentralized system.

In a *centralized* collection system, there is an agency (public or private), other than the Pension Fund Managers, that is responsible for collecting the pension fund contributions and distributing them to the different Fund Managers or Funds, (See Chart 1). In order to perform this task, the employers must identify each worker and the amount of the contribution to be paid; then they must fill in the contributions payment form and pay in the banking agencies or other agencies that act as receivers of these payments; they in turn send the forms and transfer the funds to the centralized collection agency which performs the task of entering the information, bank conciliation and sorting of the information, in order to finally send the sorted information and transfer the funds to each Fund Manager.

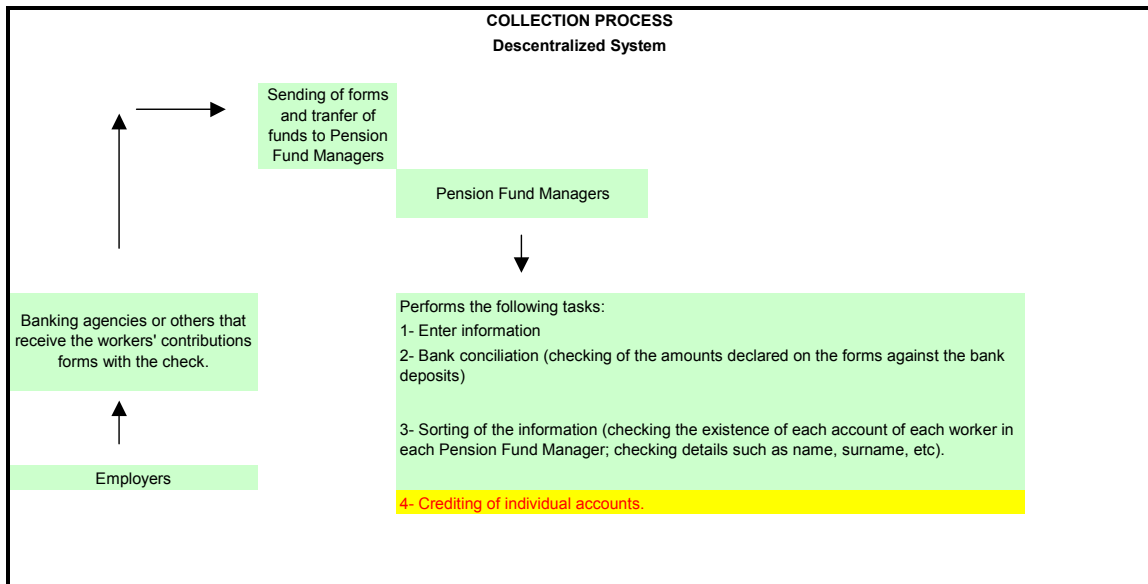


Source: Drawn up by FIAP

In a *decentralized* system collection is the responsibility of each Pension Fund Manager or pension fund, eliminating the “middle man” which is the “centralized” agency. (See chart No. 2). So the employers identify every worker and the amount of the contribution to be paid, they then fill in the pension fund contribution forms and pay in the banking agencies (or other agencies that act as collection agencies) which, in turn, send the forms and transfer the funds obtained from these payments to the Pension Fund Managers. The Pension Fund Managers perform the task of entering and ordering the information to then finally credit the funds to the individual accounts

of the workers,

Chart N° 2



Source: Drawn up by FIAP

There are varying arguments for and against each one of these systems. In the first place, other things being equal, one would expect a centralized system to be cheaper than a decentralized one mainly due to the possibility of taking advantage of possible savings in scale and space, the latter because of the possibilities that become available with these types of systems of pooling the collection of pension fund contributions with other social contributions and taxes. Furthermore, in the centralized systems it could be easier to control the effectiveness of the collection process, especially if joint collection is undertaken. Finally, centralized systems could be less costly for employers (single and simpler forms), and for the Fund Managers (as they receive better quality sorted information).

On the other hand, a decentralized system has the advantages of competition and possibly faster crediting of the contributions to individual accounts. Furthermore, in a decentralized system it is easier to make the Fund Managers active agents in the collection process and the privacy of the information can also be better protected (because each Fund Manager has incentives to protect the information in its own client portfolio). Finally, a decentralized collection system is less open to political risks (especially when compared to a centralized State collection system).

The convenience of organizing collection based on one or the other model definitely appears to be a mainly practical matter which will depend to a great extent on the characteristics and the efficiency with which the collection system in place at the time of the reform operates.

Chart N° 3
Collection Systems compared

Criteria	Centralized	Decentralized
Savings in scale	High	Low
Efficiency	There is no competition	There is competition
Delay in crediting	Possible delays	Almost instantaneous
Control mechanisms	Simple	Complex
Cross checks	Taxes, other contributions	None
Incentives	Fiscal (*)	Profitability
Power of the agency	Absolute	Indirect or nonexistent
Protection of information	Greater risk of abuse	Lesser risk of abuse
Costs	Savings on scale, but monopolistic	Competition, but no savings on scale
Political risk (**)	Higher	Lower

Source: FIAP and Rafael Rofman and Gustavo Demarco (1999),.

(*) When joint collection with taxes takes place.

(**) "Political risk" to which a collection system is subject mainly refers to the possibility that the funds collected are not transferred to the Pension Fund Managers in the minimum possible time.

4. - Description of the collection processes

The collection process of pension fund contributions in the countries included in this study are described below.

In the first part, the collection system in place in the country is stated, and then the collection process is described step by step from the time the contributions are paid until they are credited to the individual accounts of the workers. Then the collection control process is described with the corresponding checking procedures and the judicial collection of pension fund resources. The collection cost for 2004 is then stated, and finally, where there is information available, the detail of the collection cost structure is shown.

4.1. Argentina¹

The collection process in Argentina is a **centralized** system conducted by the Director General of Social Security Resources of the Federal Administration of Public Income (AFIP) through banking and non-banking agencies that it authorizes.

The collection of pension fund contributions is conducted jointly with other Social Security contributions such as: the Social Assistance Fund, the National Social Security Administration corresponding to the pay-as-you-go system (ANSES), the National Institute of Social Security for retirees and pensioners (PAMI), the National Employment Fund, the National Registry of Rural Workers and Employers (RENATRE), the Labor Hazard Administration (ART) and Social Works.

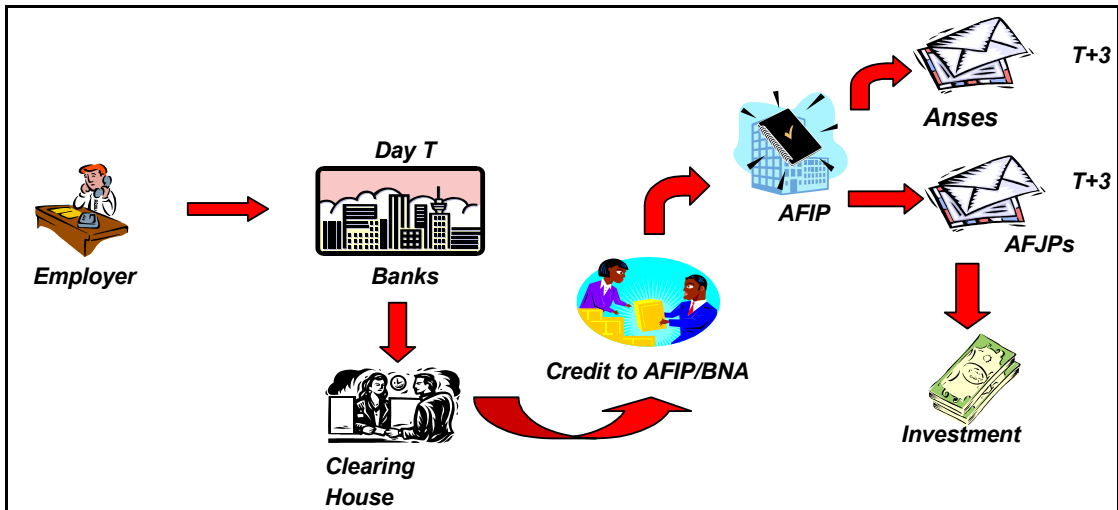
4.1.1 Description of the collection process

- The process begins when the employer retains the pension fund contributions and fills in a form for each Fund Manager in which it enters the contributions of the employees in the authorized banks, detailing the sole taxpayer identification code (CUIT), the month accrued and the amount of the contribution in Argentine pesos. The employer has until the first fortnight of the month following the accrual to pay the contributions, depending on the final numbers of its CUIT. Electronic collection is also possible for specific companies, especially the bigger ones.
- Then the crediting of the contributions is performed in the AFIP/BNA (Banco de la Nacion Argentina) account; the authorized commercial banks send the information to the Clearing House managed by the BCRA (Central Bank).
- The Clearing House informs the BNA of the crediting of the contributions in favor of the AFIP, and the bank proceeds to effectively credit the AFIP/BNA account.
- As the central collector, the AFIP performs the bank conciliation and checking of the information of the resources received according to the

¹ AIOS (2000), Union of Retirement and Pension Fund Administrators (UAFJP) (2005)

member's registry that it manages, to then proceed to distribute these in two directions: To ANSES (pay-as-you-go) and to the AFJPs (individually funded pension funds). 80% of the collection takes about 3 days to be transferred from the AFIP to the Fund Managers.

- Once the credit to the bank account has been confirmed, the AFJPs place the entire amount in the Net Pension Fund Assets (purchase of shares). As of that moment the contributions begin to be profitable.



Source: Drawn up by FIAP

- Finally the AFJPs perform the crediting of the members' individually funded accounts 24 hours after receiving the funds from the AFIP.

4.1.2 Collection Control

AFIP is in charge of the control mechanisms and the judicial execution of social security resources.

The AFJPs must confirm the correct entry of the contributions in the individual accounts of the members. If the AFJP has no registry of the entry, it must consult with the member to establish whether the labor relationship is still in force; if that is so, then the AFJP must forward this information to the Superintendency of AFJPs (SAFJP) specifying the details of the member and the period supposedly omitted.

In case of arrears, the AFJP do not have the authority to initiate judicial collection, but the AFIP does.

4.1.3 Collection costs

Collection costs for the Fund Managers as a whole in Argentina during 2004 were US\$ 8,734,408 which is 0,66% of the total amount of contributions collected in

2004².

There is no information available regarding fees for the different collection services that the Fund Managers must pay. However, the fee that the Fund Managers must pay for collection services of pension fund contributions to the AFIP is known, and this amounts to 0.5% of the amount collected. Another 0.2% corresponding to expenses of the banking agencies that receive the contributions must be added to this percentage. It is interesting to note that 0.7% (0.5% + 0.2%) is greater than the 0.66% previously estimated.

4.1.4 Structure of collection costs

There is no available information on the cost structure requested.

² This number includes the insurance cost and the administrators commission.

4.2 Bolivia³

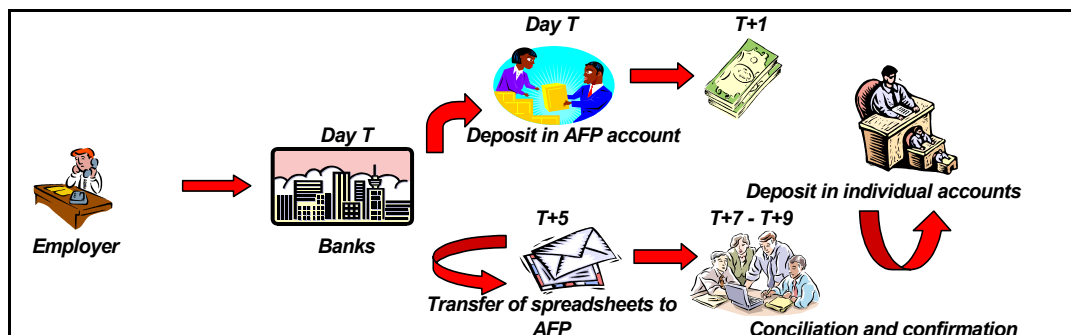
The collection process in Bolivia is performed in a **decentralized** manner by the Pension Fund Managers (AFP) through the banks.

The contributions to Long Term Mandatory Social Security (SSO) are made jointly with the employer's housing contribution and correspond to a percentage applied to the total earnings of the employees.

4.2.1 Description of the collection process

- The process begins when the employer retains the pension fund contributions, fills in the Contributions Payment Form (FPC) that includes the contributions to the individual account, the common risk premium and the AFP commission, and issues a check made out to the Pension Fund of the AFP of which its employees are members. Electronic collection through Internet is not currently possible, but this service is expected to be available during 2006.
- The employers deposit the contributions in the collection accounts of the Individually Funded Pension Fund of the collection agencies with which the AFP sign contracts (the banks). The employers have a period of 30 days to pay the pension fund contributions, after which the employer falls in arrears and must pay interests.
- At the end of the day, the receiving agencies transfer the funds to the current account of the respective pension fund, and in a maximum period of 5 working days they physically send the FPCs and the salary spreadsheets to the AFPs.
- Once the day's collection has been credited to the accounts of the pension funds, those funds are automatically deposited in the Portfolio Management Account to be invested. Thus, on the day after the AFPs receive the collection credit, they begin to purchase securities.
- Once the AFPs receive the documentation, the manual checking and conciliation of the collection is performed, according to the information received. This procedure requires checking that the documentation is complete and that the amounts declared in the FPC and the bank deposit coincide. This procedure can take from 7 to 9 days.
- Then the information entry and confirmation of the information on the payment form against the AFP registries are performed, in order to verify the accuracy of the information and ensure that the member's account exists.
- If there are no problems, the funds are credited to the individual account of the member. On the contrary, if the member's account does not exist or the identification data does not coincide, or is incorrect, a "left-over" is generated.

³ AIOS (2000), BBVA Prevision AFP – Bolivia (2005).



Source: Drawn up by FIAP

4.2.2 Collection Control

The AFPs check that the amounts indicated in the Payment Form coincide with the bank deposits and that the information received from the members coincides with the Fund Manager's data base.

An informative process is conducted every month that generates "supposed debts" defined as the cases where contributions cease (without a request for a pension existing) or where there is a reduction greater than 30% in relation to the penultimate form paid.

Three types of cases arise in every crediting procedure:

1. Correct crediting of the individual accounts
2. The generation of debts due to payments incorrectly made (the amount is less than it should be)
3. The generation of "left-overs", that is, when the money exists but the person the funds were paid for does not have an individual account because he is not a member.

Once the debts have been identified, administrative collection by the Fund Managers begins, in which employers in arrears are sent two collection letters at intervals of 25 consecutive days. Once the administrative efforts have been exhausted, judicial collection is undertaken in legal representation of the members through the Executive Social Process provided for in the Pension Law, requesting payment of the debts to the SSO. Freezing of bank assets and embargo of the sued company's belongings are requested as precautionary measures.

4.2.3 Collection costs

Collection costs for existing Fund Managers as a whole in Bolivia in 2004 were US\$147,421, which was 0.12% of the total amount of contributions collected

during the year.⁴

The fees charged by the banks for collection services are as follows:

- 1 Banco de Crédito, Banco Nacional de Bolivia and Mutual Guapay, charge US\$ 0,40 for each collection form.
- 2 Prodem and Fades charge US\$ 4.40 for each collection form.

4.2.4 Structure of collection costs

ITEM	%
Personnel	23.79%
Software	12.35%
Hardware	3.62%
Maintenance	1.26%
Maintenance AS/400	1.54%
Reception agencies	47.89%
Payment forms	8.88%
Sending of payment forms	0.67%
Total:	100.00%

Source: BBVA Pensions AFP, Bolivia.

⁴ This number includes the insurance cost and the administrators commission.

4.3 Chile⁵

In Chile the collection process is conducted in a **decentralized** manner by the Fund Managers (AFP) or through collection contracts with banks and/or other private agencies of the pension fund system such as the Family Allowance Equalization Funds.

Furthermore, in order to perform electronic collection, the AFPs created Previred, an agency that has captured the large companies market (to June, 2005, 25% of the payment forms that represent 50% of the contributions were collected by electronic means).

In addition to the contribution to individual accounts, contributions to Unemployment Insurance, Voluntary Savings (APV), savings account and Agreed Deposits are collected.

4.3.1 Description of the collection process

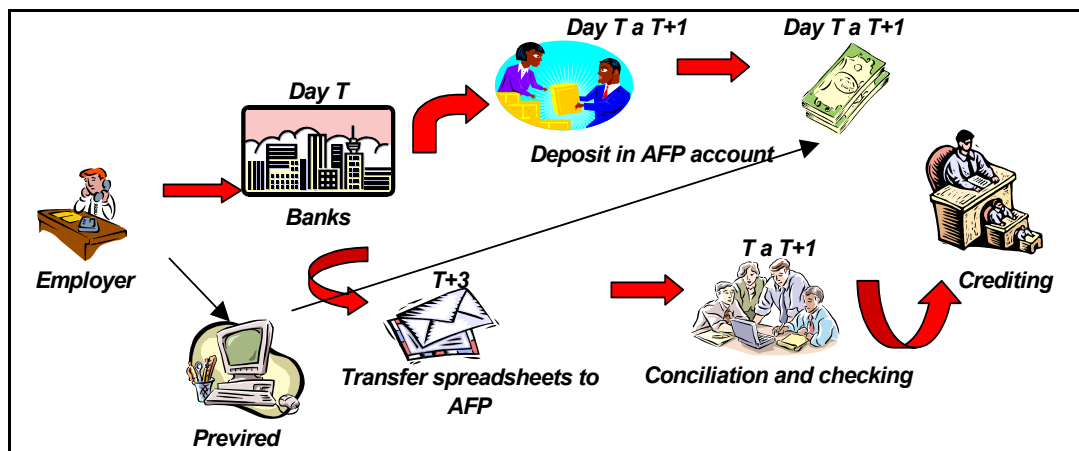
- The employer must retain the pension fund contributions of the workers on its payroll and deposit in the AFP of which the worker is a member. The pension fund contributions must be paid by the employer within the first ten days of the month following that in which the salaries accrued.
- The employers pay the contributions in the reception agencies by making out a check in the name of the Pension Fund of the AFP of which the workers are members. The employer must fill in a payment form for each AFP. Previred, on the other hand, performs two types of collection: “Full Internet” in which the employer enters the workers’ details and makes the payment through the Previred web page; and the “Mixed mode” in which the employer enters the names of its workers on the Previred Internet site where it obtains the respective pay slips to make the corresponding payment in a collection agency.
- Then the reception agencies send the payment forms to the respective AFPs, in a maximum period of three days, depositing the corresponding amounts in the current account of the respective fund at the latest 24 hours after they have been collected.
- Once the funds are available in the current account of each AFP, the funds collected that month are immediately invested.
- At the same time the bank conciliation process of the pension fund current accounts is performed, that is, the amounts declared on the payment forms are checked against the bank deposits to see whether they coincide.
- After the bank conciliation, the information is sorted. This process includes the checking and validation of information. Thus the Fund Managers check that the total amount collected per payment form coincides with the sum of the workers’ details and that the correct

⁵ AIOS (2000), Previred Chile (2005).

percentage of the workers' salaries has been paid, with debts and excess payments being generated.

- Then the information on the payment form is checked against the registries of the AFP, that is, the existence of the worker's account in the AFP and matching names and surnames.

If the two previous processes (sorting and validation of the information) are correct, the contributions are credited to the individual accounts of the members. If they are not correct, the case is classified as a "left-over" and the clearing up procedure begins. (This process is not included for collection cost purposes in this study)



Source: Drawn up by FIAP

4.3.2 Collection control

In 1982, Law 18.137 allowed employers to "declare" and defer payment of the pension fund contributions. By "declaration and non payment" the employer acknowledges and undertakes to pay within a maximum period of 190 days, including interests and the corresponding adjustments.

The AFPs are obligated to begin legal proceedings in order to collect the contributions owed within the 180 days after the "declaration and non-payment".

The monitoring of arrears in undeclared pension fund contributions is carried out by the Labor Inspection, an agency in charge of monitoring all labor legislation (labor contracts, hygiene, security and pension fund contributions).

The contribution form of each member has a window called "personnel movement" where new hiring and dismissals are indicated. When an AFP stops receiving contributions from a worker whose dismissal has not been reported, it includes that worker in a list it sends to the Labor Inspection. The Labor Inspection then uses that list to design its control programs.

4.3.3 Collection costs

The total collection cost in Chile for the existing Fund Managers as a whole was **US\$ 3,750,000** which implies a cost of **0.32%** of the total value of contributions collected in 2004⁶.

The values of manual collection (typing of forms) are US\$0.065 (including VAT) for each form plus the typing cost and the administration costs of the Fund Manager.

The values charged by Previred (included in the total cost of the system) to the Fund Managers are:

- 1 Per payment form (digitally sent to each Fund Manager): US\$ 0,450 per payment form (taxes included).
- 2 Per contribution line (sent digitally): US\$ 0,043 each line (taxes included)

Costs for administrative processes corresponding to the Fund Manager, such as bank conciliation, ordering of information and computer systems costs, are US\$0.18 per payment form.

4.3.4 Structure of collection costs (*)

Item	%
Personnel	53
Outsourcing DATA CENTER	12
Management	11
Customer service/ Advertising	4
Amortization	11
Profit	0
Reception agencies (e.g. Banks)	9
Others	0
Total:	100

(*) The detail of the cost structure only corresponds to Previred.

Source: Previred

⁶ This number includes the insurance cost and the administrator commission.

4.4 Colombia⁷

The collection process in Colombia is **decentralized** and is performed by the Fund Managers themselves or through the different banking agencies with which the Fund Managers have established collection agreements. The Fund Managers have also developed different mechanisms of determining and paying collection amounts through call centers or the Internet.

The Social Security Institute also performs collection activities through bank agencies.

In this system called “Integrated Contribution Payment” the employer pays the total amount of contributions to Social Security and Government collection agencies; this amount is distributed to the different Fund Managers on the basis of the information registered by the employer on the electronic document. The information on the members is provided to the Fund Managers in previously defined files, facilitating loading into their systems. The flow of money from the members’ accounts to the Fund Managers’ accounts takes place on the same day.

To date, this service is performed by five private companies without any cost for the Fund Managers. Nevertheless, analyses and projections are under study in order to reach an agreement on fees.

For now, this means of payment is voluntary for employers, but some laws that seek to make it mandatory for large and medium size contributors are in the pipeline.

Together with the collection of contributions to the General Pension Fund System, payments corresponding to social security insurance (Invalidity and Survival) the Pension Assistance Fund and the Minimum Pension Guarantee Fund, are also collected.

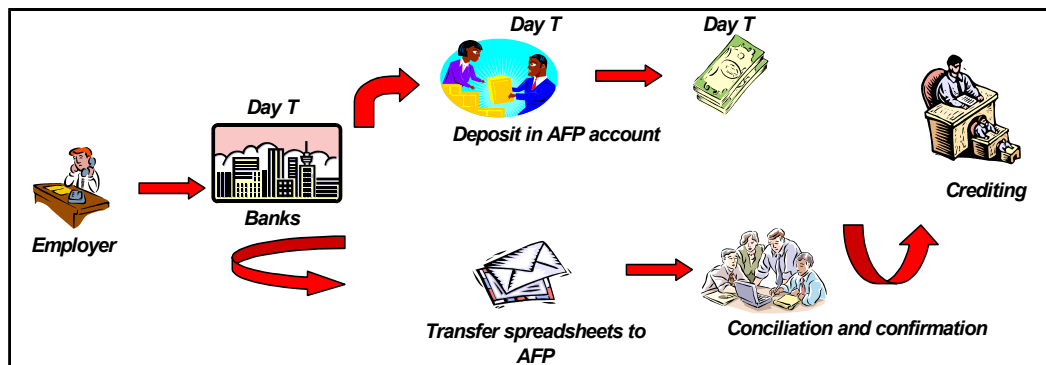
4.4.1 Description of the Collection process

- Each Fund Manager supplies the employers with payment forms on paper that are regulated by the Financial Superintendency. The file that the employer must provide when it does not use the paper form is also regulated by the Financial Superintendency.
- Payment can be made manually with the physical forms, filling in the heading of such and attaching a roll or a file (Diskette) in case payment is made by means of the services provided by the Fund Managers on Internet.
- Employers can also use telephone payment mechanisms which are made available to the contributors by each one of the Fund Managers. This mechanism is used by employers with few employees.
Whatever the means employed, employers have until the eighth working

⁷ Colombian Association of Pension and Unemployment Fund Administrators ASOFONDOS (2005).

day of the following month to pay.

- After payment is made, the financial agencies with which the Fund Managers have collection agreements credit the funds to the collection accounts of each Fund Manager on the same day.
- As soon as this deposit has been made, the Fund Managers immediately proceed to invest the funds.
- The information received by electronic means is downloaded into the systems of the different Fund Managers, and that received by physical means is typed in.
- The bank in turn performs a basic sorting of the information, such as the identity number of the employer, the number of the payment form, the total amount of contributions and the date of payment, which are grouped in processing sites where they are made available to the operational areas of the different Fund Managers. The banks also provide the Fund Managers with statements reflecting the movement of their current accounts and the details of the payments received, in which the basic information typed in by the banking agency is shown.
- The following procedures are bank conciliation (checking of the amounts declared on the forms against the bank deposits) and the sorting of information (checking the existence of the worker's account in the Fund Manager, and personal details)
- Once the previous process is over, the funds are credited to the individual accounts of the members and the Fund Manager then proceeds to charge the commission.



Source: Drawn up by FIAP

4.4.2 Collection control

This process is managed by the AFP itself, either with the bank or with the employer, depending on whether it is a case of details on the payment form not matching or a difference in the declared amount in relation to the amount deposited. The detailed information on the payment form is the exclusive responsibility of the employer, and the bank is only a payment channel.

The employers have a time limit for payment. Once delay in payment has been established, the AFP must calculate the delay at the standing rates per month or fraction thereof, and begin the administrative collection process with the employer. Delays can also exist when the employer pays on time but the roll does not match. The amounts paid for arrears are deposited in the individual account of the member.

4.4.3 Collection cost

The collection cost for the Fund Managers as a whole in 2004 was approximately US \$ 8.833.572, which is 0,51% of the total value of contributions collected in 2004⁸.

The values of bank collection services amount to US\$1.39 per payment form on average.

4.4.4 Structure of collection costs

STRUCTURE OF COLLECTION COSTS MONTHLY AVERAGE		
	TOTAL US\$	%
Personnel	\$ 37,043	8.30%
Software	\$ 10,316	2.31%
Hardware	\$ 8,589	1.92%
Receiving Agencies	\$ 132,058	29.58%
Others	\$ 258,495	57.89%
Amortizations	\$ 5,865	1.31%
Data processing	\$ 4,316	0.97%
	\$ -	0.00%
	\$ -	0.00%
Others	\$ 248,314	55.61%
TOTAL	\$ 446,502	100.00%

Note: Fund information. TRM \$2,389.75

Source: Asofondos de Colombia.

⁸ This number includes the insurance cost and the administrator commission.

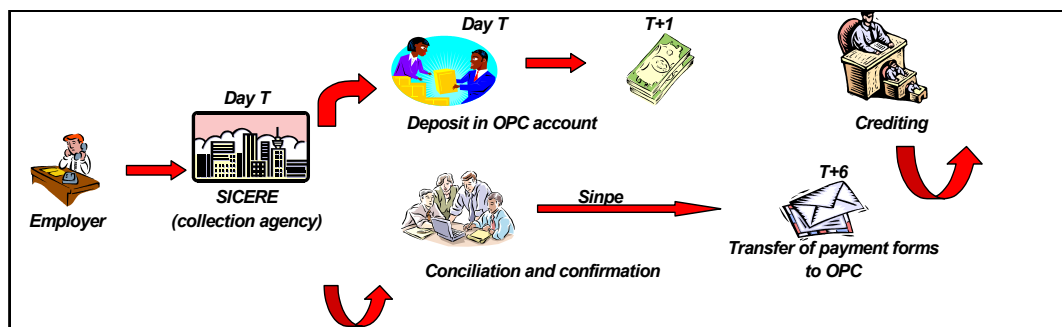
4.5 Costa Rica⁹

The collection process in Costa Rica is a **centralized** process and is the responsibility of SICERE (Centralized Collection System) a division of the Costa Rican Social Security Fund.

SICERE collects all the contributions and distributes them among the different operators (OPCs) according to the membership of each worker. This transfer is currently performed through the Inter-Bank Electronic Payment System (SINPE).

4.5.1 Description of the collection process

- Each month the employers retain the pension fund contributions, submit the detailed payment form and pay the contribution to the corresponding collection agency (SICERE). The employer has a maximum time limit for effecting this payment of twenty consecutive days of the following month.
- Then SICERE processes the information received, performing the following procedures: entering of the information on the payment form, bank conciliation, that is, the checking of the amounts declared on the forms against the bank deposits; the sorting of the information (checking the existence of every account of every worker in each Fund Manager); and finally, the sending of this sorted information to each Fund Manager.
- SICERE performs the transfer of the funds to each Fund Manager through the Inter-Bank Electronic Payment System (SINPE). This activity takes six working days.
- On the day after the contributions are received by the Fund Managers, the funds are duly invested. As of that moment the deposits begin to generate profit.
- The Fund Managers receive the information and the amounts transferred, and then proceed to credit the individual accounts of the members.



Source: Drawn up by FIAP

⁹ Popular OPC

4.5.2 Collection Control

When the members' details are incorrect or they do not match those distributed, the collection agency assigns a consecutive number to such contributions and sends them to the Agency assigned for each of the funds (automatic procedure specified by Law). For example, if they are contributions to the Labor Investment Fund (FCL) they are sent to OPC CCSS (Costa Rican Social Security Fund). Correction time of the funds is not always the same.

In case the employer falls in arrears, the collecting agency reports this to the SSCC for administrative collection procedures to be applied when they are more than 20 days and less than 60 days overdue, and after that the judicial collection process (civil and penal collection) of the amounts due when they are in arrears for more than 60 days.

4.5.3 Collection cost

There is no information available on the total collection cost for 2004.

The amount charged by SICERE for the collection service of each OPC is **0.80%** of each contribution made to the individual account of the member. This commission is graduated as can be seen in the following chart.

Detail of commission charges by SICERE according to Official letter DSCR-1411.02 of August 8, 2002.			
Year	From:	To:	% commission charge
1	08/08/2002	08/08/2003	0,55
2	09/08/2003	08/08/2004	0,63
3	09/08/2004	08/08/2005	0,71
4	09/08/2005	08/08/2006	0,80
5	09/08/2006	08/08/2007	0,92
6	09/08/2007	08/08/2008	1,03
7	09/08/2008	08/08/2009	1,13
8	09/08/2009	08/08/2010	1,19
9	09/08/2010	08/08/2011	1,10
10	09/08/2011	08/08/2012	0,91

4.5.4 Structure of collection costs

There is no information available on cost structure.

4.6 El Salvador¹⁰

The collection process in El Salvador is **decentralized**, and is performed directly by the AFP on the basis of declarations and payments received through the main banks of the financial service that have National coverage and offer their services as reception agencies.

Pension fund contribution collection is performed separately from other contributions related to Social Security.

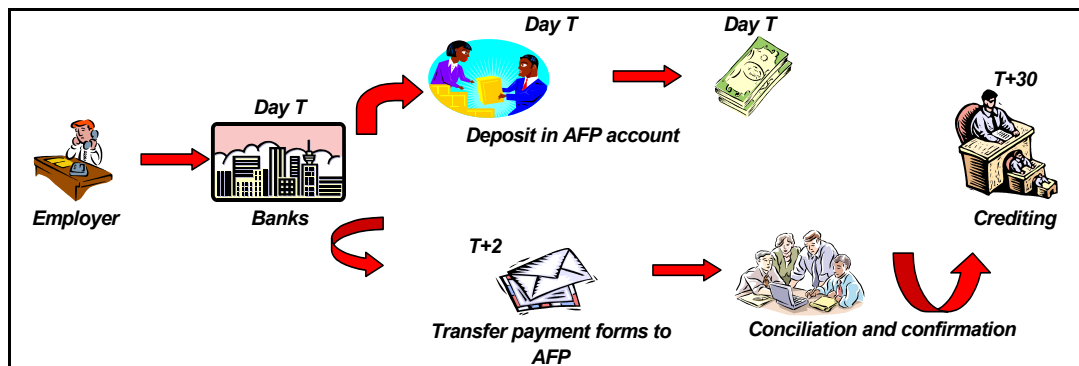
4.6.1 Description of the collection process

- The contributions are retained and paid directly by the employer. Payment of the contributions must be accompanied by the respective declaration on payment forms.
- The process begins when the employer informs each AFP of all the members in its employ in the pension fund contributions payment form.
- Payment of contributions is performed through a declaration made on physical forms or through software that is freely distributed to the employers. In both cases, the declaration, together with the respective payment, is made through the banks and they give the AFPs the declarations for their respective processing. Although electronic collection is also possible, its use to date is minimal.
- The employer attaches to the payment form (it fills in one form for each AFP in which its workers are members) the money or the check according to the provisions of the Superintendency of Pensions. In order to pay, the employer has the first ten working days of each month to declare and pay the contributions that accrued in the previous month.
- The employer must make sure that the payments registered on the payment form correspond to the retentions for only one accrued month. In case contributions corresponding to previous periods are paid, a form for each month must be filled in separately.
- The payments of pension fund contributions, which include the amount collected for the fund and the AFP's commission, are credited to the collection current account of the pension fund on the same payment date.
- The reception agency sends the original payment forms to the AFP, the summary of the form and the diskette by electronic means, as the case may be, in a maximum period of two days.
- Once the contributions have been received, the AFP proceeds to invest the funds. The member's contribution begins to generate profit from the day the money is deposited in the fund's account. In the case of "left-overs" the AFP that received contributions corresponding to another AFP reports the fact to the Superintendency according to regulations, and once it has

¹⁰ AIOS (2000), Salvadorian Association of Pension Fund Administrators ASAFONDOS (2005)

been determined to which AFP it belongs, the money is transferred with the corresponding profits accrued during the time the funds unduly remained in that AFP.

- In order to perform the bank conciliation process, the receiving bank sends the AFP a detailed list of payments indicating the date of reception in the till, and the receiving agency and branch. Once the payment forms have been received, the AFP performs the conciliation and checking of the information on the contributions in the detailed payments list.
- The AFP also checks that the sum of the contributions declared in the details that back up each payment duly coincide with the total contributions.
- The crediting process is the responsibility of each AFP and consists in assigning the contributions made to the Fund to the members of such in their respective individual accounts, for which they must perform validation tasks whereby the owner of each individual account can be identified. According to norm, this process should be completed in a maximum period of 30 days as of the date of the closing of the normal collection period (the tenth working day after the month of accrual); nevertheless, the times in which the AFPs perform this process are much less, as approximately 95% of the accounts are credited in a maximum period of 15 consecutive days from the closing of the normal collection period.



Source: Drawn up by FIAP

4.6.2 Collection control

The AFPs are responsible for identifying the cases of presumed delay, excess or insufficient payment, and applying the procedures for resolving such matters.

Administrative collection procedures begin at the latest 10 working days after the crediting period has finished. If such action does not achieve the collection of the owed amount within a period of 30 days, judicial collection procedures are initiated.

The AFPs participate in the judicial collection process once the term for administrative collection has expired without having collected the payment. Other agencies such as the Superintendency of Pension Funds, Commercial Courts, the Attorney General of the Republic and the Ministry of Labor also participate in this process.

4.6.3 Collection cost

Collection costs (manual forms) for the Fund Managers as a whole amounted to **US\$ 833.518** in 2004, which is **0.25%** of the total amount of contributions collected in the year (the process of account crediting is not included)¹¹.

The values of the collection service vary according to the negotiations that each AFP undertakes with the receiving bank. Average payment is close to US\$2,00 for each payment form received.

4.6.4 Structure of collection costs

Specific details of the cost structure are not available.

¹¹ This number includes the insurance cost and the administrator commission.

4.7 Mexico¹²

The collection process in Mexico is **centralized** and is carried out by the Mexican Institute of Social Security (IMSS), a decentralized public corporation with independent assets that acts as an autonomous government agency in charge of collecting social security payments and contributions. It performs the collection of contributions through different banking institutions, called “collection agencies,” with which it has signed agreements, and which act under instructions from the Social Security Institutes.

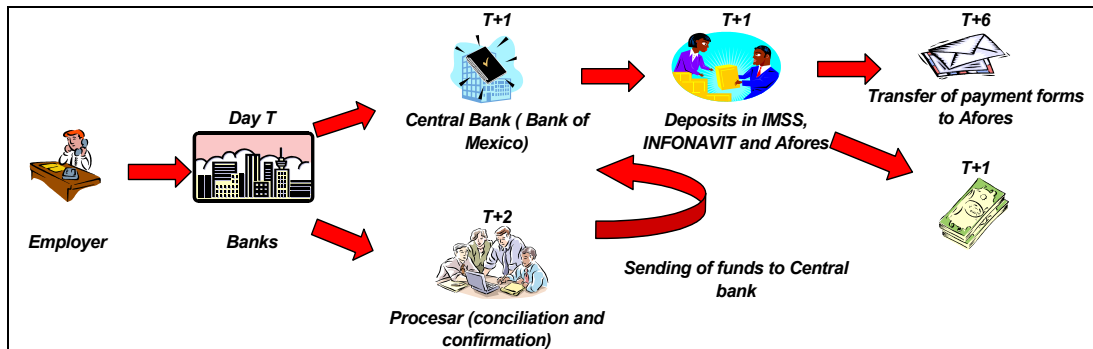
Electronic collection is also possible for companies with more than four employees.

4.7.1 Description of the collection process

- The Mexican Institute of Social Security generates or issues the invoices with which the employer will pay the quotas and contributions of its employees.
- More than 95% of all employers contribute through the Sole Self-calculation System which is software by which the employer-worker quotas are calculated and paid electronically.
- The employer goes to the reception agencies (banks) where contributions are paid.
- Once the reception agencies have received the funds, they deposit them in three different accounts: funds destined to medical insurance, labor risks, invalidity and life insurance in the IMSS account; funds destined to the housing fund in the INFONAVIT account and funds destined to the pension funds (Afores) in the third account.
- Two flows emanate from the reception agencies: the first one is information to Procesar S.A. and the second one the transfer of funds to the accounts that the Central Bank (Bank of Mexico) has for that purpose.
- Procesar S.A. checks that the information received from the banks corresponds to the deposits made in the Central Bank. Any difference is reported to the banks for them to make the corresponding corrections.
- To transfer the contributions to the Afores, Procesar receives the detailed information of the workers from the banks (SUA files) and from IMSS (electronic emission); these files contain the details of the quotas and contributions to be distributed to each Fund Manager. The Central Data Base contains all the member workers and the information of the Fund Manager chosen by each one of them.
- Then Procesar requests the Bank of Mexico to transfer the funds to the respective Fund Managers. The Bank of Mexico, in turn, sends the information to each Fund Manager.
- The transfer time to the Fund Managers is a maximum of ten days from the date that the employer paid in the funds.

¹² AIOS (2000), Mexican Association of Retirement Fund Administrators AMAFORE (2005)

- Finally, the Afores conciliate the information against the funds deposited, calculate the contributions to each individual account and then distribute the funds in each Siefore (Specialized Pension Fund Investment Company) according to the percentages selected by the worker for its investment in financial instruments.
- The Afores proceed to invest the funds on the same day they receive them.
- Finally, Procesar S.A. must report the result to Consar (regulating body of the pension system)



Source: Drawn up by FIAP

4.7.2 Collection Control

When Procesar detects that the contributions do not match the information in the data base, it sends them to the Normalization account to be checked and updated with the IMSS

Regarding employers in arrears, Procesar issues a weekly report on payments received from employers and the Institute undertakes the collection from the employers that have fallen in arrears.

4.7.3 Collection cost

Collection costs for the Fund Managers as a whole in Mexico in 2004 amounted to **US\$28,385,500**, with 92,451,914 contributions having been received. This amount is **0.515%** of the total value of the contributions collected.¹³

IMSS performs the collection through banks which charge IMSS the amount of US\$ 2.77 for the payment each employer makes using SUA.

IMSS, on the other hand, charges US\$0.2517 for invoicing expenses on each contribution. Procesar charges US\$ 0,0553 for each contribution distributed to its respective account.

¹³ This number doesn't include the insurance cost; it includes the administrators commission.

4.7.4 Structure of collection costs

Details of the cost structure are not available,

4.8 Peru¹⁴

The collection process in Peru is **decentralized** and is performed by the Fund Managers themselves through the main banks of the financial system with national coverage that have entered into collection agreements with the Fund Managers (AFP).

The electronic declaration of contributions and the payment of quotas by electronic transfer between accounts are also possible. This has had the added benefit of encouraging contribution by independent workers.

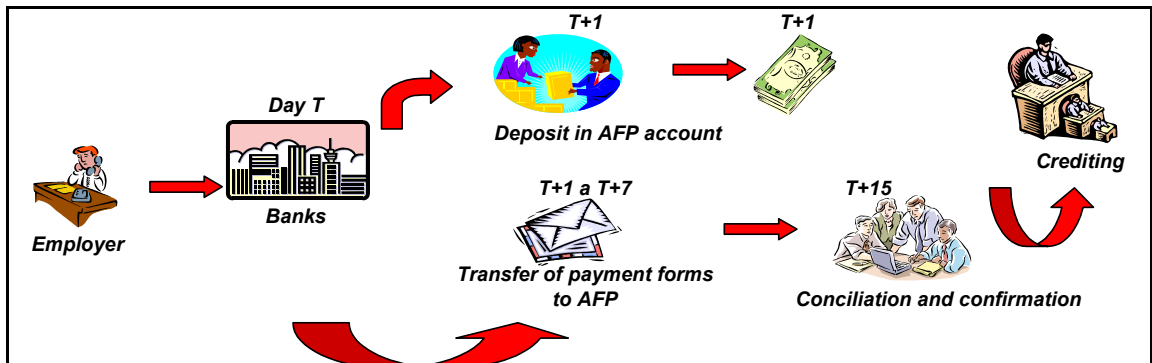
The collection of pension fund contributions is performed by the AFP through two current accounts: one exclusive account for the Pension Fund, and another separate one for the AFP commissions and the invalidity and survival insurance premium.

4.8.1 Description of the collection process

- The process begins when the employer retains the pension fund contributions and pays them in cash or with a check, attaching a pension fund contributions payment form. Whatever the means of payment (manual or electronic), the quotas must be paid within the first five days of the month following that in which they accrued.
- In all cases the amount of the contributions and the number of the current account of the pension fund and the AFP is entered in the payment form; in this way the funds of the pension fund are at all times separated from those of the Fund Manager.
- The reception agencies have a one day time limit in the city of Lima and between two to seven working days in the provinces, for sending the payment forms to the AFP and making the deposits in the corresponding bank current accounts.
- On the next day, after the deposit has been received, the funds are invested. The AFPs have a time limit of two days to invest the funds collected. The “left-overs” make up a sub account of the Fund and are also part of the investments.
- After receiving the payment forms and the bank statements, the Fund Managers proceed to perform the bank conciliation; the total amounts of daily deposits made by the banking agency are checked. This procedure can take up to 15 days.
- Then the information is sorted, which includes the identification of the employers, validation of the calculations for each type of pension contribution, identification of the workers involved, detection of excess payments, mistakes, left-overs etc.
- Finally, the process of crediting the individual accounts of the members is

¹⁴ AIOS (2000), Association of Private Pension Fund Administrators.

carried out.



Source: Drawn up by FIAP

4.8.2 Collection control

We can identify two control procedures for pension fund contributions:

The first is auditing of the activities performed by the AFP, including the collection process, conciliation and crediting in the individual funding accounts.

The second procedure consists in checking possible delay situations through inspection visits made to the workers. In this regard, it must be pointed out that as of June 1999 this inspection duty was granted to the Superintendency of AFPs. The Superintendency tries to reinforce the participation of the AFPs in the tasks of conciliation of the contributions with the employers and determining the exact amounts of probable pension fund debts.

4.8.3 Collection costs

The collection costs for the Fund Managers as a whole during 2004 was **US\$ 2.400.000**, which was **0,25%** of the total value of contributions collected during the year¹⁵.

The bank fee for the collection service is US\$ 1,00 per payment form.

4.8.4 Structure of collection costs

No detailed information on costs structures is available.

¹⁵ This number includes the insurance cost and the administrators commission.

4.9 Poland¹⁶

The collection process in Poland is centralized and is performed by the Social Security Institute (ZUS).

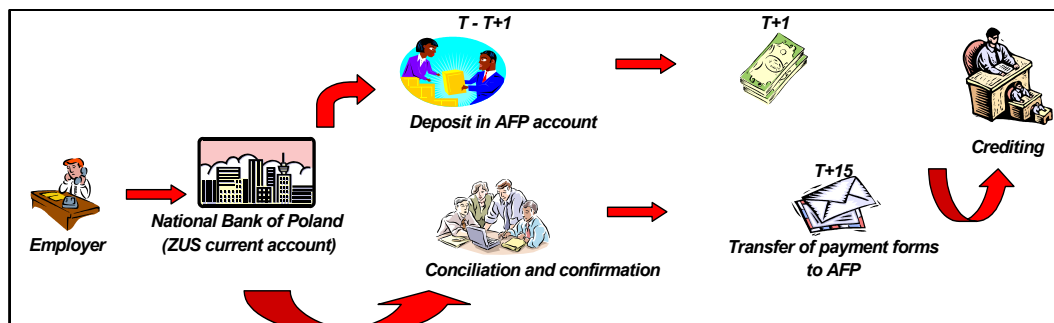
Electronic collection is also possible by paying and sending the contribution via Internet.

The collection of pension fund contributions is performed jointly with all social security related contributions, but separate from taxes.

4.9.1 Description of the collection process

- The employers retain the pension fund contributions and pay them with a check deposited in the ZUS current account in the National Bank of Poland. Public agencies have until the 5th of each month to pay the social contributions and private companies until the 10th day of each month.
- Then ZUS is responsible for the bank conciliation, that is, the checking of the amounts declared in the forms against the deposits made in the National Bank of Poland.
- ZUS is also responsible for sorting the information, that is, checking the existence of every account of every worker in every Fund Manager.
- Then ZUS sends the sorted information to the Fund Managers of the open Pension Funds; ZUS has a time limit of 15 days to perform this procedure; if it does not do so within that time frame then it must pay a fine.
- The contributions are invested immediately after they are received. However, the exact time depends on many variables such as: the liquidity level of the funds, market price, availability of investment instruments, among others.

¹⁶ Chamber of Pension Funds – Izba Gospodarcza Towarzystw Emerytalnych (IGTE) (2005).



Source: Drawn up by FIAP

4.9.2 Collection control

All the control procedures are carried out by ZUS. If there is any discrepancy between the information submitted or the amount paid, ZUS immediately begins the control process.

With regard to the situation of an employer in arrears, there are two situations:

1. If the employer does not pay but submits all the required documents, ZUS sends a collection order to the employer's current account; if it has funds then payment is automatically made from the account and is transferred to ZUS. This process takes place almost immediately and if there is any delay between the collection of the money and the time the contribution was made, penalty-interest is calculated.
2. If the employer does not pay or submit any documents, ZUS automatically starts to calculate the penalty-interest and can also apply additional sanctions to the employer. ZUS sends the collection order to the employer's account and the same procedure as in the preceding point begins.

If cases such as these occur and there are no funds in the employer's account, ZUS forwards the collection order to the State which undertakes the collection for ZUS.

4.9.3 Collection costs

Collection costs for the Fund Managers as a whole in Poland during 2004 amounted to US\$ 30.575.620, which was 0,80% of the total value of contributions collected in 2004¹⁷.

¹⁷ This number doesn't include the insurance cost; it includes the administrators commission.

The fee charged by ZUS for the collection service is 0.8% of the total amount of the contributions

4.9.4 Structure of collection costs

There is no detailed information available on collection cost structure

4.10 The Dominican Republic¹⁸

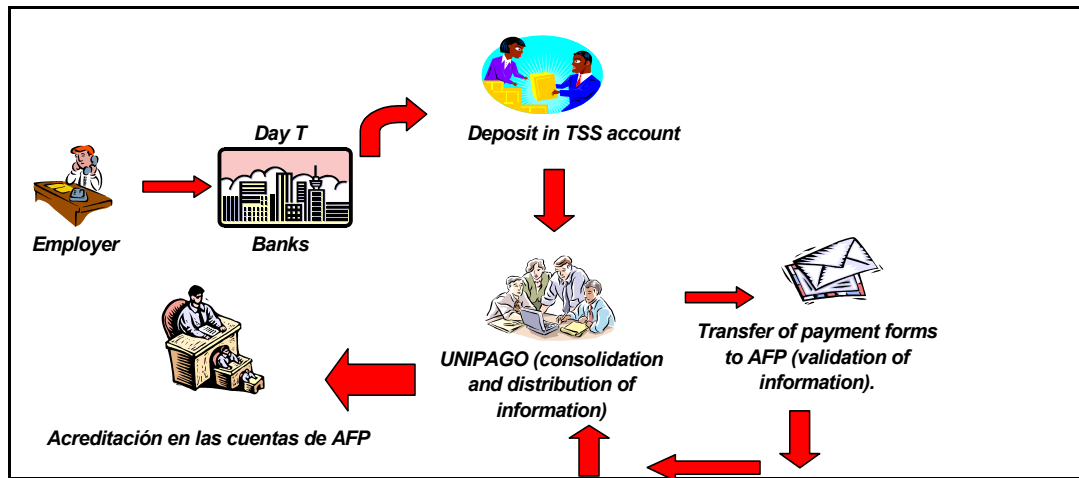
The collection process in the Dominican Republic is **centralized** and is performed by the Social Security Treasury(TSS) through the “Sole Membership and Collection System” (SUIR) managed under a concession contract by a private company called Data Base Processing Company (EPBD) whose commercial name is UNIPAGO, that provides technological and logistical support to the Treasury. Quotas are collected through the national banking network or the agencies duly authorized to receive the contributions.

4.10.1 Description of the collection process

- The process begins when the employer submits the workers’ roll to the Social Security Treasury (TSS). This report must be submitted by the 20th of each month at the latest.
- The TSS processes the information received from the employer and generates an invoice to the same employer with the amount payable.
- The employer pays TSS within the first three working days of each month at the latest. Payment is made through one of the collection agencies which are the multiple service banks, or similar, authorized by the Monetary Board and certified by TSS, EPBD (Unipago), the Superintendency of Banks or other agencies that monitor aspects corresponding to the functions of each of the latter, according to the criteria set out in the participation contracts with the National Financial Network.
- The receiving banks send the funds collected to Banco Liquidador where all the funds collected are deposited. These quotas may be differentiated in Dominican pesos or foreign currency depending on their nature.
- The Data Base Processing Company (Unipago) performs the consolidation and sorting of the information and the bank conciliation. Then Unipago sends the individualized information to the different AFPs which proceed to revise and validate the information. Separation by item is included in this information: Personal account, insurance (invalidity and survival), arrears, surcharge and AFP commission.
- As soon as the AFPs validate the information, Unipago performs the

¹⁸ Dominican Association of Pension Fund Administrators ADAFP (2005).

crediting of the funds to the accounts held by each AFP through Banco Liquidador.



Source Drawn up by FIAP

4.10.2 Collection control

No information available

4.10.3 Collection costs

Description	Rate RD \$	Rate US\$	Frequency
Account management – permanent members	0,60	0,02	Monthly
Account management – pending members	0,30	0,01	Monthly
Registries received	5,75	0,20	Per transaction
Screen check	1,00	0,03	Per transaction
Individualization and distribution of collection	2,75	0,09	Per transaction
Membership application due to transfer	5,75	0,20	Per transaction
Expiry membership application due to transfer approved by Sipen	10,00	0,34	Monthly
Expiry membership application due to transfer rejected by Sipen	10,00	0,34	Monthly
Expiry application for transfer	5,00	0,17	Mensual
Clearing up of application	5,00	0,17	Per transaction
Clearing up of application, error AFP of origin	5,00	0,17	Per transaction
Certificate and balance request	100,00	3,44	Per transaction
Left-overs, Transfers, Insufficient funds	20,00	0,69	Per transaction
Member fixed quota	2.500,00	86,09	Monthly
Non-member fixed quota	7.500,00	258,26	Monthly

The costs involved in this process, prior to the crediting procedure, are what UNIPAGO charges the Fund Manager for the different items specified in the

above chart. Such costs are assumed by the Fund Manager and do not affect the fund. These costs that the AFPs pay UNIPAGO are based on monthly charges and per transaction performed.

Information of collection costs for the Fund Managers as a whole is not available for 2004

4.10.4 Structure of collection costs

Detailed information on the structure of collection costs is not available

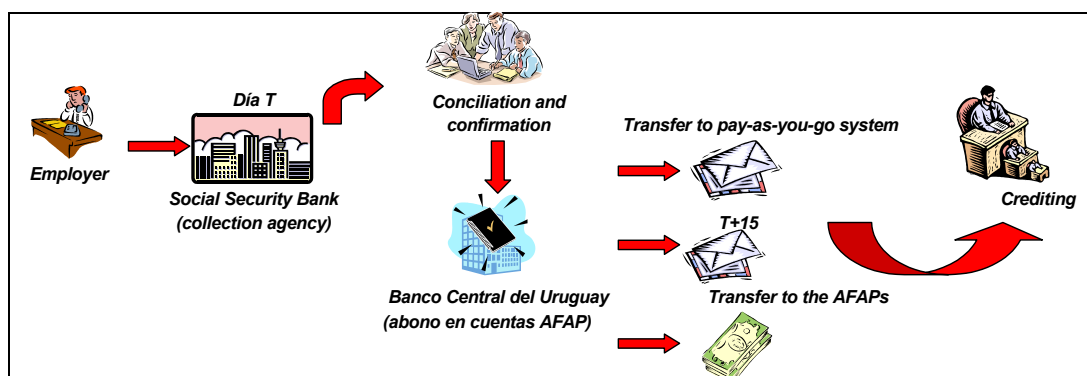
4.11 Uruguay¹⁹

The collection process in Uruguay is **centralized** and performed through the Social Security Bank (BPS), a government agency.

4.11.1 Description of the collection process

- The process begins when the employer retains the pension fund contributions and fills in the forms, entering the contributors' quotas to the collection agency (BPS). Contributors have a maximum time limit of 45 days to effect this payment, although this term is not strict and may vary periodically.
- There is also an electronic collection procedure called "Nominal Collection" within the BPS, whereby companies of a certain size can receive the payment invoice and then effect the corresponding payment in BPSD.
- The collecting agency then performs the conciliation of the funds received (check that the information complies with validation and information sorting criteria).
- In the following step, the crediting of the contributions destined to the individual savings system in the accounts the AFAPs maintain in the Central bank of Uruguay, is performed.
- The funds are then distributed according to whether they belong to the pay-as-you-go or the individually funded system. The time limit for remittance to the AFAP should be at the most the 15th working day of the second month after accrual, but considering the fact that this term coincides almost exactly with the term the employers have for payment, it is common for part of the contributions to arrive later.
- The investment of the funds takes place immediately the deposits are received; in general, given the fact that the total amounts are known 24 hours beforehand, the investment department of the AFAP has already been able to make the prior agreements to minimize investment terms. The AFAPs begin to generate profit as of the first collection day, purchasing shares at the day's value, without caring how long the contribution may remain un-credited in the individual accounts. In the case of left-overs, as they also form part of the fund, they have the same profitability generated by the value of the quota.
- Once the BPS sends the detail of the members and the individual contributions deposited, the Fund Managers perform the crediting of the funds in the individually funded accounts.

¹⁹ AIOS (2000), República AFAP S.A. – Uruguay (2005).



Source: Drawn up by FIAP

4.11.2 Collection control

The checking procedures, collection control and the control and management of arrears depend exclusively on the collection agency (BPS) which controls such process at its own discretion, as in any event most of the collection is for itself. The agency itself has the power of inspection and application of fines.

On the other hand, important sanctions are provided for in the case of arrears on the part of employers and the proportional part is put into the savings system. Nevertheless, roll errors (that do not pay fines because the employer supposedly paid on time) and internal procedures in the BPS itself, result in many contributions arriving with important delays, without any compensation. 10% arrive outside the specified time period; this does not appear to be a very high percentage considering the total collection, but for the affected members it could mean 100% of their personal contribution.

4.11.3 Collection costs

There is no detailed information on collection costs for the Fund Managers as a whole in 2004.

BPS does not currently charge for the collection service, but it is expected to begin charging 0.75% on the total transfers. (Some time ago BPS conducted a study with a series of proposals for beginning to charge a commission for the collection service, whereas the AFAPs are legally challenging article 56 of decree 395/99 which authorizes BPS to charge this commission, as they consider it illegal).

4.11.4- Structure of collection costs

There is no detailed information available on the structure of collection costs.

5.- Final comments

In Argentina, Costa Rica, Mexico, Uruguay, the Dominican Republic and Poland, centralized pension fund contribution collection systems are used, whereas Bolivia, Chile, El Salvador, Colombia and Peru use a decentralized system (see chart below)

In Argentina the collection agency is of a tax nature; in Costa Rica, Uruguay and the Dominican Republic, the social security management agency collects, whereas in Mexico and Poland new agencies specialized in contribution collection were created.

It is surprising that the reported costs of the decentralized collection systems are considerably lower than the costs of the centralized systems. Poland and Mexico are the countries with the highest costs during 2004, whereas Bolivia, El Salvador and Peru are the countries with the lowest costs.

Nevertheless, as has already been explained, these comparisons must be analyzed with care because on the one hand, the costs incurred by the employer and the crediting performed by the Fund Managers are not included, and on the other, there is no certainty that one is comparing systems with exactly the same characteristics.

Collection processes: Summary

COUNTRY	COLLECTION SYSTEM	TYPE OF MANAGEMENT	COLLECTION COSTS, 2004 US\$	COLLECTION/CONTRIBUTIONS COST 2004 (*)
Argentina	Centralized	Taxation	8.734.408	0,66%
Costa Rica	Centralized	Social Security	n.a	-
México	Centralized	Specialized	28.385.500	0,52%(*)
Uruguay	Centralized	Social Security	n.a	-
Dominican Rep.	Centralized	Social Security	n.a	-
Poland	Centralized	Specialized	30.575.620	0,80%(*)
Bolivia	Decentralized	-	147.421	0,12%
Chile	Decentralized	-	3.750.000	0,32%(*)
El Salvador	Decentralized	-	833.518	0,25%(*)
Colombia	Decentralized	-	8.833.572	0,51%
Peru	Decentralized	-	2.400.000	0,25%(**)

n.a: Not available

(*) The items included in the value of the contributions collected are the following:

Argentina: mandatory Pension Fund contributions, commissions, invalidity and survival insurance, agreed deposits, unidentified deposits, amounts that enter due to distribution of unclear contributions, voluntary contributions (discounted on payment form).

Mexico: Mandatory Pension Fund contributions and commissions.

Poland: Mandatory Pension Fund contributions and commissions.

Bolivia: Mandatory Pension Fund contributions, commissions, insurance premium for common risk and insurance premium for professional risk.

Chile: Mandatory Pension Fund contributions, commissions, invalidity and survival insurance, agreed deposits, voluntary contributions, (discounted on the payment form)

Unemployment Fund quotas if the contributor is obligated by law.

El Salvador: Mandatory Pension Fund contributions, commissions and invalidity and survival insurance.

Colombia: Mandatory Pension Fund contributions, commissions, invalidity and survival insurance, Minimum Pension Guarantee Fund and Pension Assistance Fund.

Peru: Mandatory Pension Fund contributions, commissions, invalidity and survival insurance. The collection of the member's voluntary contributions, for pension purposes or not, through the contributions payment form, has currently been suspended as other specific forms that cover this need exist.

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