

DRV-Booklet

DRV-Number: 4/2011

Table of contents:

“Riester-Pensions” – A Question of Trust?.....	1
The Policy Options against Old-Age Poverty	1
The Project “Generational Management in Working Life” (“Generationenmanagement im Arbeitsleben – GeniAL”)	2

“Riester-Pensions” – A Question of Trust?

Authors: Dr. Jürgen Ehler, Dr. Carroll Haak

Location: Berlin

The so-called Riester-Pension (optional and tax-subsidized pension scheme to compensate for cuts in state pension, named after the former Federal Minister for Labor and Social Affairs, Walter Riester) is celebrating its 10th anniversary. The Federal Ministry for Labour and Social Affairs (Bundesministerium für Arbeit und Soziales - BMAS) estimates that the number of Riester-contracts amounted to almost 15 millions in autumn 2011. In retrospect, the ministry takes a positive view of the development.

Since the outbreak of the financial crisis, there are however strong indications that the confidence of the investors in capitalfunded old-age provision has been weakened. Furthermore, a broad public debate about unsatisfactory contractual arrangements of Riesterschemes is being conducted, so that potential investors may decide against a Riesterscheme more often.

The article discusses the question: Which motives are relevant for consumers' decisions in the field of tax-subsidized privately funded old-age provision? The authors analyse what could discourage persons eligible for tax-subsidies from concluding a Riestercontract. The empirical basis for the investigations is the Survey on Individual Old-Age Provision 2009 (Befragung Individuelle Altersvorsorge 2009 - IAV 2009), in which the distribution of pension entitlements of the 1942 to 1961 birth cohorts in the field of occupational pension schemes and privately funded old-age provision has been quantified by use of a representative sample. The authors' conclusions clarify that the reliability of privately funded old-age provision is an important factor for the persons eligible for tax-subsidies in the mentioned birth cohorts, and effects their decision to conclude and actually invest money into a Riestercontract.

The Policy Options against Old-Age Poverty

Author: Dr. Ingmar Kumpmann

Location: Saarbrücken

The author aims to contribute to the debate about the policy options for a prevention of old-age poverty with three findings: First of all, all proposals for a prevention of old-age poverty depend on normative stipulations. For example, the proposals regarding an improvement of the income situation of longterm insured is based on the normative findings according to which a long insurance period would be a prerequisite for a povertyproof old-age in-come. Secondly, a distinction must be made between originrelated measures such as the

improvement of employment opportunities in the active career years, on the one hand, and proposals referring to the pension system and to the system of old-age basic income support ("Grundsicherung im Alter"). Due to the financing on a pay-as-you-go basis, both systems are always effective against old-age poverty – it is never too late to combat old-age poverty. However, this requires – thirdly – the use of tax-payers' money. The prevention of old-age poverty is not costneutral.

The Project “Generational Management in Working Life” ("Generationenmanagement im Arbeitsleben – GeniAL")

Authors: Dr. Christina Stecker, Alexander Kühl, Dr. Ralph Conrads

Location: Berlin, Stadtbergen

...Operational Design Requirements and Experiences in the Field of Generational Management

Against the background of the prolongation of the working life (raising of the regular legal age limit from 65 to 67 - "Rente mit 67"), it becomes obvious that, despite partial efforts, so far it has not yet been entirely possible to sensitize companies for the issues relating to ageing workforces. However, proposals on how to solve the problem exist. What is missing are established structures that support the theme "demography" permanently and that are able to provide assistance to medium-sized enterprises. On the basis of these arguments regarding the "humanization of the working environment" and the "Alliance for Jobs" ("Bündnis für Arbeit") in Germany, it shows that, since the turn of the century at the latest, both topics are linked in political programmes geared at a "promotion of active ageing" (chapter 1). Chapter 2 contains information on the current status of empirical realities in the companies and of the funding landscape in the outlined context. In chapter 3, the authors describe the ways through which companies implement measures in the interests of age and ageing-appropriate working conditions and the possibilities to support their efforts by means of operational generational management. The description is based on the practical experiences made in the project "Generational Management in Working Life" ("Generationenmanagement im Arbeitsleben – GeniAL") carried out by the statutory pension scheme. Thus, both the necessity and the possibilities to support employers and their staff in the phase of the demographic change become apparent (chapter 4).