

## **DRV-Booklet**

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Benefits not Covered by Contributions (“nicht beitragsgedeckte Leistungen”) and Federal Subsidies in the Statutory Pension Scheme .....	1
Invalidity as an Insured Risk in the European Social Security Systems* .....	1
Invalidity and Poverty* .....	1
Protection against the Risk of Reduced Earning Capacity in the Second Tier of Old-Age Insurance* .....	1
Are Riester-Pensions Profitable? Selected Return Calculations in Discussion.....	2
Pensions and Other Retirement Income of Widows and Widowers in Germany: An Overview on the Benefits Granted by the Statutory Pension Scheme under Consideration of Empirical Findings.....	2

### **Benefits not Covered by Contributions (“nicht beitragsgedeckte Leistungen”) and Federal Subsidies in the Statutory Pension Scheme**

Author: Dr. Ulrich Reineke  
Location: Berlin

### **Invalidity as an Insured Risk in the European Social Security Systems\***

Author: Professor Dr. Dr. h. c. Eberhard Eichenhofer  
Location: Jena

\* Written version of the speech held by Professor Dr. Dr. h. c. Eberhard Eichenhofer during the annual meeting of the Research Network of the Statutory Pension Scheme (“Forschungsnetzwerk Alterssicherung, FNA”) on January 27, 2012 in Berlin.

### **Invalidity and Poverty\***

Author: Professor Dr. Richard Hauser  
Location: Frankfurt/Main

\* Written version of the speech held by Professor Dr. Richard Hauser during the annual meeting of the Research Network of the Statutory Pension Scheme (“Forschungsnetzwerk Alterssicherung, FNA”) on January 26, 2012 in Berlin.

### **Protection against the Risk of Reduced Earning Capacity in the Second Tier of Old-Age Insurance\***

Author: Frank-Henning Florian  
Location: Wiesbaden

\* Written version of the speech held by Frank-Henning Florian during the annual meeting of the Research Network of the Statutory Pension Scheme ("Forschungsnetzwerk Alterssicherung, FNA") on January 26, 2012 in Berlin.

## **Are Riester-Pensions Profitable? Selected Return Calculations in Discussion**

Authors: Maik Wels, Christian Rieckhoff  
Location: Berlin

On the occasion of the 10th anniversary of the implementation of the state-subsidised private old-age pension (Riester-pension), the authors take critical stock of the results that have since been reached. Important questions that are discussed in this context are, for example: Who makes use of Riester-contracts? Is the dissemination of Riester-contracts that has been achieved so far sufficient to compensate for the lowering of the pension level in the statutory pension scheme? Under which conditions can Riester-pensions compensate for the lowering of the pension level in the statutory pension scheme?

The discussion focused on the return of investment that can be achieved by Riester-products. The rate of return reflects the relationship between expenditures and pension benefits. It constitutes an important means of comparison for the efficiency of retirement provision products.

Lately, the following return calculations regarding Riester-pensions gained special public attention: on the one hand, the return calculations provided by the Friedrich Ebert Foundation and the German Institute for Economic Research ("Deutsches Institut für Wirtschaftsforschung – DIW"), and on the other hand, the return calculations provided by the German Insurance Association ("Gesamtverband der Deutschen Versicherungswirtschaft – GDV").

The article critically reflects the results and the methodology of those return calculations. In particular, it deals with the following questions: Which conclusions about Riester-pensions can be actually drawn from the presented return calculations? Are the underlying assumptions consistent? What are the possible implications of the proposals aiming at an improvement of the return of investment of Riester-contracts?

## **Pensions and Other Retirement Income of Widows and Widowers in Germany: An Overview on the Benefits Granted by the Statutory Pension Scheme under Consideration of Empirical Findings**

Authors: Dr. Michael Stegmann, Ulrich Bieber  
Locations: Würzburg, Linz am Rhein

The risk protection for surviving dependants is one of the central tasks of the statutory pension scheme. Survivors' pensions are meant to provide financial security for dependants in case of death of the insured partner. On the basis of the official population statistics, the authors outline the general background against which these benefits must be seen. This includes that the risk to become widowed is higher for women than for men, due to the fact that women tend to have spouses that are older than themselves and that the life expectancy of women is higher than the life expectancy of men. Furthermore, marriage – and the protection arrangements combined with marriage – are still relevant in the current and in subsequent pensioner cohorts. Information regarding the number of widows in different age groups and regarding their household context complete the picture drawn on the basis of official statistics.

Moreover, the authors present the comprehensive information contained in the statistical reporting of the statutory pension scheme. The statistical database allows different reflections: an inspection of pensions and personal references. This is important, because survivors' pensions paid in addition to insured persons' pensions, play an important role especially for women. Besides, the authors process information deriving from different surveys. This information illustrates the total income in old age as well as other aspects of the financial situation of elderly persons.