

DRV-Booklet

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**Overcoming the Economic Crisis of 2009 from the Perspective
of Pension Law**

- An Approximation based on the Social Budget

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Location: Berlin, Frankfurt/Oder, Rheinbach

The economic crisis was just a few years ago. However, bit by bit, it already fades into the background, even though its consequences can still be clearly felt in many European neighbouring states. Due to this, the question how Germany was able to overcome the massive slump of the economy so fast and sustainably, is posed more and more often. What were the main factors and determining elements? Which political measures were decisive? Meanwhile, a comprehensive spectrum of analyses was carried out, especially with a view to the financial markets, but also – for example – to the labour market. However, systematic reflections about the relationship between pension systems and crisis management have remained, to a large extent, unconsidered up to now. This is the focus of the following remarks. On the basis of current data regarding the social budget, which gives an overview of the benefit spectrum and the development of social security in Germany, the authors analyse the role of the pension system in overcoming the crisis so quickly and persistently. What was the effect of the pension system as a whole? What significance did the specific measures have?

Pension Provision in New Zealand

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The pension system of New Zealand consists of three components: a minimum pension scheme for old-age, state-supported private supplementary pension provision (“KiwiSaver”), and other types of pension provision. The minimum pension scheme for old-age is tax-financed and granted without a needs test. The so called “KiwiSaver” was implemented in 2007 and can be compared to the German “Riester-Rente”. However, there are some interesting differences: The participation is automatically provided in all new employment relationships. It persists until the employee opts out of the system (“option-out”). Furthermore, “KiwiSaver” is granted as a one-off payment upon retirement, and not as an annuity. Finally, there are different other types of occupational and private pension provision in New Zealand. From a state’s perspective, they are of minor importance, because they are neither regulated nor subsidised. However, they often play an important role in securing people's standard of living in old age above the socio-cultural minimum subsistence line.

The article describes the basic features of the New Zealand pension system and addresses to the characteristics of both the minimum pension scheme for old-age and the state-supported private supplementary pension provision. In addition, the authors represent statistical data to quantify different aspects of the New Zealand pension system and pick out central aspects of the current public debate about the future of pension provision in New Zealand.