

# Find your Pension!

## (Tra)Vigating within the European Pension Landscapes

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2, May 2016 - European Molecular Biology Laboratory (EMBL) Heidelberg, Marie Curie Alumni Association.

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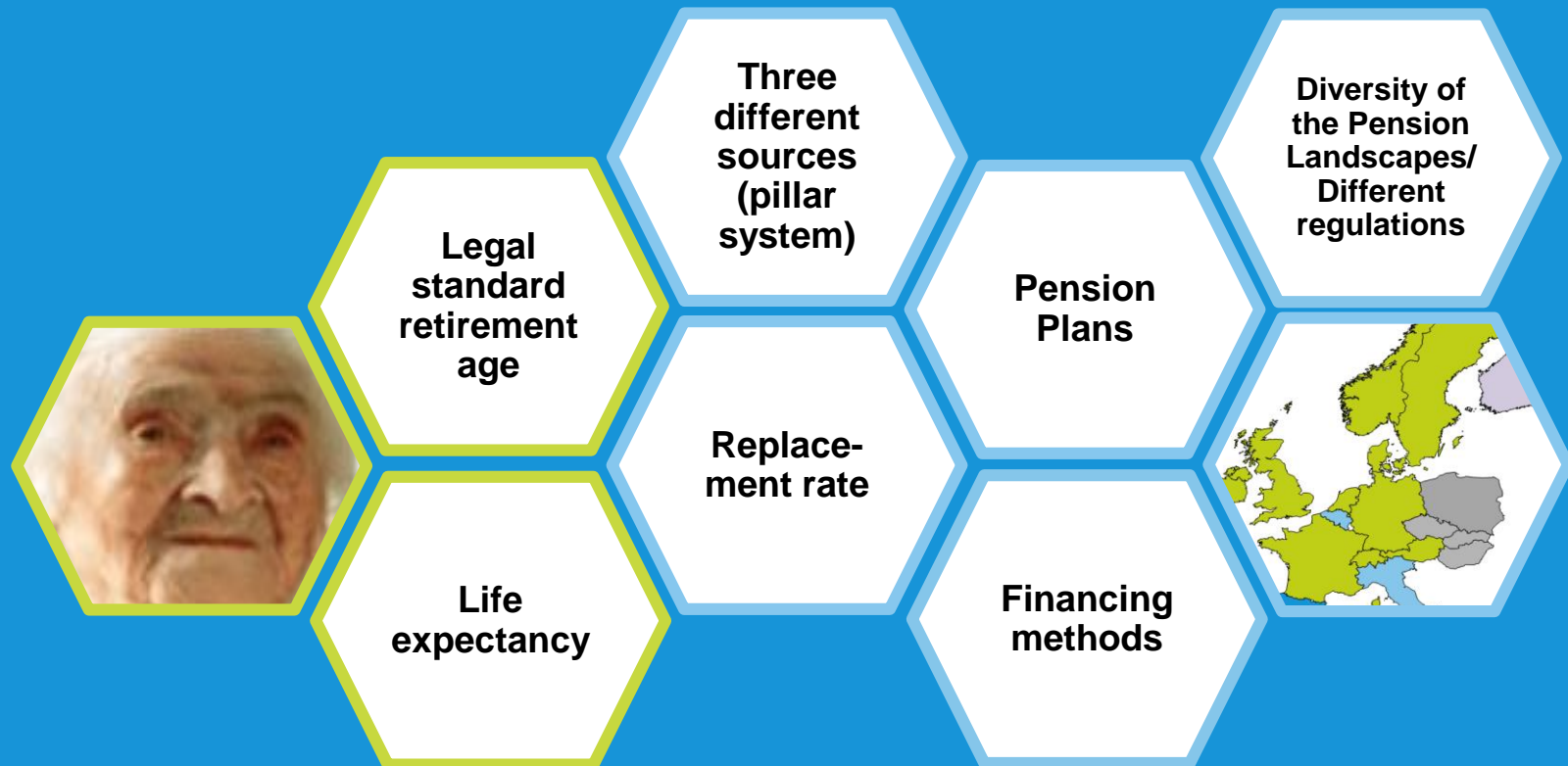


# AGENDA

- (1) Introduction**
- (2) European Pension Landscape? Basic Knowledge on Pension sources and systems**
- (3) The FindyourPension Website and Network**
- (4) Knowledge Transfer**
- (5) Coming soon: The personal section “My Pension Track”**

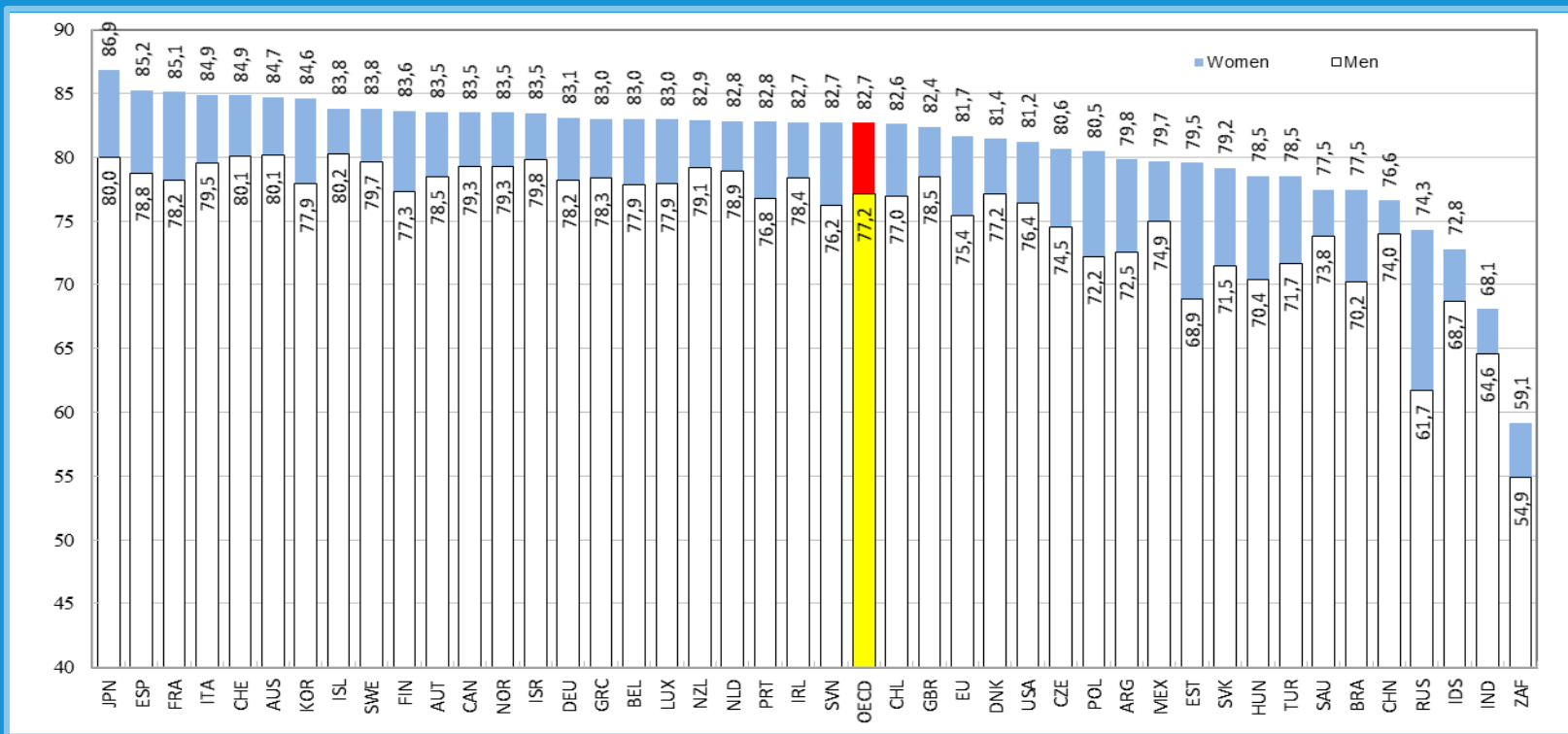


# WHAT DO YOU ASSOCIATE WITH “PENSIONS”...?

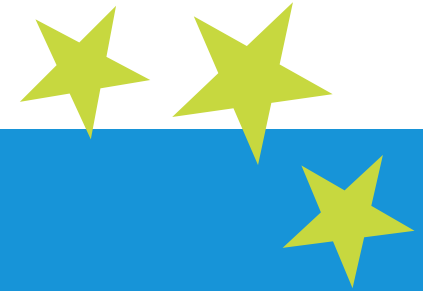




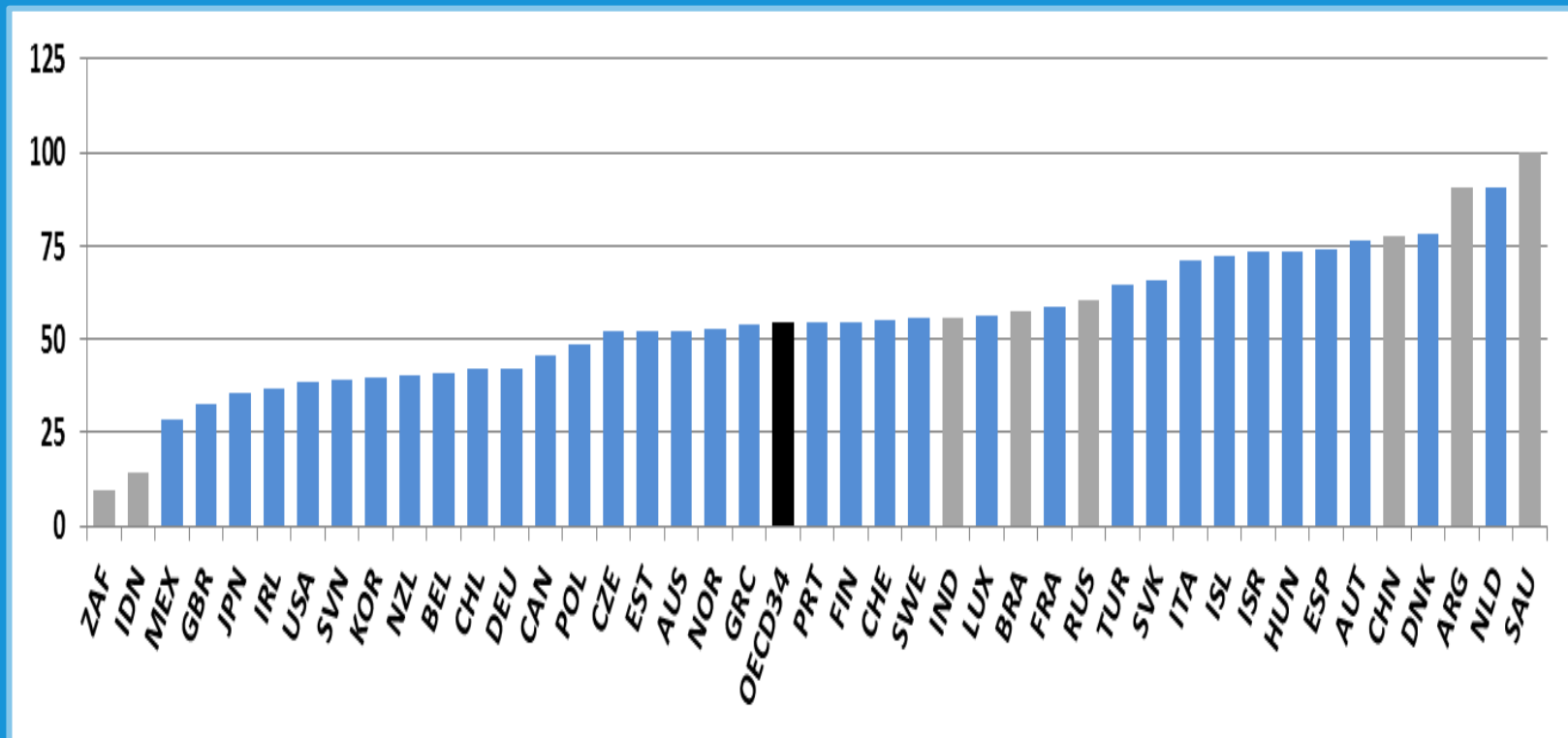
# LIFE EXPECTANCY AT BIRTH; IN YEARS; MEN AND WOMAN, 2010-15



<http://www.oecd.org/pensions/public-pensions/OECDPensionsAtAGlance2013.pdf>



# GROSS PENSION REPLACEMENT AVERAGE EARNERS IN 2013



<http://www.oecd.org/pensions/public-pensions/OECDPensionsAtAGlance2013.pdf>



# DIVERSITY OF PENSION LANDSCAPES AND SOURCES OF PENSION

**Pension Landscapes in Europe are as diverse as the member states themselves.**

- ★ Meaning: Each and every country in Europe has its own Pension Landscape or concept consisting of different pillars and tiers
- ★ Why is that?
  - ★ History, culture, economy of the countries
  - ★ Subsidiarity principle: in general social security is no subject of EU law with the exemption of internal market (competition), free movement, consumer protection

**Please  
distinguish the  
different sources  
of pension in  
every country**

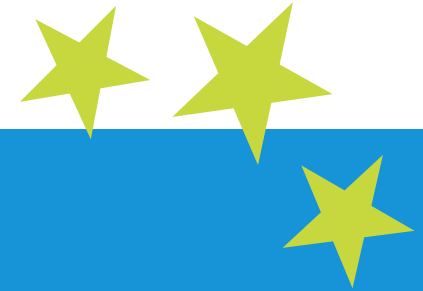


# WHY IMPORTANT TO KNOW

**Different pension regulations applicable.**



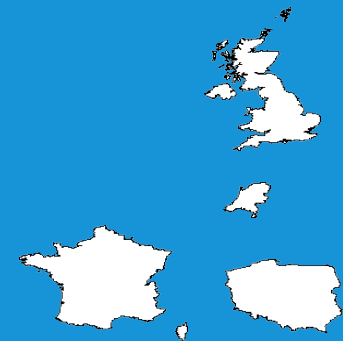
<b>Different legal frameworks (national and EU) for the different sources in terms of</b>	<b>Financing methods</b>
<ul style="list-style-type: none"> <li>★ Possible Qualifying Periods and kind of pension accrual</li> <li>★ Acknowledgement of service times</li> <li>★ Social Coordination (EU directive)</li> <li>★ Transfer of capital values</li> <li>★ Reimbursement of contributions</li> </ul>	<ul style="list-style-type: none"> <li>★ How are benefits financed?</li> <li>★ Pay-as-you-go systems - Current benefits are paid by the incoming contributions</li> <li>★ Funding (save the contributions of the single affiliates or collectively)</li> <li>★ Hybrid (mix of both methods)</li> </ul>



# WHY IT'S WORTH TO DEAL WITH THE TOPIC

## **Being mobile will result in a membership in various pension institutions...**

- ★ Pension entitlements are fragmented on different pension institutions in various countries
- ★ Possible qualifying periods have to be considered, especially with regard to occupational provision
- ★ Different claims have to be risen

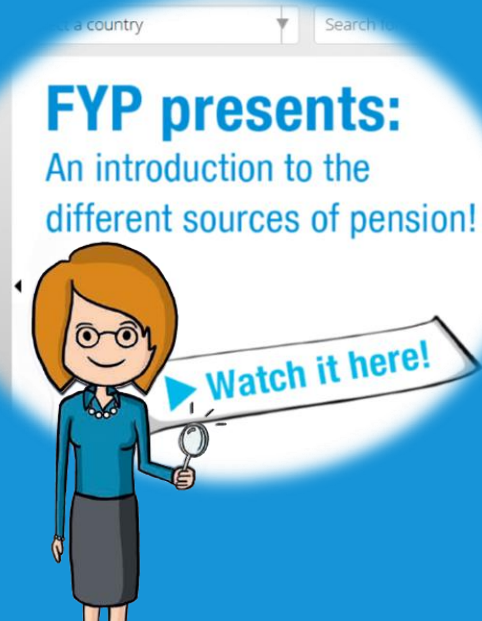






# WHAT DOES THIS MEAN FOR RESEARCHERS?

You'll need some information  
and knowledge in order to deal  
with that...



*“Did you know that your pension benefits within Europe  
will come from different sources???”*

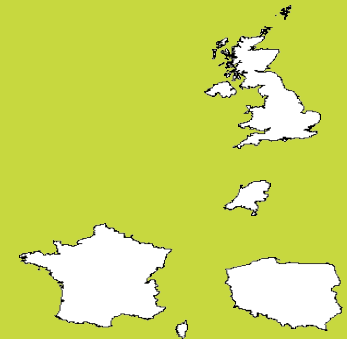


# QUESTIONS HELPING TO CLASSIFY

## There are different types of pension schemes.

You have to distinguish...

- ★ What are the providing institutions (public/private)
- ★ Different pension plans and financing methods
- ★ Who pays the contributions
- ★ What are the conditions to meet in order to accrue **vested** pension rights
- ★ Which risks are protected and what are the benefits
- ★ When are the benefits been paid out?

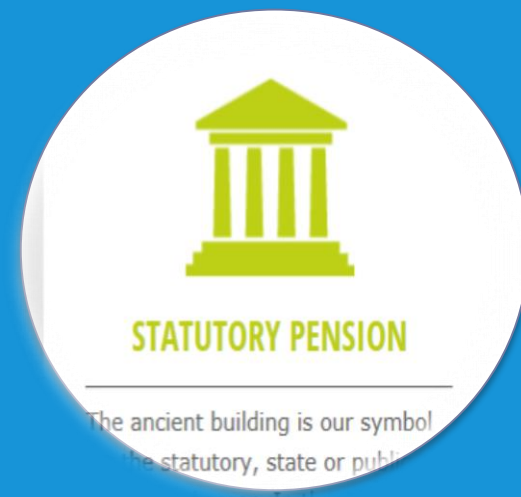




# STATE PENSION SCHEMES

## BASICS

- ★ Compulsory membership sometimes depending on employment, other work statuses or residence
  - ★ Still main source of pension in many states (e.g. Germany, Belgium, Spain, Portugal, Luxembourg etc.)
  - ★ Other states only intend a basic protection against poverty in old ages
- ★ Pension claims accrued through credits corresponding to insurance times, contributions or salary
- ★ Principle of solidarity – often redistribution effects (demography)
- ★ Financing: Pay-as-you-go and state subsidies





# STATE PENSION - WHAT HAPPENS WHEN MOVING AROUND EUROPE???

**Recognition of service times spent in different EU/EEA states and bilateral social agreements between certain countries**

- ★ **EU regulation sets rules to safeguard the coordination of social insurance of mobile workers:**
  - ★ Applicable to all EU/EEA citizens but in most cases also to Non-EU members working in the EU
  - ★ For the purpose of fulfilling required qualifying periods, service times spent in all EU/EEA countries are counted together (principle of totalization)
  - ★ Pensions resulting from the respective insurance are paid by every state separately
- ★ **Accumulation of times also bilateral for citizens of contracting states**
- ★ **Refund of contributions might be possible; e.g. in Germany, but please consider in general: Situation may be different for EU/ EEA and Non- EU/EEA citizens (residents)**



# OCCUPATIONAL PENSION SCHEMES

## BASIC KNOWLEDGE

- ★ Offered by employers often in the form of group insurance contracts (advantages: low admin. costs and shared risks)
- ★ Can be quasi-obligatory through collective bargaining agreements
- ★ Share of contributions paid by employers, some pay the whole amount
- ★ Function: Maintaining living standard; in few countries a mandatory supplement to the state pension (Switzerland, Norway, quasi man. in Sweden and NL, German public sector)
- ★ Only 40% of all EU citizens accrue occupational pension entitlements



# PENSION PLANS



**Occupational pension plans are based on a specific promise**

**Your employer's  
pension promise**



**Pension  
Plan**

## **DEFINED BENEFIT (DB)**

Employer promises a certain monthly benefit on retirement that is predetermined by a formula which refers to the earnings history, service time and age (often the amount is related to the last salaries)

## **DEFINED CONTRIBUTION (DC)**

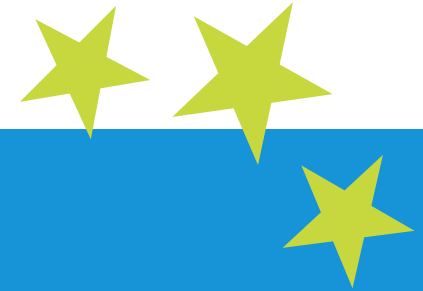
A certain percentage of contributions is transferred by the employer, no guarantee regarding the returns on investment and the later benefits



# COMPANY PENSION - WHAT HAPPENS WHEN MOVING AROUND IN EUROPE???

## **Accumulation of pension capital, various pension payments (annuities) or capitalization?**

- ★ Some plans also require certain periods to accrue vested rights (in D, UK, IR, NO)
- ★ In general: no mutual recognition of service times spent in different occupational pension schemes; exemption may apply in public sector
- ★ Cross-border transferability/portability of pension capital to the new occ. pension scheme possible in UK and Austria – in Germany not regulated but possible on voluntary basis (contract) – still no European directive
- ★ Refund of contributions not possible if vested entitlements have been accrued
- ★ Pensions will be paid out by each institution affected and only on application



# PRIVATE PENSION SAVINGS

## BASIC KNOWLEDGE

- ★ Voluntary in every European Country, mandatory additional savings currently discussed in Germany
- ★ Private savings (funds, life insurances, real estate) managed by private organisations
- ★ Function: building up savings for retirement; filling the gap growing due to decreased state pension levels
- ★ National tax reliefs up to a certain limit or subsidies are common in order to support private saving



### PRIVATE PENSION SAVINGS

The private house symbolises the voluntary, private pension savings schemes and are also categorized as 3rd pillar. In this frame

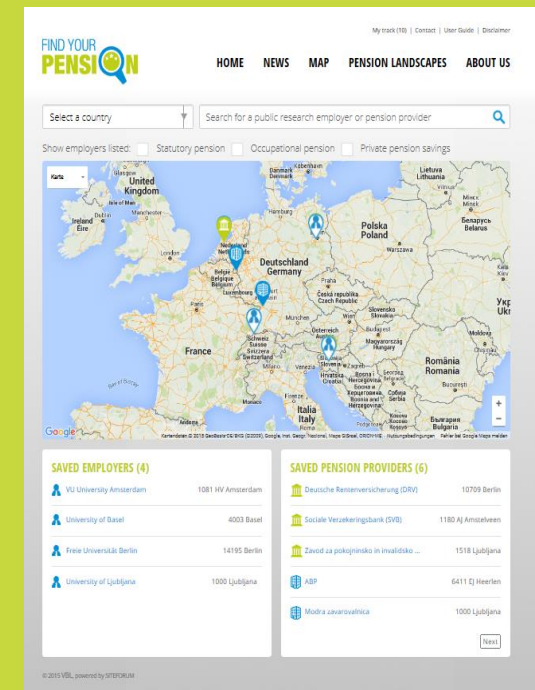


# HOW CAN I MANAGE NOW MY PENSION LATER ON?

**You should try to keep track of your pension institutions.**

- ★ Don't forget about your eligibilities
- ★ Remember the different stages of your career and the status of employment
- ★ Keep the documents
- ★ Stay in touch with your different pension provider, update your address

→ **Use [www.findyourpension.eu](http://www.findyourpension.eu)**





# THE FindyourPension WEBSITE

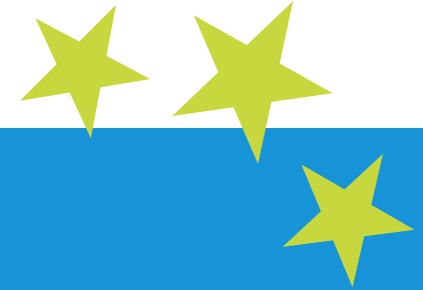
## CONTENT OF THE PROJECT

Setting up a European website on pensions in order to remove obstacles for the professional mobility of researchers

## FUNCTIONALITY

- ✓ Select a country or type your employer directly
- ✓ Select your target group
- ✓ Find your pension providers: state + occupational pension schemes (Please note the different icons)
- ✓ Learn about your pension by using the Pension ABCs (FAQs) and Pension Landscapes
- ✓ Should your employer not be listed take a look in our **USER GUIDE**





# WHO RUNS THE PROJECT?

## EDITORS AND SUPPORTERS?

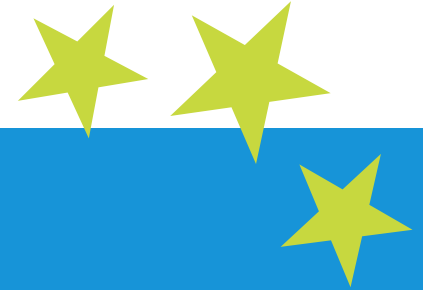
**Initiative of the VBL in cooperation with**

- ★ **EAPSPI** (European Association of Public Sector Pension Institutions)
- ★ **ESIP** (European Social Insurance Platform)
- ★ **European pension providers**
- ★ **Employers**
- ★ **European research representatives**

## HOW IS IT FINANCED?

FYP is sponsored by the German Federal Ministry of Education and Research since 2011





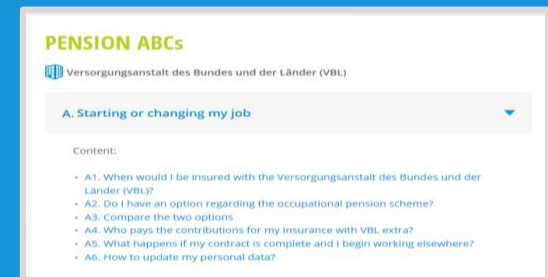
# LET'S HAVE A CLOSER LOOK





# OUR WAY OF KNOWLEDGE TRANSFER

- ★ **Practical FAQs regarding all relevant issues answered separately for the sources and schemes by the represented pension providers (Pension ABCs):**  
e.g. transferability, clarification of insurance periods, vesting periods, refund, about the benefits, parental leave, national retirement ages, where to apply etc. consequences of social coordination in EU/ EEA in every 1<sup>st</sup> pillar factsheet
  
- ★ **Pension ABCs categorized according to different life phases:**
  - ★ **A Starting or changing my job**  
e.g. What happens if my contract is complete and I begin working elsewhere?
  - ★ **B My pension benefits**  
e.g. What are the benefits?
  - ★ **C Nearing retirement**  
e.g. When am I entitled to claim my benefits?





# FROM NOVICE TO EXPERT

1. For pension novices: General orientation about the sources and schemes
2. Learning about the parameters determining the level of benefits

## B5. HOW HIGH WILL MY PENSION ENTITLEMENTS ACQUIRED IN FINLAND BE?

Your pension accrual in Finland depends mainly on

- the level of your working income,
- the period of your insurance and
- the age at retirement.

For more details on the calculation of your pension refer to question B6.

You can find a pension estimate on your pension record (see question A5). Should this not be the case, you can either contact your Finnish pension provider Varma or the Finnish Centre for Pensions personally and enquire about your entitlements at any time.

upward



3. Becoming an expert: Formula, average rates

## B6. HOW IS THE EARNINGS-RELATED PENSION CALCULATED?

The pension you have accrued during your stay in Finland is determined separately for each year. It is calculated from the adjusted earnings for each year at an age-determined accrual rate.

The accrual rates are as follows:

- 1.5% between the ages of 18 and 52.
- 1.9% between the ages of 53 and 62 and
- 4.5% between the ages of 63 and 68.

Your accrued pension amount is multiplied by a life expectancy coefficient which adjusts your old-age pension amount to the changes in life expectancy. The coefficient is defined separately for each age group from the age of 62.

### Formula:

Accrued pension for one year = earnings x accrual rate x life expectancy coefficient

More information on the earnings-related pension can be found on:

- [www.varma.fi](http://www.varma.fi)
- [www.tyoelake.fi](http://www.tyoelake.fi)
- [www.etk.fi](http://www.etk.fi)

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C. Nearing retirement



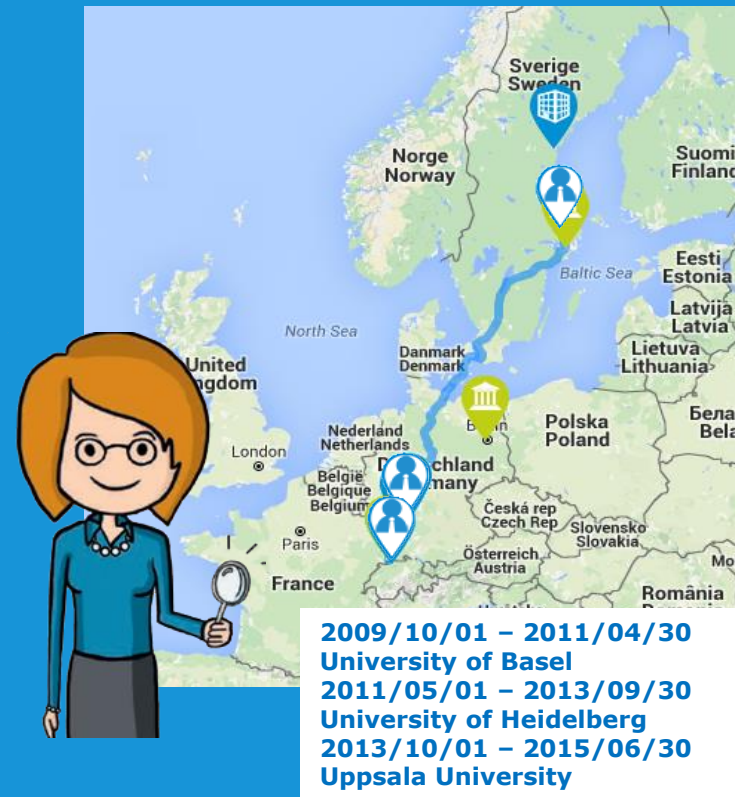
# THE PENSION LANDSCAPES

- ★ Short introductory text for each Landscape
- ★ Containing information on systems in the country in general e.g.
  - ★ Different tiers of the 1<sup>st</sup> pillar
  - ★ Contributions, assessment ceilings etc.
  - ★ Coverage rates for occ. pensions
  - ★ Possible tax reliefs for private saving
  - ★ National Tracking Services if existing

The screenshot displays the 'THE PENSION LANDSCAPE GERMANY' page on the Find Your Pension website. The page features a navigation bar with links to HOME, NEWS, MAP, PENSION LANDSCAPES, and ABOUT US. A search bar is located at the top right. The main content area is titled 'THE PENSION LANDSCAPE GERMANY' and includes three icons representing different pension types: a classical building for Statutory Pension, a modern building for Occupational Pension, and a house for Private Pension Savings. Below these icons, there is a detailed description of the German pension system, stating that the statutory pension scheme is the main source of retirement income. The page is organized into three main sections: STATUTORY PENSION, OCCUPATIONAL PENSION, and PRIVATE PENSION SAVINGS. Each section provides specific details about the pension system, including provider/institution, state pension for employees, financing, old-age benefits, coverage rate, mandatory/voluntary status, tax incentives, and products. The STATUTORY PENSION section mentions the German Statutory Pension Insurance Scheme (DRV) and its compulsory nature. The OCCUPATIONAL PENSION section notes a coverage rate of 64% in 2011. The PRIVATE PENSION SAVINGS section lists life insurance products, bank savings plans, and fund investments.

# COMING SOON PERSONAL SECTION: MY CAREER/ MY PENSION

- ★ Concept of FYP is a literacy tool together with the individual pension- and career biography
- ★ Next step in May 2016: implementation of the registration function as a starting point for the personal track
- ★ Users can save career data and fill in their pension data via a digital form
- ★ Examples of pension statements will be explained in order to fill in the pension summary





# EXAMPLES OF PENSION STATEMENTS



2015-01-01

Demo Person

**SWEDISH PENSIONS AGENCY**

## 2015

**Decision regarding your pension entitlements**

The decision regarding your pension entitlement during 2013 is based on your last established declared income.

Pension entitlement for income pension	Pension entitlement for premium pension	Your total pension entitlement 2013
SEK 55 000	SEK 8 732	SEK 64 620

**Basis for calculation of your pension entitlements**

Pensionable income: SEK 349 300

**How to request a reconsideration of the decision**

The regulations that form the basis for the decision can be found in Chapters 19-21 of the Social Insurance Code (2010:110). If you wish to have the decision reconsidered, write to [Penkassan@pensionsmyndigheten.se](mailto:Penkassan@pensionsmyndigheten.se), box 508, 101 08 Stockholm. Indicate which decision you would like reconsidered, how you want it changed and why. Include your name, Swedish personal ID number, address and telephone number. If you appoint a representative, you must also submit a power of attorney in its original form along with your request. The Swedish Pensions Agency must receive the letter by 11 December 2013 or, if you have not been informed of the decision before 1 November 2013, within two months from the date you received the decision.

**Contact information**

Swedish Pensions Agency [www.pensionsmyndigheten.se](http://www.pensionsmyndigheten.se), customer service 0772-776 776

You can also visit our service offices, see [www.pensionsmyndigheten.se/arbetsmarknad](http://www.pensionsmyndigheten.se/arbetsmarknad)

**You have earned this much towards your National Public Pension**

**Your Pension Accounts**

Changes during 2014 in SEK	Income pension	Premium pension
Value 2013-12-31	1 082 276	179 980
Pension entitlement for 2013	55 000	8 732
From deceased contributors	899	165
Administration and fund fee	- 359	- 816*
Change in value	28 789	10 963**
Value 2014-12-31	1 167 493	199 024

**Your Premium Pension**

Premium pension account 2014-12-31	Value, SEK	Change in value, per cent	Fund fee, per cent	Chosen allocation, per cent	Current allocation, per cent
Equity Fund Sverige	57 332	6	0,18	30	29
Equity Fund Global	61 463	14	0,45	30	31
Interest Fund Sverige	18 389	2	0,11	10	9
Generation Fund	39 598	10	0,29	20	20
Pharmaceutical Fund	22 242	24	0,66	10	11
Total	199 024	11	0,32	100	100
The average pension score		21	0,28		

**Fund Fee.** Keep in mind that high fees will have a negative effect on the performance of your savings.

**Switching funds.** In order to increase security for you, all fund switches are to be made by logging in with your electronic identification or Mobile BankID. You can also switch funds via a form that can be ordered from the Swedish Pensions Agency and sent to your registered address.

## 2015

**How much will you get per month?**

**Forecast for your National Public Pension**

Retirement age	age 61	age 65	age 68 and 4 months	age 70
Amount SEK/month	10 700	13 500	16 800	18 900

Your national public pension from age 65 (SEK 13 500 per month before tax) is estimated at SEK 11 000 in income pension and SEK 2 500 in premium pension. The pension will be paid out for the rest of your life.

**We calculated as follows.** The forecast is based on the SEK 1 366 517 that you have earned towards your national public pension as well as your annual income until you retire. In the forecast we have assumed that you will have the same pensionable income per year as in 2013, i.e., SEK 349 300.

The forecast is calculated at current money value. This means that you can compare the amounts in the forecast with the salary you have today. The forecast is produced in accordance with the pension industry's forecast standards. Read more about this at [www.pensionsmyndigheten.se/prognosstandard](http://www.pensionsmyndigheten.se/prognosstandard).

**Why 68 years and 4 months?** The average life expectancy in Sweden is increasing. You, who were born in 1970, need to work until you are 68 years and 4 months to receive a pension equivalent to what you would have received at age 65 if life expectancy had remained unchanged. Your pension is calculated as the value of your pension accounts divided by the expected average remaining life expectancy of your age group.

**When is the best time for you to retire?** At [www.pensionsmyndigheten.se/B3](http://www.pensionsmyndigheten.se/B3) you can obtain forecasts that also include your occupational pension and any private pension. The forecasts make it easier for you to plan and make the right decisions about your future. The forecasts are generated by Minpension.se, a collaboration between the Swedish Pensions Agency and the private pension companies.

**RENTA**

1.034,87 EUR tatsächlich höher ausfallen. Allerdings können aus mögliche Varianten für Sie gerechnet. Beträgt der jährliche Anpa ergäbe sich eine monatliche Rente von etwa 1.160 EUR. Bei ein von 2 Prozent ergäbe sich eine monatliche Rente von etwa 1.31(

**Zusätzlicher Vorsorgebedarf**

Da die Renten im Vergleich zu den Löhnen künftig geringer steigen, späterer Lücke zwischen Rente und Erwerbseinkommen vergrößert Absicherung für das Alter wichtiger ("Versorgungslücke"). Bei der sollten Sie - wie bei Ihrer zu erwartenden Rente - den Kaufkraftve

Mit freundlichen Grüßen  
Ihre Deutsche Rentenversicherung Bund

Bitte nehmen Sie diesen Beleg zu Ihren Rentenunterlagen.

# LET'S KEEP IN TOUCH...

## CONTACT

Our project team is here to answer your questions, please do not hesitate to contact us.



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E-Mail [online-service@vbl.de](mailto:online-service@vbl.de)

Please let  
us know  
your  
opinion

Back row, from left: Hubertus Schillinger, Claudia Wegner-Wahnschaffe, Yvonne Müller  
Front row, from left: Andrea Zimmermann, Delicia Hofmann



# THANK YOU FOR YOUR ATTENTION

