



Company pension scheme at Bosch For quality of life in retirement

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Since the early days of the company's history, Bosch has regarded it as its duty to playing a pioneering role in associates' welfare: in 1929, the company founder Robert Bosch launched the first pension plan for associates in an industrial company. Back then, the goal was to protect associates against existential risks. Today, the focus is on retirement provision: associates should be able to take out affordable supplementary protection in order to preserve their standard of living after retirement. Bosch is actively engaged and spends considerable sums on this, since the company sees attractive retirement benefits as an important component of a good long-term work-life balance. Over the course of their career, Bosch associates can enhance their level of retirement provision.

Germany: declining state pensions, state-sponsored opportunities

Alongside the state pension, Germany makes provision for employees to earn company and private pensions. With state pension levels declining, it has become increasingly necessary to secure additional retirement benefits. Since the beginning of the last decade, legislators have reacted to this by strengthening private and company retirement benefits. The German Retirement Income Act (Altersvermögensgesetz) of 2002 made deferred compensation possible for retirement benefits financed by employees. The state encourages such deferred compensation by providing income-tax and social-security relief. Companies can structure retirement benefits in the form of direct commitments, provident funds, and pension funds. More than 80 years of experience with retirement benefits schemes make Bosch a much respected expert in industry circles. The company contributes in a variety of ways to the development of retirement benefits schemes, and in this way helps ensure financial security for the elderly in Germany.

Retirement benefits from a single source: the Bosch pension scheme

The goal of the retirement benefits scheme at Bosch is to build up retirement savings for associates. Bosch makes employer contributions into the Bosch pension scheme as a percentage of annual income, and pays an additional sum

toward capital formation. Moreover, on the basis of statutory deferred compensation, employee contributions are also possible, to which Bosch adds an extra 10 percent, subject to the contribution assessment ceiling. Even while they are still working, associates and their family members are protected against existential risks such as invalidity or death.

The Bosch pension scheme is simple and transparent, making it easy for associates to review their retirement benefits. They can even do this using modern means: for example, an app allows them to access information about their own savings, other information about the model, and their own pension calculator at any time.

The award-winning Bosch pension fund

The central component of the Bosch pension scheme is the Bosch pension fund, into which all employer and employee contributions are paid. It was the first of its kind in an industrial company in Germany. Since 2006, Bosch has been using the fund to invest its employer contributions, once again a first among German industrial enterprises. What is special about it is that all yields exclusively benefit associates, and the administration cost is low. While a long-term asset allocation strategy and broad diversification create security, the Bosch pension fund has a high percentage of equities, which means attractive investments and considerable returns. In other words, 130,000 associates are currently participating in the opportunities provided by the capital market: employer and employee contributions are invested speculatively until associates turn 55, after which they are converted into more secure bonds. A premium guarantee and comprehensive risk management reduce risk over the long term.

Since it was set up, the Bosch pension fund's annual average performance has been around 6 percent. Its assets currently stand at around 4 billion euros. The Bosch pension fund regularly receives awards in specialist and industry circles. In 2018, the fund was honored for excellence by the renowned Investment and Pensions Europe (IPE) information service for the eighth year in a row and 18th time overall.

Retirement age: flexible for every situation

The Bosch pension scheme offers different models for paying out pension savings on retirement. At the moment, about 43,000 pensioners receive payments from the Bosch pension fund. This capital can be paid out in the form of a monthly life-time annuity, as a lump sum, in installments, or as a combination of all three options. Bosch associates thus have a wealth of opportunities to react to changes in their personal circumstances.

Internet:

Bosch as an employer: <https://www.bosch.de/karriere/>

Bosch Pension Scheme: www.boschvorsorgeplan.de

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