

Background information: Bosch company retirement scheme in Germany

A valuable contribution to financial protection in retirement

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Bosch has a long tradition of occupational pensions. At the end of the 1920s, company founder Robert Bosch was one of the first entrepreneurs to introduce a pension scheme for his associates. Given the low general life expectancy at the time, he focused on safeguarding against existential risks such as disability and premature death. His goal was to protect the families of his associates from poverty and hardship.

With increasing life expectancy, the financial situation in retirement has increasingly become the focus of pension benefits. Bosch offers its associates a company retirement scheme as an important supplement to state pension and uses considerable financial resources for this purpose. The retirement scheme is designed in such a way that associates can increase their retirement benefits through additional contributions of their own. In doing so, Bosch is making use of the possibilities created by the legislature for the tax-exempt use of gross remuneration for company retirement schemes ("deferred compensation"). In addition to retirement benefits, Bosch also provides benefits for associates and their families in the event of disability or death.

After around 100 years of commitment to company retirement schemes, Bosch is still regarded as an innovative pioneer in industry circles. The company contributes in many ways to the further development of company retirement schemes and thus makes a social contribution to old-age provision in Germany.

The Bosch Vorsorge Plan

The Bosch Vorsorge Plan, Bosch's retirement scheme in Germany, builds up individual assets for associates during their period of employment. Bosch pays company contributions, which result from a percentage of the earnings. In addition, there are further contributions in the tariff area (AVWL) and for other entitled persons. Within the scope of the statutory limits, Bosch is supporting additional voluntary contributions from associates who pay deferred compensation with a surcharge of 15 percent.

Flexible for every life situation

When retiring, the Bosch Vorsorge Plan offers several models for the payment of the accumulated assets. The money can be paid out in the form of a monthly pension until the end of life with survivor's pension entitlement, as a one-time payment or in installments, and as a combination of these options. Bosch associates can thus shape their own payments according to their life situation when they retire.

Transparent and personalized

The Bosch Vorsorge Plan is characterized by easy access and transparency. A separate website provides information, including videos, insight into the individual retirement assets, a benefits calculator, and the option of adapting contributions to personal needs at any time. In addition, various general and individual information options are offered.

Multiple awards

The Bosch Pensionsfonds, in which contributions from the company and associates are paid, is at the heart of financing the Bosch Vorsorge Plan. It is the first company-owned pension fund in the German industry.

The performance of the capital investment only benefits associates. The Bosch Pensionsfonds has no intention of making a profit and therefore provides low administrative costs. The strategy is long-term oriented with a broad mix and diversification of the capital investment. Until age 55 of the associate, the company and associate contributions are invested in an opportunity-oriented way. Thereafter the funds are transferred to value-stabilizing investments in five annual steps. The investment risk is being reduced by a broadly diversified and long-term investment strategy as well as by the guarantee of the contributions paid by the company. So far, this concept has achieved an average return of around six percent in the investment segment up to age 55 and a return of almost four percent in the investment segment over age 55. With the Fondsrente, beneficiaries also participate in the ongoing performance of the Bosch Pensionsfonds.

Since its foundation in 2001, the Bosch Pensionsfonds has received 30 professional and industry awards at European level, mainly due to its innovative strength and its successful investment strategy.

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The Bosch Group is a leading global supplier of technology and services. It employs roughly 429,000 associates worldwide (as of December 31, 2023). The company generated sales of 91.6 billion euros in 2023. Its operations are divided into four business sectors: Mobility, Industrial Technology, Consumer Goods, and Energy and Building Technology. With its business activities, the company aims to use technology to help shape universal trends such as automation, electrification, digitalization, connectivity, and an orientation to sustainability. In this context, Bosch's broad diversification across regions and industries strengthens its innovativeness and robustness. Bosch uses its proven expertise in sensor technology, software, and services to offer customers cross-domain solutions from a single source. It also applies its expertise in connectivity and artificial intelligence in order to develop and manufacture user-friendly, sustainable products. With technology that is "Invented for life," Bosch wants to help improve quality of life and conserve natural resources. The Bosch Group comprises Robert Bosch GmbH and its roughly 470 subsidiary and regional companies in over 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. Bosch's innovative strength is key to the company's further development. At 136 locations across the globe, Bosch employs some 90,000 associates in research and development, of which nearly 48,000 are software engineers.

The company was set up in Stuttgart in 1886 by Robert Bosch (1861–1942) as "Workshop for Precision Mechanics and Electrical Engineering." The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant upfront investments in the safeguarding of its future. Ninety-four percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The remaining shares are held by Robert Bosch GmbH and by a corporation owned by the Bosch family. The majority of voting rights are held by Robert Bosch Industrietreuhand KG. It is entrusted with the task of safeguarding the company's long-term existence and in particular its financial independence – in line with the mission handed down in the will of the company's founder, Robert Bosch.

Additional information is available online at www.bosch.com, www.iot.bosch.com, www.bosch-press.com.