

Soka-Bau

Country Germany
Name of Organization SOKA-BAU



Main activity Occupational Supplementary Pension Scheme, Paid Holiday Scheme, Vocational Training Scheme

General Information

Presentation

SOKA-BAU is the umbrella name for two paritarian social funds of the German construction industry: The “Urlaubs-und Lohnausgleichskasse der Bauwirtschaft” - ULAK - (Holiday and Wage Compensation Fund of the Building Industry) and the “Zusatzversorgungskasse des Baugewerbes AG” - ZVK - (Supplementary Pension Fund of the Building Industry).

ZVK is a public limited company supervised by the German Federal Financial Supervisory Authority (BaFin); ULAK is an association with legal capacity by right conferred by the State.

Both funds have been set up jointly, more than fifty years ago, by the social partners of the German Construction industry, i.e. the two employer associations, the “Zentralverband des Deutschen Baugewerbes e.V.” (German Construction Confederation) and the “Hauptverband der Deutschen Bauindustrie e.V.” (Association of the German Construction Industry) as well as the “Industriegewerkschaft Bauen-Agrar-Umwelt” (Trade Union for Construction, Agriculture and Environment).

On behalf of the social partners of the German construction industry SOKA-BAU provides a variety of services that are tailored to the particular needs of construction companies and their workers.

SOKA-BAU covers some 70,000 domestic and foreign construction companies with around 620,000 employees and approximately 420,000 retired workers. In 2009 SOKA-BAU managed 5 billion euro in assets

Address

Wettinerstraße 7, 65189 Wiesbaden

Website

www.soka-bau.de

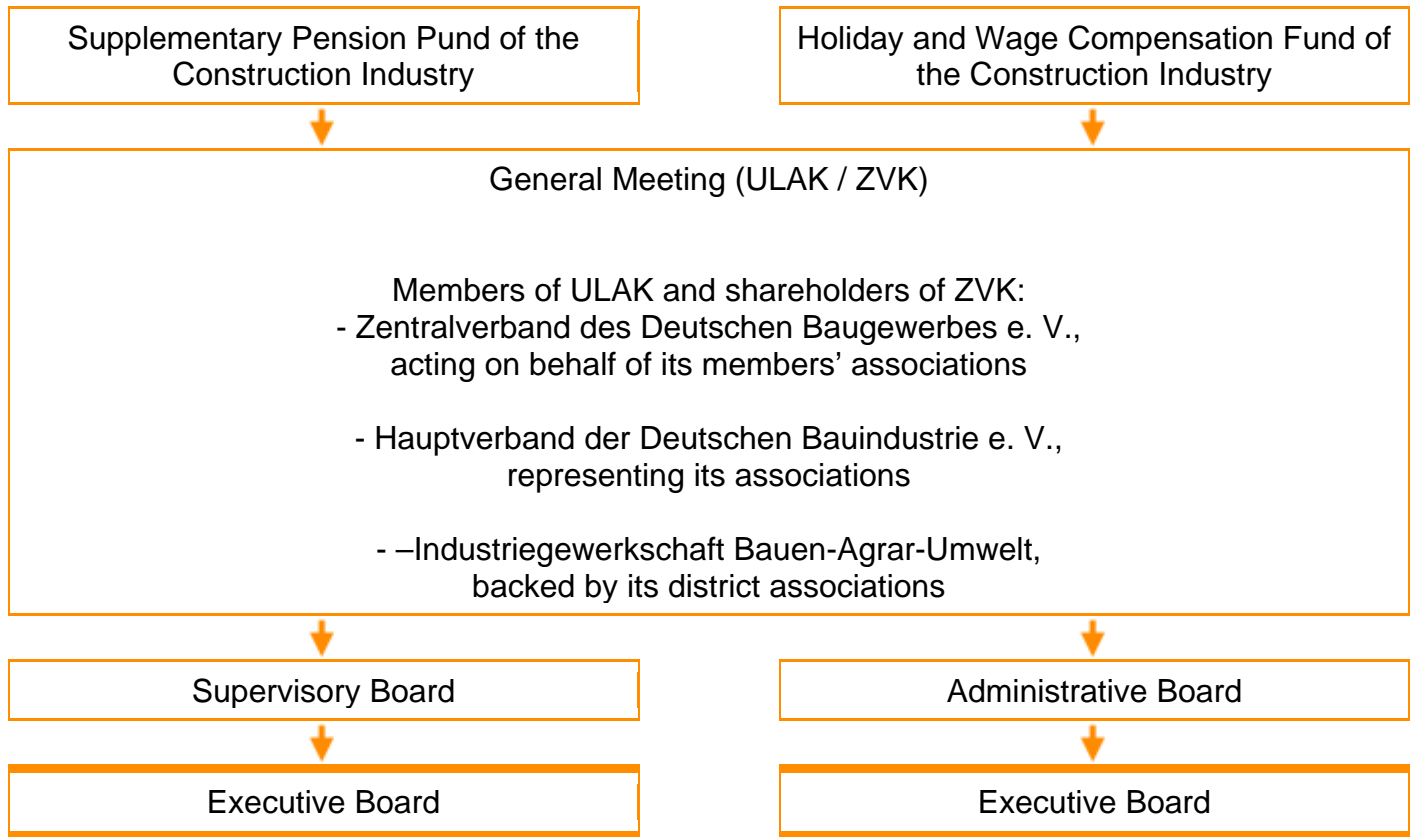
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Organigram



Board composition

SOKA-BAU is governed by an executive board the members of which are appointed to their positions by the social partners of the German Construction industry. Consequently, in the board, the two sides of the industry (i.e. employers and workers) are equally represented.

Regulatory framework

1. Collective agreements act
2. Act on the supervision of insurance undertakings
3. Act on occupational pensions
4. Act on the posting of workers
5. Collective Agreement on occupational pension allowances in the construction industry
6. Collective framework agreement for the construction industry
7. Collective agreement on the social fund in the construction industry

The collective agreements are generally binding. That means that the provisions of the collective agreements apply even to those construction companies and workers who do not belong to one of the aforementioned employer's association or the said trade union.

Employee Group Covered

ZVK operates two different schemes:

- A non-mandatory supplementary pension scheme the benefits of which are financed by

workers' or employee's contributions.

- A mandatory supplementary pension scheme the benefits of which are financed by employers only. This scheme applies mandatorily to all Western-German construction workers and employees (including part-timers).

ULAK's holiday pay scheme applies mandatorily to all German construction workers (part-timers included). The scheme further covers construction workers who have been posted to Germany.

Eligibility

Occupational Supplementary Pension Scheme:

- Immediate eligibility for every worker/employee who is entitled to a statutory pension paid by the German social security pension insurance,
- No minimum age required for becoming a scheme member,
- Qualifying period must always be completed.

Benefits

- **Occupational pension scheme**

ZVK provides a so-called allowance to the retired construction workers/employees. This allowance is paid in addition to the retirement and disability pension from the statutory pension insurance. The amount of the allowance depends on the insured's age and the completed waiting period. The allowance for workers and employees in the west-German construction industry amounts from minimum 51,90 € to maximum 88,70 €. For the Northwest-German concrete block industry different amounts are valid (i.e. from 51,13 € to 85,39 € per month).

- **Holiday pay scheme**

Employers obtain from ULAK a reimbursement of the holiday pay they have given to their workers in accordance with the applicable collective agreement. The holiday pay amounts currently to 14,25 % of the gross salary. Under certain conditions the workers receive from ULAK so-called payments in lieu of vacation or a compensation for expired holiday entitlements. The paid holiday scheme enables construction workers to acquire and accumulate holiday entitlements with different employers and to claim the whole entitlement from their current employer, regardless of the length of the employment relationship with that employer.

- **Vocational training scheme**

ULAK does not provide vocational training itself. Instead, employers who do so in their own businesses obtain a part of the training allowances reimbursed from ULAK:

- industrial trainees: the reimbursement amounts to 10 x the amount of the paid training allowance in the first year of training, to 6 x in the second year and to 1 x in the third year of training;
- technical/commercial trainees: the reimbursement amounts to 10 x the amount of the paid training allowance in the first year of training and to 4 x in the second year.

In addition, ULAK reimburses 20 % of the gross training allowance in order to compensate

parts of the social security contributions paid by the employer.

Further, employers obtain reimbursement of the costs incurred with regard to multi-employer training center: tuition fees, travelling expenses and boarding-school costs.

Cost Sharing

Shared cost required by plan rules.

Employee contributions

No employee contributions are required for the compulsory coverage.

For the voluntary coverage (Occupational Supplementary Pension Scheme), employees contribute minimum €25/month to the average of € 205/month (limit of tax deduction).

Employer contributions

At a whole, every Western-German employer of the construction industry contributes on a monthly basis 19.80 % (paid holidays: 14,30 %, vocational training: 2,30 %, supplementary pensions: 3,20 %) of the total gross wages of his business to SOKA-BAU. The contributions amounts to 16,60 % (paid holidays: 14,30 %, vocational training: 2,30 %) in Eastern Germany.

Employers seated in another State than Germany must contribute to the Paid holiday fund in the event of cross-border posting of workers to Germany. .

Vesting and Withdrawal

In the framework of the mandatory supplementary pension scheme:

- Vesting period: 5 years.
- Withdrawal requires 220 months of service.

Financing

The collective agreements provide the obligation for the employers to contribute to SOKA-BAU to finance the benefits. It is a hybrid type of fund.

Cost-of-living adjustment

No cost-of-living adjustments and indexation is submitted to collective bargaining.

Preservation, portability, transferability

Workers/employees continue to acquire supplementary pension rights in each company which is part of the construction professional branch.

Information to Employees

SOKA-BAU provides workers and employees annually with information about accrued and vested pension rights. Informations (e.g. flyer and brochures) are further provided with regard to the holiday pay scheme and the vocational training scheme..