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Institutional Pensions Autumn Dialogue in Vienna

Vienna is where the international elite meet. The dialogue was the company pension scheme and how it can support the safeguarding of future pensions. Furthermore, they also discussed the possibility of a general pension fund. Although many are doing well, there is also a fear of being left behind and this has a lot to do with precaution. "People retire far too often with interrupted employment.



Already for the 4th time, Vienna was the meeting point of the international elite. It concerned the field of institutional capital investment and old-age provision.

Barbara Bertolini, the initiator of the Autumn Institutional Pensions Dialogue, was able to welcome decision-makers in the investment field of pension and provident funds.

As well as economists, representatives of insurance companies, the European Supervisory Authority and professional associations, politicians and recognized fund managers.



The field of institutional capital investment and old-age provision. ([Source](#))

The company pension and its support

The topic of the dialogue was the company pension scheme and how it can support the safeguarding of future pensions. Only when politicians finally realize that more than just a state pension needs to prevent poverty in old age will it be possible to provide good long-term security in old age.

Prof. Marcel Fratzscher, Ph.D., President of the German Institute for Economic Research (DIW) and Professor of Macroeconomics at the Humboldt University in Berlin, opened the autumn dialogue.

It started with the observation that the economic potential did not exhaust itself. There were many risks such as populism, protectionism, and paralysis. Therefore, they expect a global economic slowdown in 2020/21. Which, however, should not cause as severe a downturn as in 2008.

Fear of being behind

Although many are doing well, there is also a fear of being left behind and this has a lot to do with precaution. "People retire far too often with interrupted employment.

And, so concern about old-age poverty is a determining factor in the old-age provision," said Fratzscher, calling for tax incentives for employees and employers in the area of occupational and private old-age provision to build up the second and third pillars.

In this respect, the representatives of the political parties, Andreas Hanger, member of the ÖVP National Council, Gerald Loacker, member of the National Council and social spokesman of NEOS, Josef "Beppo" Muchitsch, member of the SPÖ National Council and federal chairman of the trade union Bau-Holz, as well as Martin Sardelic, chairman of the board of Valida Holding AG, agreed in the following discussion.

The current level of benefits

However, Loacker demanded that one must finally be prepared to discuss this on the basis of facts because if in the year 2040 only 1.9 working people have to pay the contributions for a pensioner, it is evident that the state pension will no longer be able to be paid at the current level of benefits.

Therefore they urgently require a pension reform. Martin Sardelic also saw this and added that the extended training periods would mean that pension benefits would in future be distributed among fewer and fewer payers. Muchitsch, on the other hand, sees no great need to adapt to the system.



The current tax system encourages part-time work. ([Source](#))

Furthermore, they also discussed the possibility of a general pension [fund](#). For instance, in order to be able to transfer the severance payment into a pension benefit.

Prof. Fratzscher concluded that the current tax system encourages part-time work, which, however, minimizes the pension benefit. Personal responsibility is therefore also necessary to protect oneself against poverty in old age.

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