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Comparative aspects of
Pension Law Issues in
Australia, Belgium, Germany
and USA

Jonathan Mort
Director
Edward Nathan Sonnenbergs Inc
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NATURE OF FUND

Australia

- First pillar pension based on income and assets (excluding family home)
- Regulated superannuation funds –
 - Self Managed
 - Five or more members
- Retirement Savings Account
- Approved Deposit Funds
- Pulled Superannuation Funds
- Both DB and DC Funds, but DB Funds most common in the public sector.
- Multi Employer plan –
 - Sector Funds
 - Master Trusts



Nature of Fund (cont...)

Belgium

- Strong First Pillar Pension (60-75% average salary up to a feeling for a full career)
- Occupational Funds (35% of work force)
- Voluntary Retirement Savings
- Occupational Funds –
 - Industry Sector
 - Group Company
 - Single Employer
 - Multi Employer (Umbrella Fund)
- DB and Hybrid DC Funds (no true DC Funds)



Nature of Fund (cont...)

Germany

- Strong first pillar pension
- Occupational Funds –
 - Obligatory pension arrangement –
Straight pension commitment (payable by employer itself)
 - Direct Insurance (insurance arrangement)
 - Traditional Pension Fund (Small Insurance Association, balance of cost)



Nature of Fund (cont...)

(Germany cont...)

New Pension Fund (Insurance
Structure with Pension Fund)

Support Fund (separate entity,
unregulated, balance of cost)

- Predominately DB, after 2002 DC permissible with guaranteed minimum benefit (balance of cost)
- Multi Employer arrangement possible



Nature of Fund (cont...)

USA

- First pillar social security
- DB / DC Funds
- Hybrid Funds
- Cash Balance Plans
- Section 401(k)
- Section 403(b)
- Section 457
- IRA



TRUSTEES

Australia

- Corporate trustee (meeting fit and proper requirements)
- RSF
- Public Offer Fund – independence / basic equal representation
- Independence of Corporate Trustee

Belgium

- Board of Directors and General Assembly



Trustees (cont...)

Germany

- No Trustees for straight pension commitment, direct insurance, but may have Contractual Trust Arrangements (with trustee)

USA

- Concept of fiduciaries (Erisa) (persons who exercise discretion or control)
- Board of Trustees for public funds and MEP's



OBLIGATION OF EMPLOYER

Australia

- DC – minimum contribution 9%
- DB – per rules, but usually exceed 9%

Belgium

- Employer guarantees minimum return for DC



Obligation of Employer (con...)

Germany

- Guarantee of minimum benefits (whether or not pension benefit paid by the employer)

USA

- Responsible for management of Fund



DEATH BENEFITS

Australia

- Binding death benefit nominations (within 3 years of death)
- Non-binding death benefit nominations (require trustees consent), subject to dependants' needs otherwise to deceased estate

Belgium

- No nomination possible as spouse survivorship and orphan beneficiary provisions.



Death Benefits (cont...)

Germany

- No nomination possible as spouse survivorship and orphan beneficiary provisions.

USA

- Determined by Erisa, state or federal law or rules of plan.



thank you



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