Collective Agreement Demography 2016 - Structure

Fund volume 2010 - 2015  1.7 bn. €
Calculation of demography funds

Provision of fund by the employer at the beginning of the year

Company fund

yearly

750 €

per Full-time employee paid in line with collective agreement

Voluntary plant level agreement between works council and company
CBA Retirement provision

- CBA entitlement to approx. 615 €/year
- Including means of the demo fund about 1,000 €/year
- In addition own funds can be provided
Savings on long-term accounts

Demographic fund

- Overtime
- Time credit
- Partial (early) retirement

Time slice

Time value account

Grants over the general pay scale

Money slice

- Fringe benefits
- Allowances
- Income

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Usage of long-term accounts

- Qualification
- Special company leave before retirement
- Nursing care time and parental leave
- Other purpose of usage possible
Usage of the demographic fund on plant level

- Retirement provision
- Occupational disablement insurance (BUC)
- Partial pensions
- Long-term time account
- Partial retirement
- Working time based on life stages
- Preventive health care
Working time based on life stages

Voluntary company agreements on

- RV 80
- Partial (early) retirement
- Long-term time account

Flexible transition  
Based on life stages
Standard version RV 80 – flexible transition for employees in rotating shifts
Chemical industry - Structure

Chemical industry
550,000 employees
  1,900 companies
  small companies (5 employees)
  large scale operations (34,000 employees)
Reduce burdens by flexible transition

Full-time

Part time / Partial pension

Working life

Financing by collective bargaining, demography amount, partial pension

Example: Free time from age 55/57 3,5/2,5 hours; 4-day week (30 hrs) from age 63, 3-day week (22,5 hrs.) from age 62

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Part time/partial pension vs. early retirement (after deductions)

Monthly remuneration: Example: E 7

| Partial(early)retirement | 85,6% | 2.206 €
|-------------------------|------|--------
| 1/2 Partial pension / 3 days week | 85,5% | 1.679 € Teilzeit; 525 Teilrente;
| 1/3 Partial pension / 4 days week | 97,7% | 2.179 € Teilzeit; 339 Teilrente;
| Average employer | 100% | 2.577 €
Part time/partial pension vs. partial (early) retirement (after deductions)

<table>
<thead>
<tr>
<th>Renten nach:</th>
<th>Partial(early)retirement</th>
<th>Partial pension (with compensation)</th>
<th>Partial pension</th>
<th>Average pensioner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>99,5% 1.361 €</td>
<td>97,8% 1.338 €</td>
<td>87,1% 1.192 €</td>
<td>100% 1.368 €</td>
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Compensation of pension points by collective agreement
Decent and healthy work
From apprenticeship until pension age

Long-term time accounts for phases of life

- Increasing time sovereignty for employees for the organisation of their life planning and needs
- Insufficient transference possibility in case of change of employer
  - Portability
- Changes in the life planning
  - Transference into the pension scheme
Decent and healthy work
From apprenticeship until pension age

Health

- Keeping the employability until the pension age
- Reducing psychological and physical stresses
- Health as an indicator for motivation and competitiveness inside the company
Supporting a health management

- Building block for the health prevention
  - Continuous medical examinations for all CBA covered employees
  - Detailed doctor-patient discussion
  - Consultation and measures