

Recommendations of the 6th
General Meeting of 21 April
2009

**Mobility among
Researchers in Europe:
Tasks and Demands**

HRK German Rectors' Conference

The Voice of the Universities

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Upon the passage of the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers in 2005, the German Rectors' Conference (HRK) underlined the significance of social security benefits in the context of mobility of researchers. The HRK stated:

"The German institutions of higher education share the opinion that the lack of opportunities regarding the portability of social security rights, especially pension rights, strongly impedes mobility in Europe, above all, between the public and private sector and geographical mobility. In this respect, the European governments are urgently called upon to counteract this competitive disadvantage for German and European research and to create innovative solutions." Both at national and European level, an intense dialogue is taking place with particular regard to two personnel-policy areas.

I. Lack of portability of civil-service pension benefits

The majority of German professors as well as a part of the total academic staff are employed at higher education institutions as civil servants. In a European context, this represents a special employment status. Accordingly, these staff members do not receive the national statutory pension, but rather one paid from the public budget of their respective State employer.

In order to be able to change to a regular employee status, e.g. on account of a change in employer, an individual must be formally released from the civil servant status. In this case, the individual would be retroactively insured in the national statutory pension scheme; however, no such payments would be made for supplementary retirement schemes such as the German Pension Institution of the Federal Republic and the States (*Versorgungsanstalt des Bundes und der Länder*, VBL). Consequently, a changeover from civil-servant to regular employment status becomes considerably unattractive, hence impeding international and inter-sector mobility.

In 2008, the German Parliament (*Bundestag*) requested the Federal Ministry of Interior to present a plan for regulating the "portability of civil-servant and military-legal entitlements to pension benefits" in order to facilitate a legal regulation within the pending legislative period. In the meantime, the Federal Government has prepared a corresponding report.¹ It identifies a variety of options and possibilities for reducing the negative financial consequences of leaving employment in a civil-service position to a position or job with regular employee status:

- retroactive payment of supplementary pension insurance in the VBL
- capitalisation or compensatory settlement

¹ The full text version of the Federal Government's report can be viewed at: www.bundestag.de/aktuell/hib/2009/2009_063/06.html.

- portability of deferred pension benefits in the form of an "old-age allowance" but with a significant reduction in amount of support payments provided under the civil service retirement scheme.

II. Insufficient European coordination of supplementary pension schemes for academic employees

Academic staff working under regular employee status in Germany is required to be insured in the national statutory pension insurance system. For individuals changing to an employer abroad within the European Union, EU law sets forth regulations on the retention of rights to pension benefits and the coordination of payment between national pension providers.² Moreover, Germany has concluded social security agreements with a number of third countries that address the retention of rights to benefits. As for company pension plans or supplementary retirement schemes of the civil service, the EU is yet to establish a regulatory mechanism that ensures the totalisation of benefit entitlements or their transferability. Until now, the European Commission has failed in their attempts to address this. Especially young researchers face the risk of benefit loss or the loss of entitlement to accrued rights (German law for example requires a five year vesting period). Furthermore, they are confronted with time-consuming, highly bureaucratic procedures for securing such entitlements. In September 2008, the European Competitiveness Council adopted the initiative by the European Commission on the "European partnership for researchers". Among other things, this initiative seeks to bring about improvement to the situation of researchers and their occupational and supplementary pensions.

III. Recommendations

The current situation calls for an enhancement in the provision and dissemination of information on supplementary retirement schemes and, for example, the options between compulsory insurance and voluntary insurance in the VBL. The affected individuals need easily available, understandable and reliable information on the consequences or effects of mobility on their future retirement provisions. Large discrepancies exist among the European supplementary pension systems with regard to scope of benefits, requirements for entitlement as well as taxation. In order to overcome them, new tools for adaptation need to be developed for the totalisation or transferability of benefit entitlements.

1. To the universities

German higher education institutions need to expand the advisory capacity of their personnel-related offices as well as

² See EU/EC Regulation 1408/71.

intensify and improve their provision of information for German and international researchers who are mobile or aspiring to be. They also should cooperate more closely with insurance and pension providers, while taking advantage of the services provided by "EURAXESS Deutschland", the German mobility portal for researchers created by the Alexander von Humboldt Foundation. Furthermore, the higher education institutions should assess the results of the feasibility study for a pan-European pension fund for researchers initiated by the European Commission and reflect on their own activities in light of those results.

2. To the insurance / pension providers and social partners

The insurance and pension providers³ are called upon to give more and enhanced information to mobile researchers in cooperation with higher education institutions. The provider of public-sector supplementary pensions and the respective employer and union representations are urgently requested to develop rules for totalisation, recognition and portability of benefits in cooperation with their European partner organisations within the next three years.

3. To the governments

The Federal government is requested to conclude additional bilateral agreements on social security insurance with third and newly industrialising countries that are important for academic cooperation and mobility.

The Federal and *Länder* governments are called upon to take closer into consideration the mobility needs of researchers in the current reform discussion on civil service law with particular regard to portability of accrued rights. The obligation of the respective providers to give information should be increased significantly in the civil service's pension laws of the *Länder* being drafted currently. This would help researchers interested in mobility to reach more prompt and reliable assessments of possible consequences of mobility on their pensions and retirement.

In general, for all German retirement and pension schemes, a reduction in the minimum waiting period of five years before accrued benefits are vested should be considered.

³ These providers include the German Pension Fund (*Deutsche Rentenversicherung*, DVR), the VBL and the independent State (*Länder*) providers in Hamburg and Saarland as well as the *Länder* providers for Civil Service pensions.