

Necessity for retirement provision

Topic	Target group	Duration	Required knowledge
Necessity for retirement provision	High school, vocational school, secondary school level II	2 lessons	-

Intention of the lesson:

The students should become able to do the following throughout the lessons:

- (1) Differentiate between the fully funded system and the adjustable contribution procedure.
- (2) Establish a connection between the demographic development and its influence on the pension scheme.
- (3) Understand that precautions have to be taken in advance to achieve the desired living standard at an advanced age.
- (4) Know the possibilities for provisions and classify them according to the 3 layer model of retirement provision.
- (5) Understand the various mechanisms of supported and private provision.
- (6) Know the risks and reasons for false consultation.

Terms:

- ⇒ 3 layer model of retirement provision
- ⇒ Legal pension:
 - Pension formula
 - Social contributions
 - Adjustable contribution procedure
 - Inter-generation compact
 - Demographic change
 - Gap between pension needs and statutory benefits
 - Pension level
- ⇒ Rürup-Pension
- ⇒ Fully funded system
- ⇒ Living standard
- ⇒ Compound interest effect
- ⇒ Riester-Pension
 - Bonus
 - Tax benefit
 - Unique bonus
 - Bonus application/ Application for permanent bonus
- ⇒ Company pension scheme
- ⇒ Private provision
 - Life and pension insurance
 - Real Estate, Bonds, Fond
- ⇒ Taxation

Kommentar [F1]: Ich weiß leider nicht, wie man die Rürup Rente übersetzten könnte. So ist sie jetzt wörtlich übersetzt. Vielleicht kennst du da ja einen besseren Begriff?

Kommentar [F2]: Gleiche Problematik wie bei der Rürup Rente....

(Economic) Competences:

The students will acquire the following competences throughout the lessons:

- Analysis of graphics
- Analysis of tables
- Text comprehension
- Enquiry
- Analyse the situation of action economically
- Explain economic system connections
- Understand legal and economic basic conditions
- Justify decisions economically

Materials:

- Worksheet "The system of the legal pension insurance"
- Blackboard note "Factors involved in the legal pension insurance"
- Worksheet "Pension system in change"
- Worksheet "Change of generations?"
- Worksheet "Do we have to care about our future now?"
- Worksheet "Which kinds of provision can I use?"
- Worksheet "Rürup-Pension"
- Worksheet "Riester-Pension"
- Worksheet "Company Pension Scheme"
- Blackboard note "Direct insurance as simple and popular solution"
- Worksheet "Taxation"
- Role play "Consultation for retirement provision"

Basic text:

Especially young people, who are entering the world of work, and job entrants, do not face the problematic and necessity of private retirement provision. At the same time particularly the generation of teenagers of today are affected by the consequences of the "pension crisis" and need to do private retirement provision to avoid living in poverty at an advanced age.

That's the reason why students need trustworthy information and knowledge to guarantee an independent analysis of the retirement provision offers. Nevertheless, the topic "retirement provision" is not dealt with satisfactorily in school yet.

In these lessons, the students should be sensitized for their private situation in the demographic development in Germany and they should recognize the necessity for an early private retirement provision.

In order to do so, the students will learn to differentiate between the legal pension insurance and the private provision products. Furthermore the Rürup-Pension, the Riester-Pension and the company pension schemes are presented as a provision possibility dealing with their advantages and disadvantages.

As a final step, the students will be sensitized for the interest of a consultant by doing simulated consultations.

Lesson plan

Lesson 1

Phase	Time	Content	Social form	Media und Materials	Methodological-didactic Notes/Competences
Introduction	ca. 2 min.	Greeting, Showing the caricature	Teacher talk	Beamer Caricature "Demographic Development" on a slide	Silent impulse
Discussing the problems	ca. 8 min.	Connection between the demographic development and the adjustable contribution procedure or rather the inter-generation compact of the legal pension insurance in Germany	Conversation in class	Beamer Caricature "Adjustable Contribution Procedure" and "Inter-generation compact" on slides	The first caricature will be discussed, followed by the presentation and discussion of the following two caricatures.
Formation phase	ca. 15 min.	System of the legal pension insurance, compulsory social security, pension calculation	Individual/ partner work	Worksheet "The system of the legal pension insurance"	The students work on the worksheet.
Securing the results	ca. 10 min.	System of the legal pension insurance, compulsory social security, pension calculation	Conversation in class	Worksheet "The system of the legal pension insurance" Blackboard note "Factors involved in the legal pension insurance"	The tasks 1 and 2 on the worksheet will be compared and the results of task 3 will be written down in a blackboard note.
Formation phase	ca. 15 min.	Consequences of the demographic development referring to the pension	Individual/ partner work	Worksheet "Pension System in change"	The students work on the task 1 and 2 on the worksheet.

	system			
Homework	Consequences of the demographic development referring to the pension system and the need for action of the students	Individual work	Worksheet "Pension System in change" and Worksheet "Change of generations?"	The students work on the task 3 and 4 of the worksheet. (ATTENTION: internet access is necessary)
	Retirement provision and the situation in the family	Individual work	Worksheet "Change of generations?"	The students ask their parents, grandparents and great-grandparents and themselves.

Lesson plan

Lesson 2

Phase	Time	Content	Social form	Media und Materials	Methodological-didactic Notes/Competences
Homework discussion	ca. 20 min.	Consequences of the demographic development referring to the pension system and the need for action of the students.	Conversation in class	Worksheet "Pension System in change" and Worksheet "Change of generations?"	The tasks 1-4 are discussed. The results of the interviewees are discussed as well and analyzed according to the need for action.
Discussion the problems	ca. 15 min.	Financial advantages of early private retirement provision	Individual/ partner work	Worksheet "Do we have to care about our future now?"	The students work on the worksheet.
Securing the results	ca. 10 min	Financial advantages of early private retirement provision	Conversation in class	Worksheet "Do we have to care about our future now?"	The tasks on the worksheet are discussed.

Note regarding the content and methodology of the lesson plan

This unit is directed to especially those students who are in their last years before finishing school or rather to all students of vocational schools.

Talking about the present situation of Germany, different tasks concerning the topic retirement pension are dealt with to have a following simulated consultation.

Lesson 1

Introduction

By using the first caricature the students should be confronted with the demographic development that is going on.

Discussing the problems

The following two caricatures illustrate the connection between the demographic development and the pension system.

Formation

The worksheet highlights the fact that the membership in the legal pension insurance is regulated by the compulsory social security. Furthermore it will be illustrated which factors decide about the incomes of the legal pension insurance and which outcomes are made.

Securing the results

In this step, it may be necessary to make a conversation in class because some of the aspects presented in the table may not be named by the students.

Formation

On this worksheet, the macro perspective will be illustrated and the demographic development as well as the influence of the legal pension insurance will be clearly defined.

Homework

The students are asked to consider their personal situation in reference to the basic conditions of the retirement provision and to recognize that there is a need for action. The worksheet with the interview of relatives should be considered a sensitive material as it may be possible that some parents are divorced or deceased recently.

Lesson 2

Homework discussion

The students exchange their findings and in this way different points of view may be pointed out.

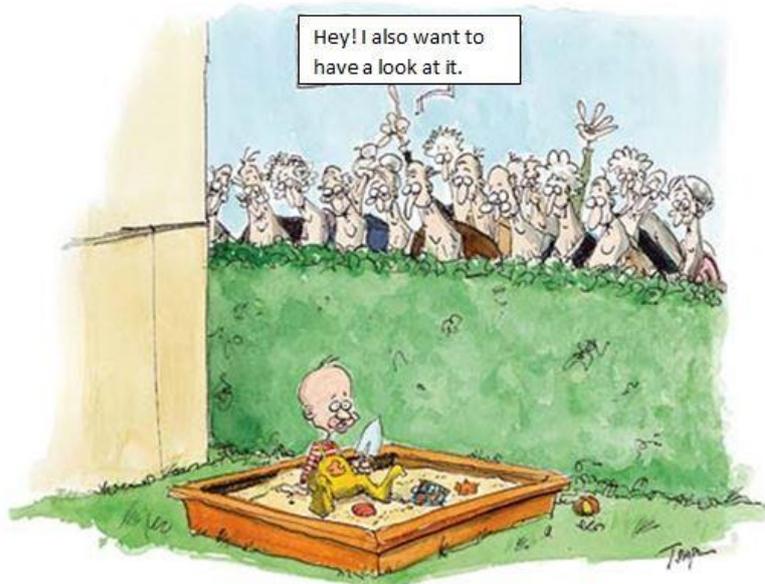
Discussing the problems

This worksheet highlights the influence of the time concerning the loading by private retirement insurance. The students recognize that financial advantages can be achieved by the distribution of the loadings in a longer time span and compound interest effects.

Securing the results

The students can name that they are missing the financial means to start early with private retirement provisions. The saving potential, the beginning with a professional formation or the salary increase in the context of getting more years as an apprentice can be discussed.

Caricature: “Demographic Development”



Good prospects.

Caricature: “Adjustable Contribution Procedure”



Pedagogical skills would be needed now...

Caricature: "Inter-generation compact"



"...when you are older, you will have to pull that boat over there!"