



Deutsche PensExpert partner with SWIFT to deliver innovative pension solutions to the German market

Deutsche PensExpert GmbH is a German owned company based in Frankfurt, formed from a joint venture between Swiss-based Reichmuth & Co Gruppe and PensExpert AG.

The company

The company provides expertise and a range of innovative and flexible pension solutions to meet the needs of both senior executives and employees in the German market.

The founders of Deutsche PensExpert have extensive experience in pension schemes and private banking in both the German and Swiss markets and their mission is to provide pension schemes governed by responsibility, freedom and transparency for companies and employees in Germany.

This private banking for company pension plans model, is an innovation already proven in Switzerland and now available for the German market.

The company's two-tier product portfolio comprises PensFlex especially designed for Board members, managing directors, senior executives and professionals, whilst PensTime is the flexible solution offering for employees of all other levels.

These solutions combine attractive tax advantages for employees and importantly for the employer, these additional benefits can be provided without the need for any additional internal financial administrative resource.

Regular consultations with employees are an important part of the Deutsche PensExpert service as are the comprehensive and continual analysis and optimisation of occupational pension schemes available to the employer.

Using Deutsche PensExpert solutions, employers can access flexible pension investment options for their workforce, and employees can manage and track their pension investments using digital platforms.

The Deutsche PensExpert challenge

Offering employees, including board members and senior executives, flexible, reliable and simple to manage private pension schemes is the challenge for the future.

The experienced team at Deutsche PensExpert have developed a number of pension solutions that add value for companies and their employees and these are now attracting more interest. In effect, these Private Pensions represent the third pillar of the German pension system which comprises Statutory Pensions (first pillar) and Occupational Pensions (second pillar).

In simple terms, companies can engage with Deutsche PensExpert to act as their pension broker. Deutsche PensExpert provides a portfolio of options that companies can offer to their employees to use for private pension investment purposes. Individuals determine the amount of their regular or flexible pension contributions, and in some cases, the company may also offer contributions as part of a salary package for their valued employees.

Each month, when the contributions are made to their chosen investment fund, individuals are allocated investment fund certificates confirming their investment contribution. These certificates are held by the relevant Custodian in safe keeping for the investor.

A company can provide employees with a level of flexibility in terms of which funds they make contributions to, the funds chosen will be fully explained to ensure investors understand the terms and conditions of their pension investment. It is essential that employees can make an informed decision about pension fund investing for their future, for example, how much capital market risk they are willing to take.

In order to ensure the engagement with their clients is a reliable, secure and easy to use system for the collection of funds and the tracking of payments, Deutsche PensExpert turned to the recognised and trusted global financial communication network provider, SWIFT.

The SWIFT solution

For companies that choose to offer pension scheme solutions to their employees, engagement with Deutsche PensExpert simplifies the process. The company collects the contributions from employees and sends a payment each month to Deutsche PensExpert who in turn completes each investor transaction by placing the specified investments with the chosen funds.

At the technology level, Deutsche PensExpert uses SWIFT Alliance Lite2, a proven cloud based solution, to connect Deutsche PensExpert to multiple fund providers as well as custodians, with all transactions passing across the secure SWIFT financial messaging network. By automating the investment process, Deutsche PensExpert are removing manual processing and the inherent risks involved, particularly when high volume, low value transactions are involved. Additionally, no proprietary connectivity to the custodians will have to be established and maintained, an advantage of using SWIFT connectivity.

The transactions between Deutsche PensExpert and the various fund managers are reported back to the employer confirming the transactions are complete and the individual employee records are updated so that they investor may, at any time, using a digital platform of their choice, check their pension investment portfolio balances.

“We realise that investing in pension schemes requires careful consideration and a clear understanding by the investor, so that they make an informed choice. The portfolio of options we have available covers a range of different services and we believe they are attractive for today’s investors. We engaged with SWIFT to ensure we had a reliable, secure and trustworthy technological process in place to transfer pension contributions from investors to the respective custodians. By implementing SWIFT, we were able to come up with a scalable model which ultimately reduces costs to a minimum. This is key when it comes to pension savings. In addition, we provide investors with access to their respective portfolio information using a digital platform of their choice.”

Dr Thomas Hassloeher,
Deutsche PensExpert GmbH.

The future

The Deutsche PensExpert team have more than 15 years of experience and understand the complexities of investing, very particularly investing in pension schemes. In order to bring the very best investment opportunities to their clients, companies and their employees, and to simplify the process of collecting funds and placing investments with the selected funds, the right choice of technology is key.

It is also important that the solutions can be scaled to support high volume, low value transactions and interface seamlessly with digital platforms for ease of access by the individual pension scheme investors.

“SWIFT continues to provide the industry with a robust, secure and trustworthy global financial communication network. Our affordable technology backed up with expert services and first class customer support enables Deutsche PensExpert to build innovative solutions for their customers. We understand how critical our role is in supporting our client and are very pleased that this project has proven the partnership between our organisations is helping to deliver flexible pension planning solutions for companies and employees in Germany today.”

Mathias Schotte, SWIFT.

As Deutsche PensExpert continue to innovate and deliver their solutions to the growing pension market in Germany, the partnership with SWIFT is important to future growth and expansion. The future looks very exciting for investors as pension scheme investment becomes aligned with flexible working models, employees can invest in their choice of Funds and importantly have up-to-date information about their investment portfolios thanks to digital technologies.