



In a nutshell

Who is SOKA-BAU?

SOKA-BAU is a paritarian institution established by the social partners of the German construction sector:

BAU > INDUSTRIE

employers' organization – industry



trade union

**DAS DEUTSCHE
BAUWERBE**



employers' organization – handcraft

SOKA-BAU unites two institutions under one roof:

- > Urlaubs- und Lohnausgleichskasse der Bauwirtschaft (ULAK)
(Paid Holiday and Wage Equalisation Fund of the German Construction Sector, founded in 1949) and
- > Zusatzversorgungskasse des Baugewerbes AG (ZVK)
(Occupational Pension Fund of the German Construction Sector, founded in 1957)

Together these two institutions protect the holiday entitlements for domestic and posted blue-collar workers, manage the occupational pension fund and co-fund the vocational training for workers and companies of the construction sector.

Why does the construction sector need SOKA-BAU?

There are specific working conditions for employees in the construction sector: **frequent employer changes, no stationary workplace, predominantly small business structures and a strong dependence on weather conditions.** SOKA-BAU offers solutions for these special requirements.

- Due to frequent employer changes, blue-collar workers in the construction sector are often **not** entitled to **their full annual holiday**.
- ✓ **SOKA-BAU secures this paid holiday entitlement for all construction workers employed on German construction sites and ensures the portability of the annual holiday entitlement to a new employer.**

- Frequent **downtimes** and gaps in employment result in significant **losses** in **statutory pension entitlements**.
- ✓ **SOKA-BAU closes the resulting statutory pension gap with a sector-wide occupational pension fund, from which all workers in the construction sector benefit.**

- The **construction sector** is facing a drastic **shortage of skilled workers**.
- ✓ **SOKA-BAU co-funds nationwide the vocational training of more than 40,000 apprentices who receive training in construction companies as well as in independent vocational training centres every year.**

- Reputable construction companies have to cope with **low-wage competition by domestic and foreign companies**.
- ✓ **SOKA-BAU cooperates with the customs authorities to ensure compliance with the sector-specific minimum wages and with the participation in the paid holiday scheme. This applies to both domestic companies as well as foreign construction companies posting workers to German construction sites.**

SOKA-BAU in figures

80,000

Close to **80,000 companies** receive **benefits and services** from SOKA-BAU.

1,0 million

More than **1,0 million** employees benefit from the collectively agreed **social fund schemes** applicable to the German construction sector.

82,000

The number of **posted workers** who work on German construction sites amounts to **82,000** annually.

290 million

340,000 retired workers receive approximately **290 million EUR** annually in **benefits**.

700 million

1,6 million members are credited close to **700 million EUR** annually in **contributions to their occupational pension**.

400 million

Companies providing vocational training and **independent vocational training centres** receive roughly **400 million EUR** annually for their **40,000 apprentices**.

2,9 billion

The **annual payout of benefits** by SOKA-BAU amounts to approx. **2,9 billion EUR**.



Declaration of universal applicability of collective agreements is a key requirement

Through the universal application of collective agreements, the social fund schemes ensure that

- > **all workers and employers of the construction sector** benefit from these schemes, regardless of a membership in a trade union or in an employers' organisation, and
- > the same conditions apply to **all domestic and foreign companies and their workers**.

Benefits provided by SOKA-BAU to workers, employers and the entire construction sector

- ✓ **Attractiveness of the sector:** protecting the regulations of the collective agreements
- ✓ **Promotion of young people:** supporting companies and apprentices through the joint funding of high-quality and broadly diversified vocational training
- ✓ **Occupational pension fund:** offering a sector-wide solution for an occupational pension fund, which is also available to small companies (82 % of the construction companies have up to 10 workers)
- ✓ **Fair competition and fair working conditions:** ensuring compliance with the minimum wages and participation in the paid holiday scheme for domestic and foreign companies
- ✓ **Compliance:** safeguarding social standards of the sector on German construction sites
- ✓ **Sustainable solutions:** developing the construction sector further together with the social partners
- ✓ **Balancing social interests:** platform for discussing and balancing the different interests of the social partners

WORKERS' BENEFITS

EMPLOYERS' BENEFITS

PAID HOLIDAY SCHEME

- ✓ Securing individual holiday entitlements at sector level
- ✓ Portability of holiday entitlements to other employers without suffering financial disadvantages
- ✓ Job assignment flexibility by transferring the holiday entitlements to the next entire calendar year
- ✓ Costs of holidays for the actual period of employment only

OCCUPATIONAL PENSION FUND

- ✓ Compensation of sector-specific pension differences
- ✓ Entitlements are gained at sector level, irrespective of a specific employer
- ✓ Additional attractive occupational pension fund without incurring distribution costs
- ✓ Risk minimisation through diversified capital investments

VOCATIONAL TRAINING SCHEME

- ✓ Qualified vocational training, including training in independent training centres
- ✓ Systematic preparation for the vocational training (entry qualification)
- ✓ Meeting the demand for skilled workers
- ✓ Funding for companies providing vocational training

Awards

Institutional Assets Awards 2021

(F.A.Z. Specialist publisher):

First place in: Real Estate Investment, Risk Management, Asset Liability Management (ALM)

MSCI European Property Investment Award 2020:

Best german property investor for the housing sector

Portfolio-Institutionell Award 2020

(Portfolio-Verlag Frankfurt):

Best Risk Management

Additional information soka-bau.de

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