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*BVK is perceived as a serious player in pension consultation. Thanks to the portal, we're also seen as technology leader."*

**Reinhard Graf**
Member of the Board,
BVK

# Compliance and precision for German pension fund manager BVK

**Capgemini has partnered with the Bayerische Versorgungskammer for over ten years on systems that support increasingly complex pension products**

## The Situation

Germany's largest public pension group, Bayerische Versorgungskammer (BVK), is the joint executive body of 12 community and liberal professions pension schemes and provides pensions for 1.7 million insured persons and 337,000 pensioners, managing capital worth €59 billion at any given time.

In 2001, a major legislative overhaul of the pensions sector introduced new forms of financing with BVK's schemes. Earlier, pensions were financed solely by current contributions. They would now be underpinned by mixed financing with real actuarial reserves and government-sponsored, individual financial provisions. This greatly increased the business complexity. Due to this and other reasons, the existing IT system of BVK proved to be no longer sustainable and warranted a new technology system to accurately manage its funds and payments.

## The Solution

BVK commissioned Capgemini to provide a new system that would meet the challenges presented by the regulatory changes and the need to fix the hard-coded system. A series of business modules was necessary to cater to the diverse pension structures for different occupations, including public employees, civil servants, orchestral musicians, pharmacists, tax advisors, construction engineers, architects, and psychotherapists. The underlying data is stored in an Oracle database, with several states of each data entity having their own validity. The data provides a record of citizens and companies' contributions, involves complex mathematical calculations due to diverse tax reliefs and fund balances. Since 2002, Capgemini has been customizing the software to meet the needs of each module; the modules were launched between 2006 and 2008, and the data has been migrated

to the new system. Capgemini's solution includes complex interfaces with multiple organizations, the Finanzamt (the German Central Tax Office), health insurers, banks, and companies providing information on new insurance applications. The solution is geared towards accountability to end users, providing them with clear and accurate account statements. Since 2008, Capgemini has been maintaining the system on behalf of BVK, implementing changes in response to new legislations, issuing new software releases, and the accompanying workflows required for effective pension contract management.

## The Result

Capgemini has provided BVK a new, robust system that automates policy and legislative changes, providing the BVK staff with a simple workflow to manage their tasks. The electronic interfaces required by legislators have been incorporated into the system, and partners can now manage their accounts online. With performance, accuracy, and security at the core, every system update undergoes a pilot run with a test database as an input, before the go-live implementation.

## How Bayerische Versorgungskammer and Capgemini work together

BVK insists on efficient exchange of information between its employees and external experts, given the technical support it requires to enhance its risk assessment measures. Systematic and meticulous testing of every solution prior to deployment is also essential.

At the peak of the implementation process, around 100 Capgemini resources were engaged in defining requirements, customizing, testing, and implementing the various software modules. The system uses Java code in addition to many open source components and complex mathematical logic for insurance.

The engagement began in Germany, but BVK later leveraged Capgemini's Rightshore model, which enabled it to source a large proportion of the team from Wroclaw, Poland. The German language capabilities of the Polish team, together with video-conferencing tools, enabled effective collaboration between teams and clients. Capgemini ensured a seamless knowledge transfer to the BVK staff, which was integral to the success of the new system. Capgemini maintains three of the five pension business modules that are critical to BVK. This provides BVK with the desired balance of ownership and limits its dependence on external resources. Capgemini's engagement is currently set to last until March 2020, testament to a happy partnership for the long-term.

## About Capgemini

With almost 140,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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In collaboration with

Bayerische
Versorgungskammer

## About Bayerische Versorgungskammer (BVK)

Bayerische Versorgungskammer is the competence and service center for occupational and communal pension schemes and Germany's largest pension scheme group under public law. It is the joint executive body of twelve liberal professions and communal pension schemes. Bayerische Versorgungskammer covers about 1.7 million insured persons in total, with contributions of €4 billion and €2.6 billion pension payments annually. It currently has €59 billion assets under management and 1,200 employees.

Learn more at
*www.versorgungskammer.de*

For more information, please contact:
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