

INCREASING PENSION FUND CONTRIBUTIONS WITH HIV WORKPLACE PROGRAMMES

Through a comprehensive workplace programme, Atlas Copco South Africa has showed that addressing HIV and AIDS makes economic sense. The comprehensiveness of the Atlas Copco HIV/AIDS workplace programme has resulted in that no employee that first tested negative has since tested positive. A large initial focus was put on Voluntary Counselling and Testing with an uptake among the employees exceeding 90% in three out of the six last years. However, Atlas Copco focuses even more on what happens after VCT i.e. an effective Disease Management Programme (including drugs, pathology, counselling and vitamins) and ongoing training, posters and health campaigns.

The HIV programme also had an effect on the company's Defined Contribution Pension Fund. Apart from the employee contributing part of its salary to the Fund, Atlas Copco contributes a sum that should cover administration as well as costs associated to the risk of death and disability. The balance of the employer's contribution goes into the employees' share of the pension fund. The Trustees of the fund began noticing that the risk costs were increasing significantly each year and asked the administrators to explain this. Their

explanation was that the risk of HIV and the increase of death and disability due to HIV was the reason. However, upon putting forward to the Life Assurance Company the disease management and ongoing training and education that were done through the HIV programme the risk costs were reduced significantly. In fact, this reduction far outstrips the cost of the HIV programme.

Hence, the HIV programme contributed to a lower risk and larger pension fund contributions. Moreover, the increased share of the pension fund contribution that benefits the employees also constitutes a strong incentive for continuous engagement in the HIV workplace programme. It should also be noted that there have also been other intangible benefits such as reduced sick leave, lower staff turnover (due to lower death rate) which results in lower recruitment and training costs.

Atlas Copco

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The Swedish Workplace HIV/AIDS Programme (SWHAP) is a joint initiative by the International Council of Swedish Industry (NIR) and the Swedish Industrial and Metalworkers' Union (IF Metall). It is a long-term strategy to contribute to the establishment and/or support of HIV and AIDS programmes at Swedish related workplaces in Sub-Saharan Africa. SWHAP is cofunded by the Swedish International Development Cooperation Agency, Sida.

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