



# Occupational Pension Information for Employees

# Occupational Pension. Flexible. Fair. Secure.

---

## PKDW

Pensionskasse für die Deutsche Wirtschaft (PKDW) is a specialist occupational pension provider and is available to employees and employers in all industries. For more than 85 years, we have been providing pension services for retirement, invalidity and surviving dependants' benefits in the legal form of a mutual insurance company. PKDW is a regulated pension fund and as such does not charge acquisition fees or commission. As a member, we offer you fair value-for-money with flexible tariff pricing and a high level of security.

---

### Your choice of tariffs – Our services: Tariff A...

#### > Lifelong retirement pension

Retirement pensions can be claimed at any time between the age of 62 (for members with insurance start date before 1 January 2012 from age 60) and 68 years.

Our standard retirement age is 65 years at which point you are entitled to claim a retirement pension without deductions.

#### > Surviving dependants' benefits

Widows, widowers and registered same-sex partners shall receive a pension for surviving dependants totalling 60%; children receive a surviving dependants' pension of 15% or 30%.

#### > Optional occupational disability cover

On request, you can include occupational disability cover. The amount of the pension is calculated from the total amount of achieved pension modules at the time of the incapacity to work.

#### > Optional lump-sum or partial lump-sum payment

You always have the option to claim a lifelong retirement pension. At the start of your membership you also decide on one of two other benefit options:

#### > lump-sum payment

or

#### > partial lump-sum payment (30%) plus simultaneous lifelong retirement pension (70%).

The (partial) lump-sum payment must be applied for three years before the desired payment date.

### Contribution structure – fair and flexible

Tariff A offers you, as a member, the option to structure your contributions in any way you want. Contribution changes (increases, decreases or exemptions) are possible at any time without additional cost.

On completion of your first contribution payment you receive an immediate, vested entitlement to our benefits. All contributions made are deferred to a pension module.

### Utilising tax and social security benefits

In 2019 you can make payments of up to EUR 3,216, the equivalent of EUR 268 per month (4% of BBG\*), via your employer into an occupational pension free from tax and social security contributions by means of deferred compensation. A further 4% of BBG can be deferred tax-free each year, but is liable for social security contributions. The upper tax exempt limit for 2019 is thus EUR 6,432.

\* BBG = Beitragsbemessungsgrenze in der gesetzlichen Rentenversicherung West [Contribution assessment ceiling (west) in the statutory pension insurance scheme]

Deferred compensation can be paid from monthly income, holiday/Christmas pay, capital forming benefits or other income components (permitted via collective wage agreement provisions).

### Example: Deferred compensation

30 years old, single, tax class I/0, liable for church tax

Monthly income: EUR 3,000  
 Occupational pension contribution: **EUR 268**  
 Savings on tax/social security contributions: EUR 130  
 Net cost: **EUR 138**

To contribute a monthly amount of **EUR 268** into your pension, you expend **EUR 138** a month from your current net salary. The **savings** through tax and social security exemptions is almost **50 %**.

Assuming standard retirement at 65 years, the above example gives the following tariff benefits for Tariff A without occupational disability cover:

monthly, lifelong retirement pension: **EUR 409** (monthly)

or

lump-sum payment: **EUR 107,100** (once)

or

partial lump-sum payment (30 %): **EUR 35,554** (once)  
 + monthly retirement pension: **EUR 286** (monthly)

To build up your pension further, you can make contributions during maternity/paternity leave, for example, including from taxable income. There is also the option available to utilise the »Riester« support via the route of deferred compensation from net income.

The benefits of your occupational pension are only taxed when paid out; in other words, on retirement typically on income that is subject to lower taxation.

### Example calculation

Benefits\* under Tariff A **without occupational disability cover** with a **monthly contribution** of **EUR 268**

Age at entry	Tariff-based monthly pension	Tariff-based monthly pension (70 %)	Tariff-based partial lump-sum (30 %)
20	EUR 549.32	EUR 384.52	EUR 47,793.21
30	EUR 408.65	EUR 286.06	EUR 35,553.73
40	EUR 279.39	EUR 195.57	EUR 24,308.75
50	EUR 160.56	EUR 112.39	EUR 13,968.50

\* assumed date of birth: 1 July; assumed pension start date: 1 July; tariff-based interest: 0.9%; retirement age: 65 years

# Occupational Pension. Flexible. Fair. Secure.

---

## Tariff Calculator

Use our tariff calculator at [www.pkdw.de](http://www.pkdw.de) to calculate your tariff-based benefit in a single click! To do this, enter a monthly contribution, your age and gender, insurance start date and your desired retirement age and click the »Calculate«-Button.

The very minimal impact on the value of your benefits when including occupational disability cover can be seen by selecting the same payment »without occupational disability cover« and comparing it »with occupational disability cover«.

## Taking your pension with you

If changing employer, your pension is transferred free of charge with the status of non-contributory.

You have the option to carry on with your PKDW provisions account with your new employer at any time or, if necessary to transfer to another pension provider within Germany.

## Surplus participation

At PKDW, any accruing surpluses are paid to our members and pensioners as we do not need to distribute our surplus to shareholders. Each entitlement and each current pension is adjusted on a regular basis in line with the financial results of our pension fund for the financial year in question.

## PKDW is secure

As a reliable provider of occupational pension our focus is on sustainable capital investments aligned with our obligations. In addition, the pension funds are also subject

to federal supervision by the Federal Financial Supervisory Authority (BaFin). The assets in the cover pool are supervised by external trustees. In addition, your occupational pension is secure from Hartz IV access during the savings phase.

## How you become a member

You should apply for membership of the pension fund via your employer. You select your preferred tariff options and make a salary conversion agreement with your employer.

In this you define which salary components you wish to pay to PKDW. You have the option to increase, decrease or entirely suspend your contribution payments to PKDW at any time.

Our forms and further information on the occupational pension with PKDW can be found here [www.pkdw.de](http://www.pkdw.de) under »Für Versicherte«.

## Your benefits at a glance:

- > Free contribution structure
- > Flexible retirement start date
- > Surviving dependants' benefits
- > Lifelong retirement pension
- > Lump-sum or partial lump-sum payment
- > Occupational disability insurance
- > Portability in the event of a change in employer
- > Deferring income without deduction
- > Commission-free tariff

You can rely on the expertise and efficiency of a fast-growing and well-established provider.

Last updated: 01/2019



Please find more information at [www.pkdw.de](http://www.pkdw.de)

© All rights reserved. The content of these pages is for preliminary information purposes only and may only be put to personal use. More comprehensive information can be found in PKDW's statutes, GCI and TC. Liability claims against PKDW caused by the use of the information provided or by the use of erroneous and incomplete information are in principle excluded.