

## Information for members:

### Your retirement pension: taxes and social security contributions

Pension benefits that you receive from a pension fund shall generally be subject to taxation. However, these taxes are not collected by PKDW. The taxes are collected via your annual income tax return. In order to do this, you will receive a benefits statement from us in the January of the following year, and in the event of

any changes to the pension amount, ready for submission to the tax office according to § 22 (5) EStG.

#### Taxation:

The taxation of your benefits depends on how the contributions have been made according to tax law.

Contributions	Benefits
tax free	fully taxed
additionally funded	fully taxed
taxed at flat rate	with share of income
individually taxed	with share of income

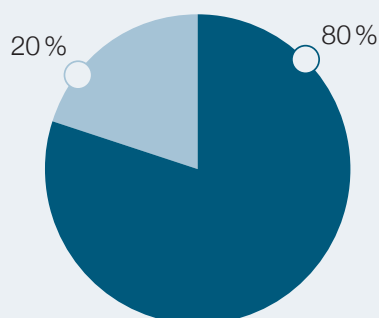
Pension fund benefits arising from tax-free or additionally funded contributions (»Riester«) are subject to full taxation. Payments from lump-sum and individually-taxed contributions will only be taxed according the share of income.

The amount of the share of income depends on your age upon reaching retirement:

Age at retirement	60	61	62	63	64	65	66	67
Share of income	22 %	22 %	21 %	20 %	19 %	18 %	18 %	17 %

#### Example:

**Pension from flat rate taxed contributions: EUR 1000; Retirement start date: 63**



- Tax free disbursement (EUR 800)
- Share of income (EUR 200) shall be attributed to the retirement income subject to taxation

## Social security contributions:

The health insurance scheme responsible for you shall decide whether your pension is subject to health and nursing care insurance obligations and whether we must therefore pay your monthly pension directly to your health insurance scheme. If we are paying your pension for the first time, we are therefore obliged to notify your health insurance fund of this pension payment.

If you are compulsorily insured in the statutory health insurance, your pension is generally subject to the full amount of the contribution obligation. Exceptionally, portions of your pension are exempt from contributions, provided that

- > you have continued your provision with PKDW after leaving the company with purely private contributions and without the participation of an employer, or
- > you have made riester-subsidised contributions in accordance with §§ 10a, 82ff EStG.

No contributions to health and nursing care insurance are levied on the portion of your pension that was earned from these contribution payments.

## Contribution rates 2019:

Health insurance scheme: 14.6 %  
(general contribution rate)  
+ additional contribution\*

Nursing care insurance: 3.05 %  
(childless members: 3.3 %)

\* the amount of the additional contribution is dependent on your health insurance scheme

The Act to Account for Child-Raising Periods (Kinderberücksichtigungsgesetz) came into effect on 1 January 2005. As a result of this, the contribution rate in statutory nursing care insurance for insured persons without children who were born after 31 December 1939 increased by 0.25%. In order to ensure we only deduct the regular contribution rate for statutory nursing care insurance from your pension, we need proof from you that you have a child. A copy of the child's birth certificate shall suffice for this purpose.

## Important note:

If the total amount of your monthly pension payments (excluding the statutory pension) is below EUR 155.75 (in 2019), no health and nursing care insurance contributions shall accrue.

Please note the information stated here cannot replace any tax or insurance-related advice.

Last updated: 01/2019



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

© All rights reserved. The content of these pages may only be used as preliminary information and may only be used for 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.