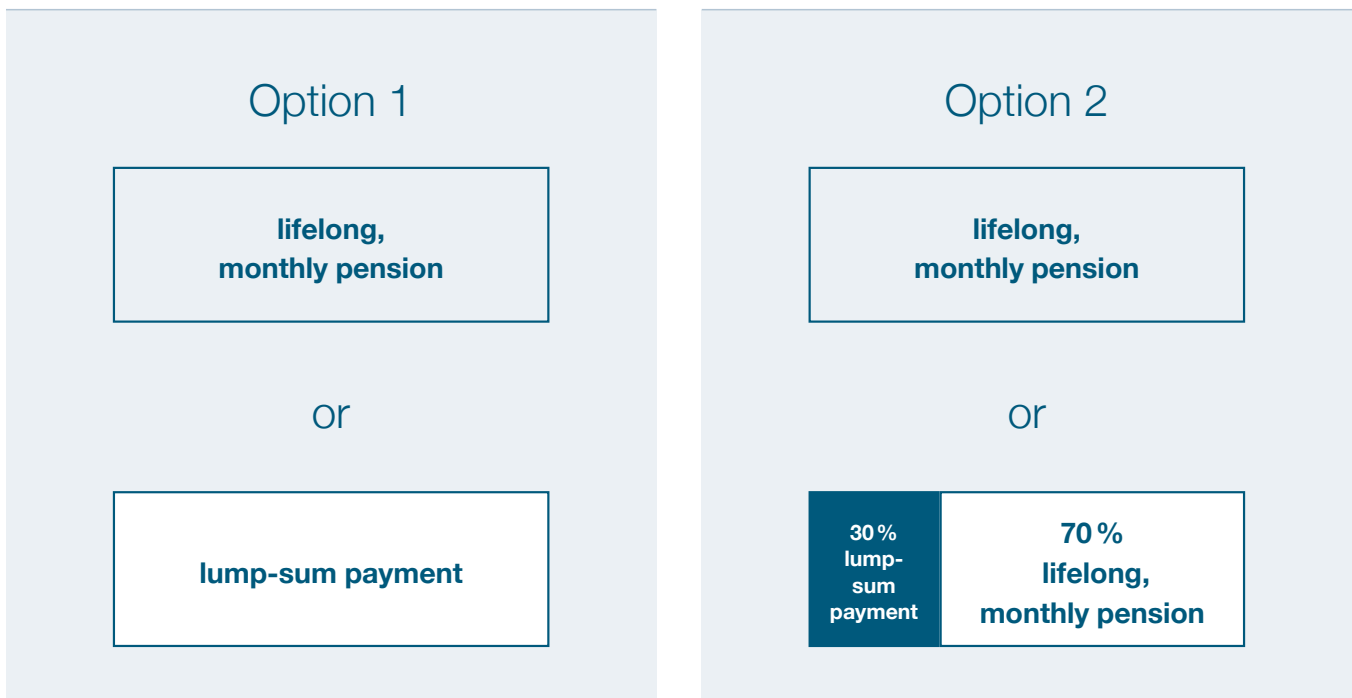


Information for new members: On choosing the option of lump-sum payment or partial lump-sum payment

Tariff A gives you the option to choose a lifelong, monthly retirement pension. When applying, please also choose one of the two alternative benefits (options) for this monthly pension: lump-sum payment or partial lump-sum payment.

This means you have the following tariff options:



Whether you wish to take advantage of the option you have chosen - instead of the lifelong, monthly pension - you decide three years before payment or 12 months in the case of the partial lump-sum benefit.

Benefits of partial lump-sum payment

- 1. In view of the increase of retirement age from 65 to 67 for the statutory pension:** With the partial capital payment you have the option of shaping your early retirement years. Later, you will draw your statutory pension, thus without deductions.
 - 2. As part of possible partial retirement:** You can actively plan your early retirement. For workers in the chemicals industry, the partial lump-sum payment also guarantees flexible implementation of the collective agreement »Working life and demography« (»Lebensarbeitszeit und Demografie«).
 - 3. In the case of contribution payments until you retire:** After applying for partial lump-sum payment, you can continue to make tax-free contributions until you retire. This is not normally possible after applying in the case of the full lump-sum payment.
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Overview of lump-sum payment/partial lump-sum payment

	Lump-sum payment	Partial lump-sum payment (30%)
Brief description	Instead of the monthly, lifelong pension, you receive the cash value of your pension entitlement (based on our retirement pension) as a one-off lump-sum payment.	Instead of the monthly, lifelong pension, you receive 30% of the cash value of pension entitlement as a one-off partial lump-sum payment. You draw the remaining 70% as a lifelong pension at the same time.
Types of benefits	Lump-sum payment and surviving dependants' pension	Partial lump-sum payment (30%) + monthly pension (70%) and surviving dependants' pension
Waiting period after applying	Three years	Twelve months
Surviving dependants' benefits	The surviving dependants' benefit is maintained if you reach an annual pension entitlement of more than EUR 600. When you apply for a lump-sum payment, the potential survivor also chooses a lump-sum payment or a monthly, lifelong pension as surviving dependants' benefit.	After the partial lump-sum payment has been paid, the value of the surviving dependants' benefit is based on the monthly pension.
Payment date	between 62 and 68 years	between 62 and 68 years
Amount of minimum entitlement	None	None
Employer's approval	Required if you have an employment contract	Required if you have an employment contract
Treatment of contributions after applying for partial lump-sum or lump-sum payment	<p>If you choose a lump-sum payment, § 3 No. 63 of the German Income Tax Act (EStG) no longer applies. This means that all contributions that you or your employer make in accordance with this are liable for tax and social security.</p> <p>Tip: Make the application in the last year before retirement, if possible. In this case, you can actually only access the capital 2 years after retiring due to the 3-year rule, but you are then able to make tax-free contributions until you retire.</p>	After choosing a partial lump-sum payment, contributions can continue to be made tax- and social security-free until you retire in accordance with § 3 No. 63 of the German Income Tax Act (EStG).

You will be given information on tax on benefits in our information leaflets »Your retirement pension – taxes and social security contributions« and »Your lump-sum payment – taxes and social security contributions« (available online at www.pkdw.de).

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Further information can be found on the Internet at www.pkdw.de.

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