

## Allianz Direct insurance

Occupational pension with government incentives

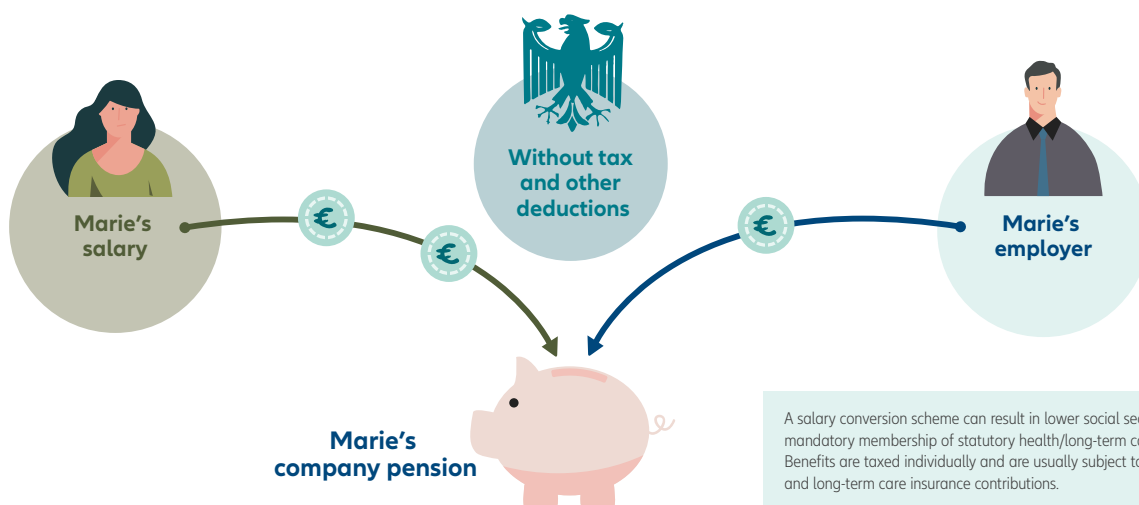


### That's what Allianz Direct Insurance offers

Allianz Direktversicherung is a type of occupational retirement provision (bAV) supplementing retirement provision. The lifetime occupational pension helps to maintain the standard of living in old age.

In Germany, employees subject to statutory pension insurance even have a legal claim to investing portions of salary in an occupational retirement plan.

### At a glance



A salary conversion scheme can result in lower social security benefits and mandatory membership of statutory health/long-term care insurance. Benefits are taxed individually and are usually subject to mandatory health and long-term care insurance contributions.

### Advantages for employees

- **Government incentives:** The premiums are tax-free and exempt from social security contributions.<sup>1</sup>
- **Simple and comfortable:** The premiums are paid at source via the employer.
- **Employer contribution:** Mandatory employer contribution to salary conversion scheme amounting to maximum 15%<sup>2</sup> of the portion of salary converted if social security contributions are saved.
- **Flexible and individual:** The commencement date of pension and the type of benefit – lifetime pension and/or lump sum payment – can be chosen.

<sup>1</sup> Tax-free up to € 6,768 p.a. or € 564 monthly, exempt from social security up to € 3,384 p.a. or € 284 monthly. <sup>2</sup> Employer contribution is subject to the dispositions of the parties to the collective agreement.

## Key data of Direct Insurance in accordance with § 3 (63) EStG at a glance

<b>Tax-free premiums</b>	Up to € 7,008 annually (monthly € 584) <sup>1</sup>
<b>Premiums exempt from social security contributions</b>	Up to € 3,504 annually (monthly € 292) <sup>2</sup>
<b>Mode of payment</b>	<ul style="list-style-type: none"><li>• Amount of premium can be chosen freely</li><li>• Flexible payment frequency, top-up premiums can be paid</li></ul>
<b>Type of investment</b>	Pension concepts ranging from security-oriented to opportunity-oriented: Perspektive, KomfortDynamik, IndexSelect, InvestFlex
<b>Change of employer</b>	<ul style="list-style-type: none"><li>• Contract can be continued with new employer – with legal claim</li><li>• Private continuation</li></ul>
<b>Benefit payment</b>	<ul style="list-style-type: none"><li>• As of age 62</li><li>• Subject to taxation and social security contributions (applicable to members of statutory health and long-term care insurance)</li></ul>
<b>Payment options</b>	As pension, capital or a combination of both
<b>As supplement</b>	Survivor's provision and Income protection

### It's the law: the employer contribution

Since 1/1/2019, the following applies to new agreements, and from 1/1/2022, also to existing ones according to the BRSG

- If an employee converts salary according to § 3 No. 63 or § 40 b) of the Income Tax Act (EStG), the employer is required by law to make a contribution.
- The contribution amounts to up to 15 % of the converted salary<sup>3</sup>, if the employer saves on social security payments.



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<sup>1</sup> This amount corresponds to 8 % of the contribution assessment ceiling stipulated for West German statutory pension insurance applicable in 2023. Premiums subject to flat-rate taxation in accordance with § 40 b EStG old version are offset against the funding limit of 8%. <sup>2</sup> This corresponds to 4% of the CAC West. <sup>3</sup> Up to 4 % of the CAC/ West.