

COMPANY PENSION PLANS

Motivate Employees Effectively –
With Individual Retirement Concepts

OCCUPATIONAL RETIREMENT PROVISION IS AN ADVANTAGE FOR YOU AND FOR YOUR EMPLOYEES.



Rarely has a supplemental benefit been so valuable for both your company and your employees: Occupational retirement provision (bAV) strengthens your position as employer and protects the future of your top personnel.

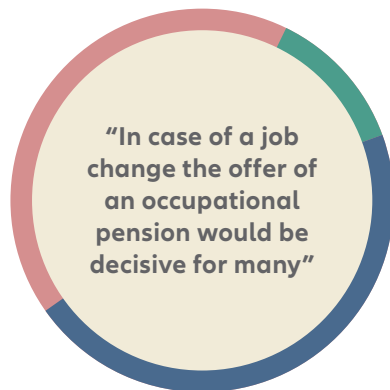
Numerous surveys confirm that employees rank access to an employer retirement plan important when assessing employers.*

■ Yes 61%
■ No 39%



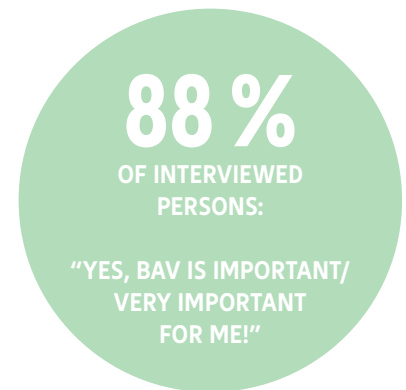
Conclusion: Help your employees build up retirement capital and show your social responsibility.

■ Yes, but not so important 42%
■ Yes, very important 46%
■ No 12%



Conclusion: Job candidates tend to prefer companies offering occupational retirement provision.

Everything speaks in favor of occupational retirement provision – surely in your company as well!



We recommend to actively offering occupational retirement provision, thus fulfilling the legal claim of your employees to salary conversion (deferred compensation).

* Source: Deloitte, "bAV zwischen Wunsch und Wirklichkeit", survey on occupational retirement provision 2017



Your advantage: You find and retain the best workers.

The situation:



Owing to the favorable business climate and the demographic development, there is a lack of young, qualified employees.



As employer you have to offer extensive benefits in order to find and retain good workers in the long term.

The solution:

Occupational retirement provision is a special incentive for employees – and you as employer show that you care.

An ideal supplement: Working-time accounts

A growing number of employees expects maximum flexibility when it comes to balancing work and life. Working-time accounts provide the possibility to save up salary, bonus payments, overtime or holidays not taken to finance a later sabbatical. For more information on working-time accounts please refer to **page 9**.

The advantage for your employees: They obtain security for their old age.

The situation:



The statutory pension insurance only provides basic protection. The threat of poverty in old-age is real if no supplemental provision is made.



Interest rates are low. This makes it difficult to invest money profitably. New pension concepts are necessary.

The solution:

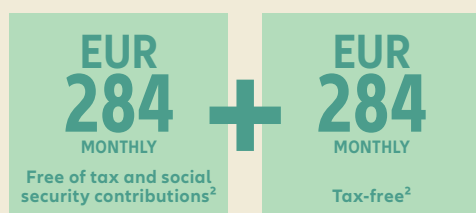
Occupational retirement provision enables employees to enjoy a carefree retirement.

THE GOVERNMENT STRENGTHENS OCCUPATIONAL RETIREMENT PROVISION

Since January 01, 2018, the Act to Strengthen Occupational Pensions (BRSO), a new reform package which includes changes to tax and social law, has been in effect aiming at extending the coverage of occupational pensions in companies.

1. Extended tax incentives allow your employees to invest higher tax-free amounts.

The BRSO doubles the maximum tax-free salary conversion from 4% to 8% of the contribution assessment ceiling stipulated for German statutory pension insurance (CAC)¹. Based on this new regulation, your employees can invest up to monthly EUR 568 tax-free in their occupational pension if you agree.



¹ Premiums subject to flat-rate taxation or tax-free premiums under Riester contracts are offset against the maximum salary conversion of 8%.

² Up to 4% of the contribution assessment ceiling applicable in 2021

2. As employer you assume additional social responsibility.

Employees who earn low salaries are hardly able to afford private retirement provision. Occupational retirement provision of this group of employees is fully funded by you. For this commitment you are now receiving a government incentive.

The conditions:

- The employee earns a maximum monthly gross income of EUR 2,575.
- You invest at least EUR 240 and maximum EUR 960 annually in the employee's occupational pension plan.

That's how the Government incentive works:

Your company receives a Government incentive of 30% (EUR 72 to EUR 288) on top of the above employer contribution. The incentive is offset against wage tax to be paid.



3. Riester pensions will now be exempt from social security contributions.

There's good news: The Riester pension has become more attractive with the launch of the BRSG. This is because the Riester contracts concluded under an occupational pension plan are no longer subject to statutory health and long-term care insurance contributions.

The advantages in detail:

- Pension benefits arising from a company-sponsored Riester contract will be exempt from statutory health and long-term care insurance contributions.
- The Government additionally sponsors the contracts with an increase of the basic subsidy from EUR 154 to EUR 175.
- Special expenses deduction (maximum EUR 2,100 annually) and child subsidy remain unchanged.

4. Your social security savings under salary conversion arrangements benefit your employees.

Since January 01, 2019, your social security savings have to be paid additionally into the occupational pension plan if a new salary conversion arrangement has been agreed (direct insurance, pension fund or Pensionskasse); for existing salary conversion arrangements, the new regulation will apply as of January 01, 2022. The social security savings amount to 15% of the amount of salary converted (up to 4% of the CAC). This additional contribution increases the pension benefit and boosts the motivation of your employees.

If your business is subject to a collective agreement, deviating rules may apply or could be agreed. Your competent employer association will surely provide more information.

THAT'S HOW YOU FIND THE SUITABLE OCCUPATIONAL PENSION MODEL FOR EVERY NEED.

Managing director/shareholder

Closing the pension gap – maintaining the standard of living in old age.

Top employees

Retaining and effectively protecting employees with above-average income.

Employees earning more than EUR 2,575 monthly

Implementing salary conversion tailored to the specific need.

Employees earning maximum EUR 2,575 monthly

Demonstrating commitment and responsibility – making use of Government incentives.

DIRECT INSURANCE

DIRECT INSURANCE

DIRECT INSURANCE

DIRECT INSURANCE

SUPPORT FUND

SUPPORT FUND

PENSION FUND

PENSION PROMISE

PENSION PROMISE



OCCUPATIONAL RETIREMENT TAILOR-MADE AND PE

Benefit from the various possibilities! The different vehicles implementing an occupational pension plan provide many options for you and your employees.

	Tax incentive in accordance with § 3 (63) Income Tax Act	Government incentive	
		Tax	Social security
DIRECT INSURANCE	yes	The combined annual maximum tax-exempt premium amounts to 8% of the contribution assessment ceiling stipulated for West German statutory pension insurance (CAC West). (2021: EUR 6,816)	Exempt up to 4% of the CAC West (2021: EUR 3,408)
PENSION FUND	yes		
SUPPORT FUND	no	Unlimited tax-exempt premiums	Employer-sponsored: exempt
PENSION PROMISE (covered by special life insurance, so-called indirect insurance)	no		Employee-funded: exempt up to 4% of the CAC West, in addition to § 3 (63) Income Tax Act

Note: Salary conversion arrangements may result in lower social security benefits and mandatory membership of statutory health and long-term care insurance, if applicable. Benefits are taxed individually and are subject to mandatory statutory health and long-term care insurance contributions.

¹ Disclosure in the notes to the financial statements only if there is a difference between liabilities and existing cover funds.

REMENT PROVISION – PERFECTLY MANAGED

Compulsory employer contribution	Possibility of Riester subsidy?	Insolvency protection	Balance sheet effects/impact
Since January 1, 2020, the following has applied to new salary conversion agreements: To the extent the salary conversion arrangement implemented through direct insurance, Pensionskasse or a pension fund is exempt from social security contributions the employer is required to make a contribution up to 15% of the salary converted up to 4% of the CAC West. In case of existing salary conversion, this will apply as of January 1, 2022.	yes	yes	no
	yes	Coverage via the Pension Guarantee Association (PSV) and compulsory contribution payment for employees who are subject to the Company Pension Plans Act (BetrAVG).	no
–	no	Managing directors-shareholders who are controlling in terms of labor law can obtain insolvency protection via pledging	no ¹
–	no		<p>Tax balance sheet: Pension obligations are carried as liabilities, indirect insurance in force is carried as asset</p> <p>Commercial balance sheet: Balance sheet approach according to the German accounting law modernization act (BilMoG) with netting option to net to zero, where necessary. (BilMoG pension plan)</p>

OCCUPATIONAL PENSION SOLUTIONS AT A GLANCE:

DIRECT INSURANCE

Direct insurance is the most popular form of occupational retirement provision. As employer you conclude annuity insurance on behalf of your employees. You are the policyholder under the insurance contract.

PENSION FUND

You establish a pension plan for your employee implemented through a pension fund. You are the policyholder. This pension vehicle provides more investment flexibility ranging from security-oriented to opportunity-oriented.

SUPPORT FUND

You become a member of the Allianz Pensions-Management e. V., a multi-employer support fund, in order to establish an occupational pension plan for the employee. The pension plan is funded through indirect insurance policies concluded with Allianz LebensversicherungsAG. Thus, you are no longer responsible for the risk associated with post-retirement obligations and administration.

PENSION PROMISE covered by indirect insurance.

The classic form of occupational retirement provision provides benefits to your employee upon occurrence of a claim which your company has to fund itself. This type of pension plan requires the establishment of book reserves. You externalize the liquidity risks by concluding Allianz indirect insurance.



A GOOD SALARY IS ONLY HALF THE STORY...

Our occupational pension products provide a range of special solutions and supplements enabling you to provide extensive and tailor-made pension plans for your employees.

COMPREHENSIVE RETIREMENT PROVISION – SHARING RESPONSIBILITY

Supplementary modules providing for the protection of income and survivors complete the occupational pension plan of your employees.

Disability and survivors' provision	With retirement provision (AV)	Disability module (B module)	Ensures the occupational pension.
		Disability pension module (BR module)	Supplements the income upon disability and ensures the occupational pension.
		Supplementary disability provision (EBV)	For employees for whom an Allianz occupational pension plan has already been established.
		Survivor's provision	Ensures the subsistence level of the survivors.
KSP in bAV	Without AV	Stand-alone disability provision (SBV)	For employees who are not covered under an Allianz occupational pension plan.
	Without AV	Functional Impairment Policy	Protection for employees for whom their functional capacity is of utmost importance.

A modern portfolio: Functional Impairment Policy forming part of the occupational pension plan – the new Allianz insurance policy covering basic functional capacities* can now be combined with occupational retirement provision.

*Without Dread Disease or supplementary long-term care pension, including optional inclusion of long-term care provision

WORKING-TIME ACCOUNTS – THE EFFICIENT WAY TO CREATE FLEXIBILITY

Flexible working time arrangements offer many opportunities for you and your employees. They allow organizing working time more in line with employees' individual needs and interests and company requirements.

How it works:

The working time account is a flexible working time arrangement. Your employees save up remuneration for a subsequent release phase. Remuneration consists of portions of salary, but also overtime or holidays not taken.

Your advantages:

In competition for qualified staff you increase your attractiveness for top employees and benefit from a flexible staff management tool. You position yourself as innovative and employee-oriented company and make yourself attractive for the best, thus most ambitious, candidates. Older employees, too, can start the release phase early by maintaining the level of their pension at the same time.



HOW EMPLOYEES CAN USE THEIR TIME CREDITS.



Sabbatical

Employees use a **sabbatical** to gain new perspectives and experiences.



Further training

80% of employees hope to acquire more professional competence.



Early retirement

60% of employees wish to retire earlier.



More flexibility

Only **6%** of men work part-time.



Priorities

A healthy **work-life balance** becomes increasingly important.

Important to know:

You decide which options you provide in your company for the use of time credits.

AN ALL-IN PERSPECTIVE MODULES, IDEAS

As market leader we have been successful in designing occupational pension plans for decades.

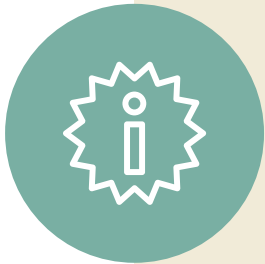


Our experts know the special needs of your industry and develop the tailor-made solution for your company and your employees.

- **Metalworking industry** MetallRente, VDMA
- **Press/Media** VdP
- **Healthcare** KlinikRente, VdH
- **Small-sized enterprises** BVP
- **Gardening and landscaping** GalaBau

- **Manufacturing** IPV
- **Agriculture** LVV
- **Law and economics** BdASW
- **Crafts and trades** HWP, VDS
- **Transport and shipping** MobilitätsRente

LIVE: OPTIONS



Did you know ...

... that we are a partner of many important collective and consortium agreements (consortium agreement of the chemical industry, for example)?

... that we are also a partner of the largest pension schemes (such as MetallRente, PresseVersorgungswerk, KlinikRente, MobilitätsRente, HWP, GalaBau)?

YOUR ALLIANZ, PARTNER OF PENSION SCHEMES



MetallRente



Ihre Experten für
Garten & Landschaft

KlinikRente



Bd|ASW



SUPPLEMENTARY PRIVATE PROVISION

Attractive terms are easily implemented with the help of the informed employee consultation service.

REORGANIZATION

Managing risk internally or externally? In light of new accounting rules for pension obligations some companies ask themselves this question. Allianz has the solution: Reorganizing pension promises, externalizing obligations.

PENSION CONCEPTS

Should the pension plan rather be more opportunity-oriented or more security-oriented? You and your employees have the choice!

THE NEEDS OF YOUR COMPANY ARE THE FOCUS OF ATTENTION.

WE ACTIVELY SUPPORT YOU.

Leaving all usefulness and advantages of occupational retirement provision aside: Planning, implementation and ongoing administration of course involve time and cost. Our personal support and digital services make it as easy as possible for you.

Planning:

Together we will find the suitable occupational pension solution.

Together with you, we will develop the best solution for you and your company. No matter which solution you choose – we deliver it from one source (if you wish we also provide additional solutions such as disability provision or working time accounts).



Implementation:

Informed and convinced employees.

We help you and your personnel department to inform your staff, e.g. by providing:

- Presentations in the company,
- Information material and individual consultations,
- Assistance in amending employment contracts and much more.



Ongoing administration:

Professional administrative support.

We specifically provide support after conclusion of the contract, e.g.:

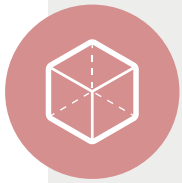
- Annual meeting to assess your occupational pension concept,
- Reduction of your administrative expense, e.g. by providing special electronic administration platforms (FirmenOnline),
- Our actuarial services such as balance sheet reports, expert opinions, etc.



THE DIGITAL OCCUPATIONAL PENSION SERVICES:

With an array of online tools we make it especially easy for you and your employees to benefit from an occupational pension plan:

- Online calculation tool for pension plans implemented through direct insurance
- State subsidies calculation tool – Riester or direct insurance?
- My Allianz – our customer portal with online insurance portfolio and attractive bonus program
- **FirmenOnline** – two portals for innovative digital occupational pension management



DIGITAL OCCUPATIONAL PENSION MANAGEMENT AND MODERN INSTRUMENT TO ADDRESS EMPLOYEES: INTUITIVE, EFFICIENT AND PERSONAL

The comprehensive solution provided by FirmenOnline considerably simplifies the occupational pension management in your company. FirmenOnline provides a perfect platform for bringing together employer, employee, intermediary and partner in order to benefit from various synergies.

Employer portal:

- ✓ Quick pricing and new enrollment
- ✓ Simple portfolio management and preparation of lists
- ✓ Import and administer contract data of contracts concluded with other insurers
- ✓ Extensive search and filter functions
- ✓ Contract history and overview of premium payments etc.

Employee portal:

- ✓ Individually configured by the respective Allianz intermediary
- ✓ Integrated corporate pension calculation tool
- ✓ Direct contact to competent Allianz intermediary
- ✓ Forwarding of the request for contract conclusion
- ✓ Usable on desktop, tablet and smart phone



GOOD TO KNOW!

The security standards of FirmenOnline are similar to those applied in online banking. The portals are of course in full conformity with data protection laws.

WE SHOULD MAKE A JOINT YOUR OCCUPATIONAL RETI

In light of our many years of experience, our financial strength and proven consulting expertise we are convinced that we are the perfect partner for your occupational pension solution.

6 GOOD REASONS SPEAKING IN FAVOR OF ALLIANZ AS YOUR PARTNER

1. Superior financial strength

Total assets under management amount to **EUR 296.7 billion** according to market values in 2019, which corresponds to 25.7% of assets held by all German life insurers.

2. Solid basis

Total reserves in 2019 amounted to **EUR 69.3 billion**, which corresponds to 29.0% of our total assets. 6.1% points more than the average of insurance companies (or 8.1% points more than the market without Allianz, i.e. the competitors).

3. Full trust

80 out of 100 of the largest companies choose Allianz for the implementation of their occupational pension plans.

4. Maximum efficiency

0,7% of premiums earned in 2019 were used for administration, the market average remains at 2.0%.

5. Unique cooperation

In Germany, Allianz provides services to over **20 million customers**. Our approx. 27,000 intermediaries provide competent advice and approx. 27,000 employees do their best every day to satisfy our customers. This truly is an impressive network of cooperation.

6. A convincing record

In 2019, the maturity benefits, pensions, death benefits and surrender values paid out by Allianz Lebensversicherungs-AG to customers increased by 7.8% to a total of EUR 15 billion.



EFFORT TO SET UP PENSION PROVISION.



EUR
296.7
BN

IN TOTAL CAPITAL
ALLIANZ LEBENSVER-
SICHERUNGS-AG

20
MILLION
CUSTOMERS

80
OUT OF 100

OF THE LARGEST COMPANIES
CHOOSE ALLIANZ FOR
THEIR OCCUPATIONAL
PENSION PLANS

YOUR ADVANTAGES AT A GLANCE

- Individual occupational pension concepts (e.g. target group solutions, funding options)
- Annual meeting to review the occupational pension concept
- Online platforms for employees (FirmenOnline employee portal, My Allianz) for the employees
- Annual digital benefit report
- Personal contact person for your occupational pension plan

LET'S START NOW – THE FUTURE DOESN'T WAIT!

Together we will ensure the success of your company and the future of your employees. Your Allianz pension specialist will be pleased to help setting up a perfect occupational pension plan.

THIS INFORMATION IS IMPORTANT FOR YOU IF YOU:

- want to set up an occupational pension plan in order to make your company and your employees fit for the future.
- want to help ensure the quality of life of your employees in old age.
- want to stay ahead of your competitors when it comes to attracting and retaining talent.
- want to benefit from new legislation strengthening occupational pensions and providing various tax incentives.
- look for an occupational pension partner who provides the best financial security and relieves you of most of the administrative tasks – by providing state-of-the-art digital services.

Our General Terms and Conditions for Insurance Contracts apply. Providing this information in English is a special service for you. All policy documents sent to you shall be in German. All communications on your policy relationship shall also be in German.

Allianz bAV

www.allianz.de/bAV

www.allianz.de/zeitwertkonto

We are here to assist you!

