

**Company
pension plan:**
It just works.



**Company pension scheme
DirectPension I Employee**

**Just the right thing
for my retirement provision.**



The reliable company pension scheme that you deserve.

After your working life is over, you want to be able to enjoy your well-deserved retirement without any worries – and, of course, maintain the standard of living you are accustomed to. However, the state pension only provides you with basic cover. That's why it is important to arrange your own additional pension provision. This is particularly easy and reliable as part of a company pension scheme.

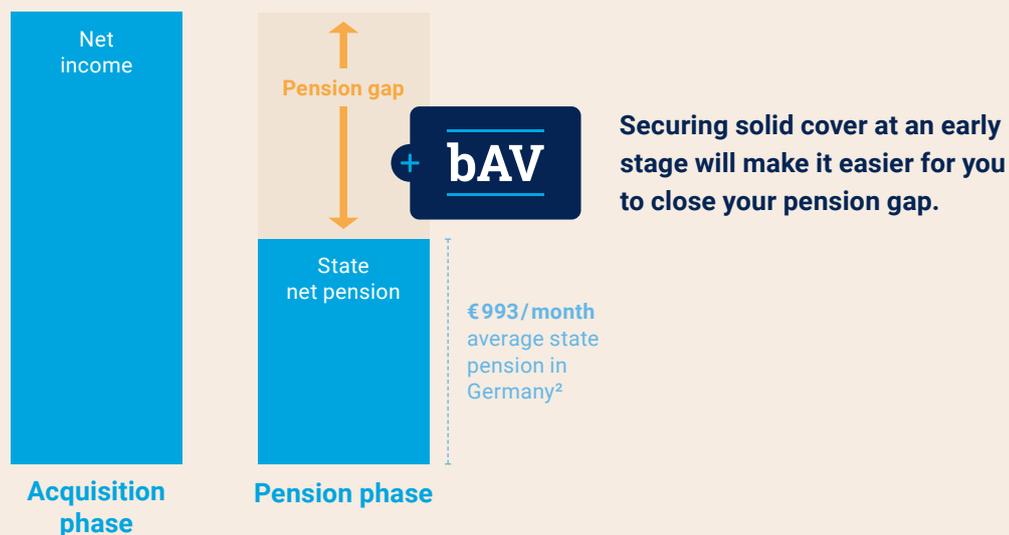
A company pension scheme (bAV) is working for your future.

With the help of a company pension scheme, you can set up a second pillar to provide for your retirement, and do so with the help of your employer. You even have a legal right to this: As an employee subject to paying compulsory pension insurance contributions, you have the right to participate in a company pension scheme in the form of so-called “deferred compensation”.

The DirectPension from Stuttgarter Versicherung is just right for this: Because with direct insurance, contributions are paid via the employer and are free of tax and, if applicable¹, social security contributions. And a company pension scheme with such a financially stable and experienced insurer like Stuttgarter means that your retirement provision is built on a solid foundation.

These days, the state pension is no more than a “half measure”.

You should expect your state pension to only amount to around 50% of your final net income. Not much to live on, and definitely not enough to enable you to get the most out of your hard-earned retirement.



¹ Social security contributions may only be saved within the respective contribution assessment ceilings of the social security categories. Contributions to direct insurance are generally limited in accordance with Article 3 No. 63 of the German Income Tax Act [EStG] to 4% of the contribution assessment ceiling (2023: €3,504 p. a.) in the general pension insurance (West) per annum exempt from social security contributions.

² Statistics from Deutsche Rentenversicherung, 2021.

Deferred compensation: 3 stakeholders – one good solution.

Direct insurance is a pension scheme. Your employer is the policyholder and you, as the employee, are the insured person. You are entitled to the benefits generated from direct insurance through deferred compensation right from the beginning (immediate irrevocable entitlement).



At the agreed start of benefits, Stuttgarter Lebensversicherung a. G. will pay the benefits from the company pension scheme under the terms of the insurance policy (lifelong retirement pension, one-off full or one-off partial capital payment) less any health and nursing care insurance contributions that may be due.

Build up a strong pension with state support.

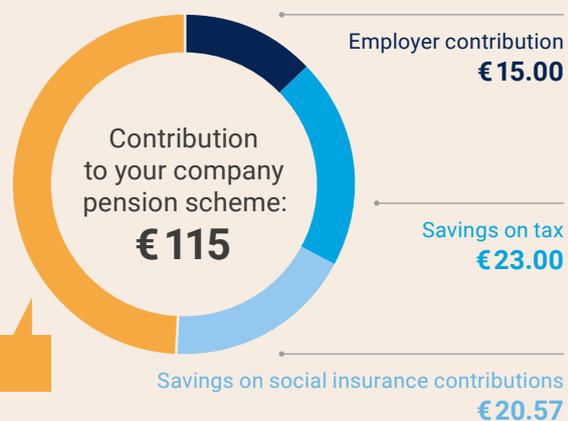
Extra high company pension at an extra low net expense.

Through the state funding of direct insurance you can obtain substantial provision at a relatively low net expense.

Sample calculation 2023:

Calculation basis: Age 30, tax class I, gross annual earnings €36,000, no children, no church tax, tax and social security values from 2023, general contribution rate for health insurance 14.6%, additional contribution for health insurance 1.6%, nursing care insurance 3.4%

| | |
|--|-----------------|
| Your gross expenditure (deferred compensation) | € 100.00 |
| + employer contribution | € 15.00 |
| = Total contribution to your company pension scheme | € 115.00 |
| - Your savings on tax | € 23.00 |
| - your savings on social security contributions | € 20.57 |
| = your net monthly expenditure | € 56.43 |



Subsidies in direct insurance.

- In the first employment relationship – i.e. in wage tax classes I to V – contributions of up to 4% of the contribution assessment ceiling (BBG) in the general pension insurance (West) can be converted into direct insurance each year free of tax and, if applicable, social security contributions (2023: 3,504 euros p.a.).
- With the agreement of your employer and subject to certain requirements, a further 4% of the contribution assessment ceiling can be additionally paid into direct insurance each year and be exempt from tax. In individual cases, the maximum amount of the tax incentive may be lower, e.g. by offsetting another tax incentive according to Section 40b EStG.
- Insofar as your employer saves on social security contributions due to your deferred compensation in direct insurance, in principle, they are obliged to provide you with an allowance for the deferred compensation. That allowance amounts to a maximum of 15% and must be paid for any new deferred compensation as of 2019, and also for all existing deferred compensation from 2022.
- In the pension phase, benefits from subsidised contributions and additional payments are fully subject to income tax in accordance with Section 22 no. 5 EStG. Beneficiaries, who are members of a statutory health insurance fund, must pay the full general contribution rate for their health insurance fund for all capital and pension benefits from the company pension scheme themselves.

You have the freedom to choose how your pension is paid.

In accordance with the statutory requirements, Stuttgarter offers you flexibility over how your company pension scheme is paid out.



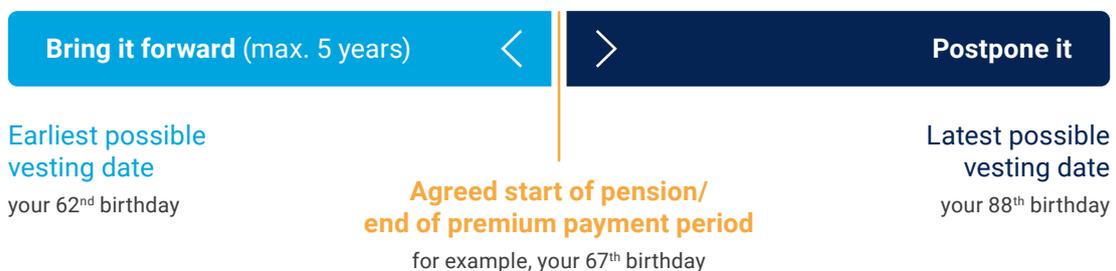
In principle, you are able to choose from among **3 payment options:**

- 1 Lifelong retirement pension
- 2 One-off full capital payment
- 3 One-off partial capital payment
(1 to 30%) with residual pension

When you retire is your decision.

The retirement pension or the available company pension scheme capital will be paid out as of the agreed vesting date. The earliest possible vesting date is your 62nd birthday and the latest possible starting date is your 88th birthday.

You decide for yourself when you retire.



The insurance benefits specified in the insurance policy (e.g. retirement pension, capital payment) are based on the assumption that the agreed premiums will be ongoing. If there is a change to the premium (e.g. if the agreed starting date of the pension is rescheduled, or if there are non-contributory periods or premium reductions or increases), the insured benefit will change based on the underlying rate of Stuttgarter Lebensversicherung a.G.

Stuttgarter DirectPension: Your advantages at a glance.

The premiums paid into to your DirectPension are exempt from **tax and possibly also social security contributions.**



In the event of parental leave or illness, you can continue to pay the contributions yourself, defer them or **interrupt their payment.**



You can change the **death benefits for the pension phase up to the start of the pension phase.**



The **flexible vesting date** means you can agree to bring forward or defer the date when you start drawing your pension.



You can choose from among **3 possible forms of payment** – lifelong retirement pension, one-off full or one-off partial capital payment.



Good to know

Questions and answers for you as employee.

"What happens if I don't live to see the start of my pension?"

The death benefit is then payable to the surviving beneficiaries. These are, for example, a widow/widower or life partner, children (in the meaning of Article 32 (1) to (3), (4) sentence 1 no. 1 to 3 and (5) EStG and persons deemed to be their fiscal equivalent in the company pension scheme), as well as a life companion of the person entitled to a pension who was living in the same household. Parents, siblings and children not eligible for child benefit do not qualify as surviving dependants entitled to a pension. Death benefits will be paid out if there are no surviving dependants entitled to a pension. The benefits in the event of death are then limited to the maximum amount permissible under corporate tax laws for death benefit funds. You can find details and other necessary requirements in the application.

"What happens to my DirectPension if I change employers?"

It is always possible to continue with a new employer. Alternatively, you can also continue the insurance policy with you as the policyholder with your own premiums or it can be discontinued.

"What happens to my DirectPension if I become unemployed, and will DirectPension be credited to ALG II (Bürgergeld) unemployment benefit?"

In principle, it is possible to continue DirectPension privately or make it non-contributory (set minimum limits must be observed). If you get Bürgergeld benefits, the pension set up by the employer will not be affected. This means that you retain your policy even if you draw ALG II unemployment benefit.

"What happens if my employer becomes insolvent?"

In the event that your employer becomes insolvent, you will have an irrevocable entitlement right from the start – your pension is protected.

"What happens if the insurance provider becomes insolvent?"

Your policy will be secured, if necessary, through the statutory security fund "Protector".



“What do I have to do if I take parental leave?”

The policy can be continued with private premiums or made non-contributory (set minimum limits must be observed). Premiums may also be paid for periods in the past subject to certain conditions.

“Are benefits from DirectPension credited to possible basic provision in old age?”

An allowance for voluntary pension provision was introduced in 2018. As a result, the previous credit to the basic provision is significantly mitigated.

“Are there any “implications” when I make savings from my gross salary?”

Yes, there are. Your social security entitlements will be reduced, insofar as the income subject to social security is reduced due to deferred compensation. This applies, for example, to daily sickness benefits, your state pension and the unemployment benefit I. Deferred compensation can be used to fall below the compulsory insurance limit in the statutory health insurance (GKV) and the statutory nursing care insurance (GPV). This may result in (further) insurance being required for statutory health insurance and nursing case insurance cover. In the pension phase, benefits from subsidised contributions and additional payments are fully subject to income tax in accordance with Section 22 no. 5 EStG. Beneficiaries, who are members of a statutory health insurance fund, must pay the full general level of premium for their health insurance fund for all capital and pension benefits from the company pension scheme and the full general level of premium for their long-term care insurance themselves.

Typically Stuttgarter

Our motivation:

**We
care!**

Our promise:

-  Competence
-  Innovation
-  Closeness
-  Reliability

Your pensions expert:

For better readability, we refrain from the use of gender-specific phrasing. All references to persons apply to all genders.

Legal notice: this document is promotional material. The information it contains consists of brief, non-binding descriptions. Only the tariff provisions and terms of insurance shall apply.

Only the promotional material is printed in English. The language of the policy is exclusively German, so the policy documents, including the insurance terms and policy information, are written exclusively in German. The communication during the term of the policy is also conducted in German.

6.2.006 – as of 12/2022

