FMA MINIMUM STANDARDS

FOR INFORMING THE
BENEFICIARIES OF
PENSIONSKASSEN
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I. INTRODUCTORY REMARKS

These FMA Minimum Standards refer to the information that is sent by Pensionkassen to beneficiaries (entitled and recipients) when being included in Pensionskassen provision as well as their leaving the company prior to the occurrence of a benefit event.

The addressees of these FMA Minimum Standards are all Pensionskassen pursuant to Article 1 PKG. They shall apply accordingly to institutions pursuant to Article 5 no. 4 of the Pensionskassen Act (PKG; Pensionskassengesetz). These FMA Minimum Standards do not constitute a Regulation. They serve as guidance and reflect the FMA's legal interpretation and the FMA's practical recommendations for conduct about information provided by Pensionkassen to beneficiaries (entitled and recipients) upon inclusion in the Pensionskasse provision as well as prior to the occurrence of a benefit event. No rights and obligations beyond those stipulated in the legal provisions can be derived from these Minimum Standards. The FMA reviews on a case-by-case basis whether legal provisions were also breached due to the non-observance of recommendations in minimum standards.

These FMA Minimum Standards do not prevent Pensionkassen from setting higher standards.

The previous FMA Minimum Standards for informing beneficiaries of Pensionkassen published in December 2013 are replaced by these Minimum Standards.

II. INFORMATION TO BENEFICIARIES (ENTITLED) UPON THEIR INCLUSION IN THE PENSIONKASSE PROVISION

The Pensionkasse supports the employer with regard to the information that is given to beneficiaries (entitled) upon their inclusion in the Pensionkasse provision¹. The aim is to ensure that the beneficiaries (both entitled and recipients) are informed in a clear and comprehensible way about their pension commitment. The Pensionkasse in particular supports the employee in the drawing-up of the following information about

- the general functioning of a Pensionkasse;
- the scope of benefits, in particular:
  - the conditions that need to be satisfied for a claim to an (early) old-age pension and the calculation method upon which the amount of the (early) old-age pension is determined;

¹Art. 19 para. 2 PKG
– the conditions that need to be satisfied for a claim to an occupational invalidity pension and the calculation method upon which the amount of the occupational invalidity pension is determined; Furthermore, the conditions under which the claim to an occupation invalidity pension expires are also listed;

– the conditions that need to be satisfied for a claim to survivors’ benefits and the calculation method upon which the amount of the occupational survivors’ benefits is determined; Furthermore, the conditions under which the claim to survivors’ benefits expires are also listed;

– in the case of beneficiaries (entitled), the claims at the time of leaving the company prior to the occurrence of a benefit event. Where a vesting has been prescribed, then the timeframe is to be stated and its significance explained;

– the conditions under which benefits may be paid off;

 the employee’s option to pay their own contributions as well as the administrative processing of such contributions, especially by way of the premium-sponsored employee contributions in accordance with Article 108a of the Income Tax Act (ESiG; Einkommensteuergesetz);

 how contributions and benefits are treated from a tax perspective,

 The URLs of the web pages of the Pensionskasse, where information is also displayed for beneficiaries (both entitled and recipients).

For the case that forward-looking projections are made, the following limits for the parameters shall not be exceeded:

 annual yield from investment: the maximum technical surplus according to the Pensionskasse contract and/or the business plan;

 Pension increase: the maximum difference from the technical surplus less the assumed interest rate according to the Pensionskasse contract and/or the business plan;

 assumed interest rate: maximum assumed interest rate according to the Pensionskasse contract and/or the business plan;

The assumptions taken and parameters are stated and explained. Moreover, it should be clarified that the calculation is not based on a guaranteed assumed interest rate. The consequences of an under-running of the technical surplus and/or the assumed interest rate should also be pointed out.
III. INFORMATION IN THE CASE OF LEAVING THE COMPANY PRIOR TO THE OCCURRENCE OF A BENEFIT EVENT

The Pensionskasse shall in particular inform beneficiaries (entitled) in the event of their leaving the company prior to the occurrence of a benefit event about:

- Name, location of the central headquarters, legal form and registered office of the Pensionskasse as well as of any branch;

- Name, address, legal form and registered office of the (former) employer with which the Pensionskasse contract was concluded;

- Reporting date to when the information relates;

- Name, gender and date of birth of the beneficiary (entitled);

- The amount of the vested amount, broken down into:
  - vested amount from employer contributions;
  - vested amount from employee contributions in accordance with Article 108a EStG, Article 108i para. 1 no. 3 lit. c EStG and Article 17 para. 1 no. 4 lit. c of the Company Employee and Self-Employment Provisions Act (BMSVG; Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz);
  - vested amount from other employee contributions;

- the date of leaving the company;

- The disposal options for the vested amount pursuant to Article 5 paras. 2, 3 and 4 of the Company Pension Act (BPG; Betriebspensionsgesetz);

- the administrative processing including a pre-prepared reply letter, with the help of which the entitled beneficiary is able to choose the desired disposal option, and where applicable in the case of opting for a settlement may enter their bank details;

- the tax on salaries deducted in the case of a settlement in accordance with Article 67 para. 8 lit. e EStG.