

# MY PENSION EXPLAINED SIMPLY

If I've worked for at least 10 years on a salary, I'll be entitled to a pension.

YEARS OF SERVICE

To build up my pension rights, 24% of my gross salary is paid into the public pension insurance scheme each month.

24%

PUBLIC PENSION INSURANCE

Statutory pension scheme of the National Pension Insurance Office

HOWEVER, I'M NOT TAKING CARE OF THIS 24% ALONE...

General pension scheme

VS

Special scheme

SELF-EMPLOYED

16% ME 8% STATE

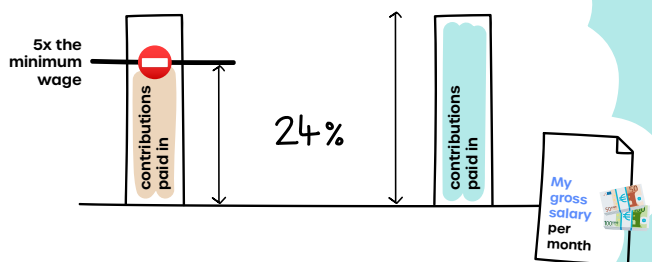
EMPLOYEE

8% ME 8% MY EMPLOYER 8% STATE

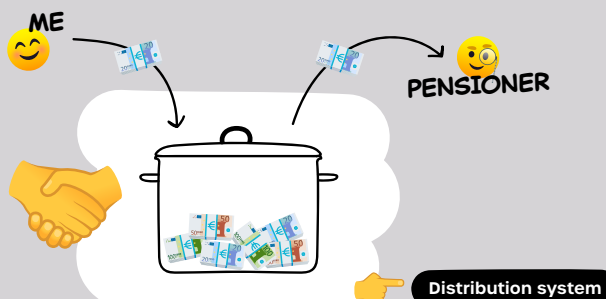
CIVIL SERVICE

8% ME STATE BUDGET

For the same salary, contributions under the general scheme are capped at five times the minimum wage. Anything that exceeds is not paid into the pension system. In the special scheme there is no cap on contributions.



The entire system is based on solidarity. My contributions finance the pensions of those who are currently retired.

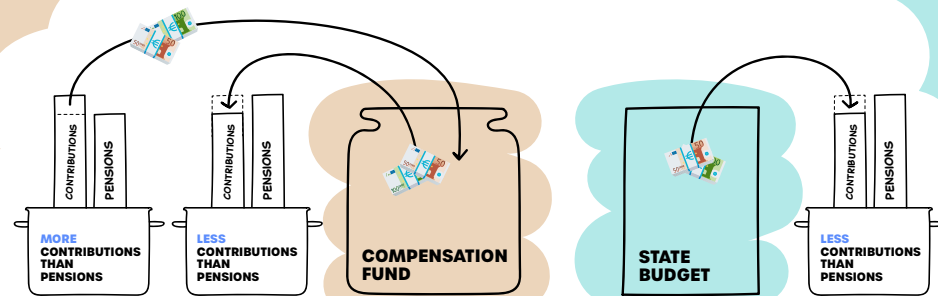


## WHAT HAPPENS TO MY CONTRIBUTIONS?

General pension scheme

VS

Special scheme



If the amount of contributions to the general scheme exceeds the cost of pensions, the surplus is paid into the Compensation Fund. If the opposite is the case, the Fund can make up the difference.

In the special scheme, the difference is balanced out via the state budget.

## HOW IS MY PENSION CALCULATED?

My pension is made up of a fixed part and a variable part.

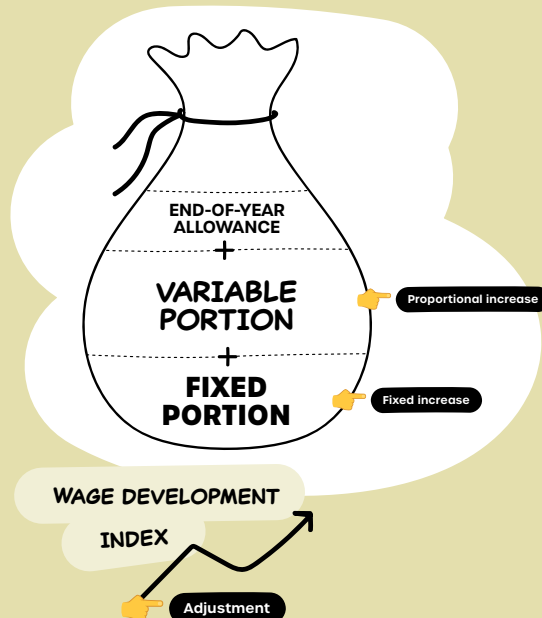
The fixed portion is linked to the number of years worked.

The variable portion depends on all the income I've earned during my working life and for which I've paid contributions.

An end-of-year allowance of maximum €958.92 is also allocated.

My pension increases automatically thanks to the indexation mechanism and is thus adapted to inflation.

What's more, it is adjusted each year in line with changes in real wages.

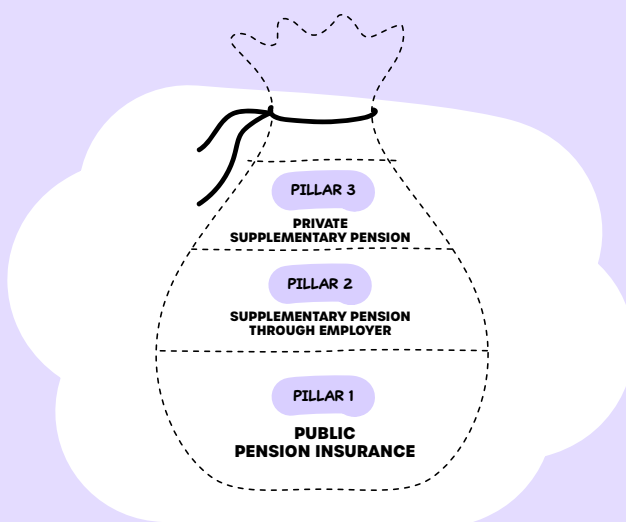


## CAN I INCREASE MY PENSION?

Public pension insurance forms the basis of my retirement and represents the so called first pillar.

In addition, my employer can offer me a supplementary pension in the private sector on a voluntary basis. This also applies to self-employed professionals.

I also have the option of contributing individually to a supplementary pension plan. This is the third pillar.



## AND WHEN CAN I RETIRE?

If I have worked for at least 10 years, I can retire at age 65.

I can retire at 60 if I've worked 40 years by then. Education and "baby years" are also recognized.

I can also retire at 57, if I've worked 40 years by then.

