

VBLspezial

for Employees



January 2024

For employees with a short-term scientific position in academia or research in the eastern Länder of Germany

Content

- 1 Your choice within the supplementary pension scheme.
- 2 Your choice for VBLklassik.
- 3 Your choice for VBLextra.
- 4 Decision-making aid for employees in the eastern Länder of Germany.
- 5 Increasing your pension provisions.
- 6 How to apply for a pension.
- 7 Changes in your employment contract.
- 8 Contacting the VBL.

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Dear researcher, dear scientist,

Employees in the public sector benefit from an additional pension provision under the Tarifvertrag Altersversorgung (Collective Labour Agreement on Pensions – ATV). Consequently, employers register their employees for the compulsory insurance with the VBL (VBLklassik). However, there is a special arrangement for employees in science and research. They are typically only employed for short periods of time and often do not have the opportunity to fulfil the waiting period required for a pension entitlement in VBLklassik. Therefore, they are presented with a choice. They can choose between VBLextra for Researchers and VBLklassik. In such cases, their employer has to provide supplementary pension coverage through VBLextra in place of VBLklassik. The benefit: They acquire a pension entitlement without having to meet the VBLklassik waiting period requirement.

This VBLspezial includes the most important information for you on the special arrangement under section 2 (2) ATV.

Here you will find the following information:

- under which conditions you can choose between VBLklassik and VBLextra.
- which differences between these insurances are relevant for your decision.
- What are the considerations in the event of a subsequent change of employment.

Our team of consultants will be happy to assist you with any questions you may have.

Yours sincerely,

Joachim Siebert
Head of Customer Management

1 Your choice within the supplementary pension scheme.

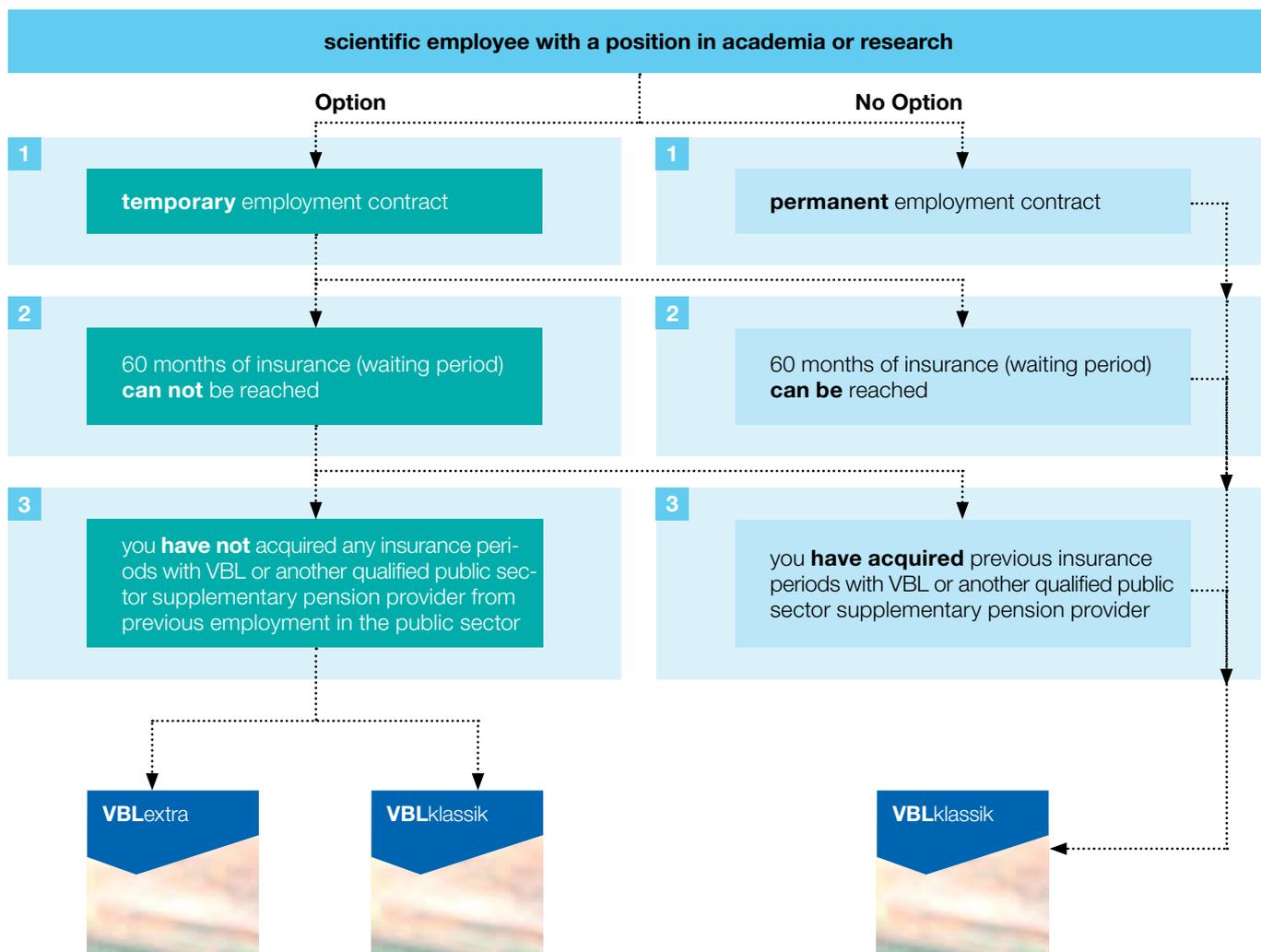
You have signed a temporary employment contract as a scientific employee with a position in academia or research. If - due to this temporary employment - you are unable to fulfil the waiting period which is a prerequisite for a pension entitlement in the VBLklassik scheme (compulsory insurance), you might not be entitled to receive a pension later on. Therefore, it can be worthwhile to opt for an insurance in the VBLextra instead of the VBLklassik scheme. In the VBLextra there is no waiting period requirement for receiving a pension.

You will be registered in the VBLklassik scheme by default. Please note that once your employment has started, you have **two months** to exercise your right of choice and opt for the VBLextra. Please submit your application via your employer. If the prerequisites are met, your employer will register you for VBLextra, and later on, you will receive pension benefits from this part of your VBL insurance.

We suggest that you base your decision between the two different types of insurance schemes on the following:

- (1) Firstly, please check the prerequisites – in the chart below – to see whether you have an option or not.
- (2) If you do have an option, please resort to chapter 4 of this brochure to find more detailed information about the characteristics of each of the two pension schemes to further facilitate your decision.

1.1 You have the option to choose between VBLextra and VBLklassik if the prerequisites in the left column (highlighted turquoise) are met:



2 Your choice for VBLklassik.

Choosing VBLextra instead of VBLklassik is not a must. For various reasons, it may make sense to opt for the VBLklassik in individual cases. We have summarised some of the main arguments in our decision aid in section 4. If you have any questions, our customer service specialists will be happy to advise you personally (see section 9 for contact details).

If you decide in favour of VBLklassik, you do not need to make any further arrangements. Your employer will register you for insurance with us after the start of your employment relationship. However, you will only receive the full pension benefits from the VBLklassik, i.e. based on employee and employer contributions, if you fulfil the required waiting period when the insured event occurs (see section 4.2). In contrast to the VBLextra, your pension entitlements can be increased by social components (e.g. additional pension points in the event of maternity leave, parental leave and reduced earning capacity). If you do not fulfil the waiting period, you will receive pro rata pension payments resulting from your own contributions when the insured event occurs.

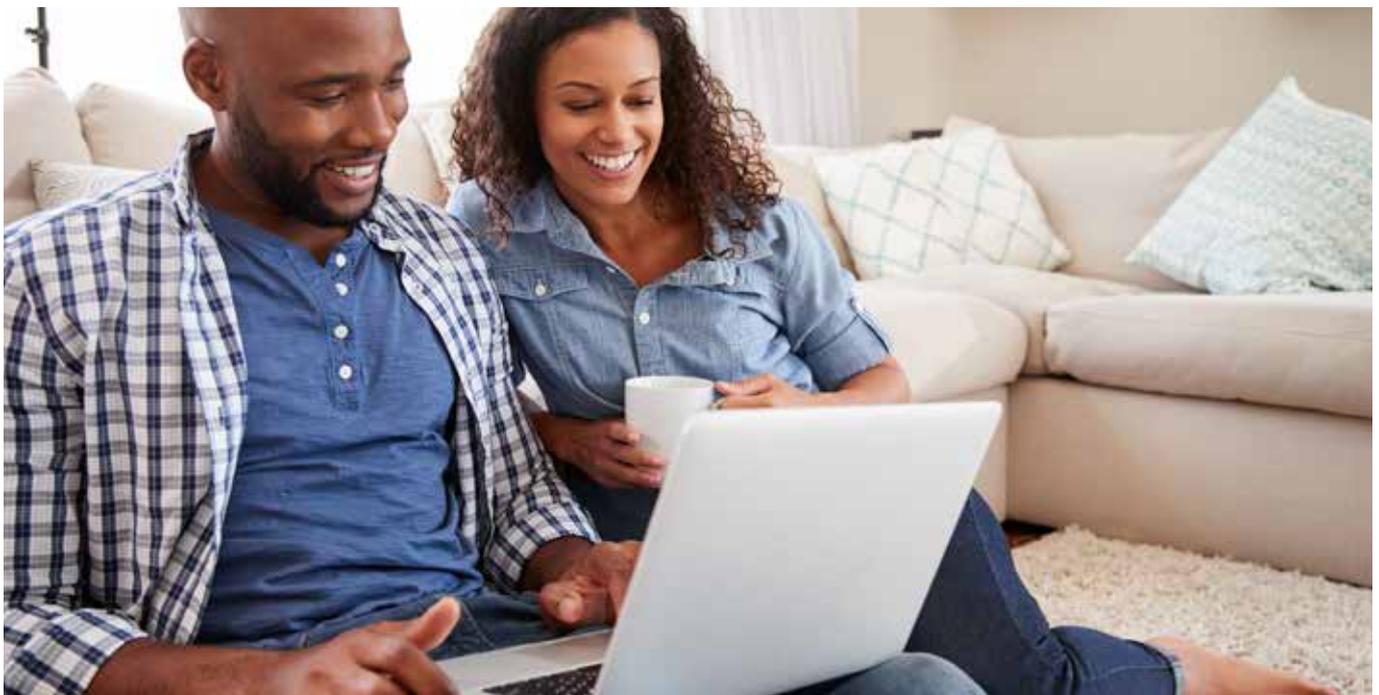
All details about the VBLklassik insurance are described in detail in our product brochure (available only in German). You can find it on our website www.vbl.de, in the Service/Download centre/Compulsory insurance VBLklassik/Product information section.

The expenses for VBLklassik (premiums and contributions) are calculated on the basis of your pensionable salary. While the contributions are borne by your employer alone, the premiums to the capital cover of 2.00 per cent each are to be paid by your employer and you.

In addition to the employee premium, an additional employee contribution of 2.25 per cent is levied for the capital cover system.

Taxes and social security contributions may also be added to the employer's contribution. The contributions to the capital cover are generally exempt from tax and social security contributions.

	Employer's share	Employee's share
Contributions	1.06 %	0.00 %
Premiums	2.00 %	4.25 %





3 Your choice for VBLextra.

If you opt for the exemption from VBLklassik, your employer will register you for VBLextra insurance in accordance with Section 28 (1) VBL (VBL statutes). VBLextra therefore replaces VBLklassik. As in the VBLklassik, benefits in the event of reduced earning capacity and for surviving dependants are also provided in addition to the retirement pension.

In contrast to the VBLklassik, however, no waiting period has to be fulfilled in the VBLextra in order to claim a full company pension. This means that employees with a fixed-term scientific employment contract acquire full entitlement to benefits under VBLextra with their first contribution payment.

The calculation basis for VBLextra was changed on 1 June 2016. This was necessary due to the ongoing phase of low interest rates. The guaranteed benefits in VBLextra are therefore lower than in VBLklassik. However, the actual

pension benefits may increase further due to the distribution of surpluses.

The insurance conditions (AVBextra 04) valid since 1 June 2016, the consumer information and the VBLextra product brochure are available in German on our website www.vbl.de under Service/Download centre/Voluntary insurance/VBLextra.



VBLextra provides you with a capital-funded company pension scheme. You and your employer each pay half of the costs of 4 per cent based on the pensionable salary, i.e. 2 per cent. These contributions to VBLextra are generally exempt from tax and social security contributions.

	Employer's share	Employee's share
Premiums	2.00 %	2.00 %

4 Decision-making aid for employees in the eastern Länder of Germany.

If you fulfil the requirements for an exemption from VBLklassik, you can only submit a corresponding application to your employer within two months of starting your employment.

Below you will find an overview of the main arguments that you should consider when deciding in favour of VBLklassik or VBLextra.

Please note that our “decision aid” cannot cover all the particularities of individual cases. We therefore recommend that you contact us if you have any questions.

4.1 Important differences between VBLklassik and VBLextra:

I opt for VBLklassik because ...

my employment contract may be extended beyond five years or it seems likely that I will work in the public sector again at a later date.

Key features of the VBLklassik:

- Occupational pension (old-age, reduced earning capacity and surviving dependants' pension) with an interest rate of 3.25 per cent in the savings phase and 5.25 per cent in the pension phase plus an annual pension increase of 1 per cent
- Increase in occupational pension through social component in the event of maternity leave, parental leave and reduced earning capacity
- In principle, fulfilment of a waiting period of 60 contribution months required for full pension entitlement; statutory vesting in accordance with the Occupational Pensions Act must be given priority (see section 4.2)
- Pro rata pension benefit for employees' own contributions if waiting period not fulfilled; therefore, no contribution reimbursement possible
- Reductions for early retirement of 0.3 per cent per month; maximum 10.8 per cent
- Mutual recognition of insurance periods with other supplementary pension funds in Germany
- In principle, there is no possibility of transferring the entitlement, except to institutions of the European Union

VBLklassik



I opt for VBLextra because ...

my employment contract will probably not be extended beyond five years and I do not think it is likely that I will work in the public sector again later.

Key features of VBLextra:

- Occupational pension (old-age, reduced earning capacity and surviving dependants' pension) currently with 0.25 per cent guaranteed interest (plus any surplus participation)
- No waiting period required for pension entitlement
- No refund of contributions possible, as pension entitlement is immediately vested
- Continuation of VBLextra possible after termination of the employment relationship
- The capital value of the occupational pension can be transferred to other pension schemes but certain conditions must be met (so-called portability)
- Lump-sum or partial lump-sum payment possible at the start of retirement
- Retirement pension without deductions on reaching the age of 65. For early retirement 0.3 per cent reduction or 0.2 per cent supplement for each month of later retirement.

VBLextra



4.2 Important information on the qualifying period.

The statutory vesting period for occupational pension entitlements was reduced from five to three years from 1 January 2018 in accordance with the law implementing the EU Mobility Directive. In future, this may be important when deciding whether to exempt temporary scientific employees from compulsory VBLklassik insurance in favour of voluntary VBLextra insurance:

From 1 January 2018, insured persons can acquire a vested entitlement based on the statutory regulation after just three years of insurance in the VBLklassik and thus be entitled to the full benefits from the VBLklassik in the event of an insured event, even if the waiting period of 60 contribution months is not met. Due to the shortening of the statutory vesting period, compulsory insurance may make sense in future if the employment relationship and thus the pension commitment has existed for at least three - instead of the previous five - years.

Example: The employment relationship of a person with a fixed-term academic contract begins on 1 January 2023. The employment contract is limited to three years until 31 December 2025.

- It is not possible to fulfil the waiting period for compulsory insurance of 60 calendar months of contributions, as only 36 contribution months can be completed.
- Yet, the shortened statutory vesting period can be fulfilled from 1 January 2023 to 31 December 2025.

However, the shortening of the statutory vesting period does not necessarily mean that the exemption from compulsory insurance according to Section 2 (2) ATV/Section 28 (1) VBL Statutes now only applies to temporary academic employees whose employment relationship is limited to less than three years. Academic employees on temporary contracts continue to have the right to choose whether they wish to be exempted from compulsory insurance in favour of voluntary insurance. As before, voluntary insurance instead of compulsory insurance will only be established at the explicit request of the insured person.

5 Increasing your pension provision.

In addition to your VBLklassik or VBLextra insurance in accordance with Section 28 (1) VBL, you also have the option of setting up a voluntary pension scheme with the VBL yourself in addition to the insurance taken out by your employer. Our recommendation: Don't miss out on the state subsidy (salary conversion/"Riester" benefits) to make additional provisions for your retirement at an early stage, even with small contributions.

You can only take out additional voluntary VBLextra insurance as long as you are still employed by the employer participating with us. After the termination of your temporary employment, you can continue an existing and still active voluntary VBLextra insurance scheme.

You can find more information on the options for voluntary insurance with VBL in our VBLextra brochure (available only in German). Our customer service will help you with any questions you may have about securing your state subsidy at an early opportunity. Simply give us a call.

6 How to apply for a pension.

Upon your application, you will receive your occupational pension from us as a reduced earning capacity or retirement pension when the insured event occurs. Your surviving dependants are also covered in accordance with the Statutes or the General Terms and Conditions of the VBL Insurance.

We have summarised all the special features of claiming your company pension from VBLklassik or VBLextra in a separate brochure named "Hinweise zur Betriebsrente" (available only in German). You can find this VBLspezial 03 on our website at www.vbl.de in the Service/Download Centre/VBLspezial section.

7 Changes in your employment contract.

VBLklassik.

You opted for VBLklassik at the start of your fixed-term employment contract. Please note the following considerations:

End of your employment after expiry of your fixed-term contract.

- You will be deregistered from the VBLklassik insurance when your employment ends. This results in a non-contributory insurance. You do not need to submit a special application for this. You will retain the entitlements you have acquired up to that point.
- It is not possible to continue your VBLklassik insurance through your own contributions after the end of your employment. However, if you have taken out additional voluntary insurance with us during your employment in the public sector, you can continue this after the end of your employment*.
- You cannot apply for a refund of contributions, as you are entitled to a (partial) pension when the insured event occurs.

Extension or continuation of your employment contract:

- There are no special considerations in this case. Your existing VBLklassik will simply be continued by your employer without having to make any separate arrangements.

Advice: We have compiled further information on possible “changes in the employment relationship” with an impact on the company pension scheme in a separate brochure. You can find this VBLspezial 02 on our website at www.vbl.de, in the Service/Download centre/VBLspezial section (available only in German).

VBLextra.

You opted for VBLextra at the start of your fixed-term employment contract. The following points should be considered:

Your employment contract comes to an end:

- Your VBLextra is made non-contributory by your employer when your employment relationship ends. The entitlement acquired in VBLextra up to this time is retained. It may be increased as part of the surplus distribution through the allocation of bonus points.
- You can continue your VBLextra, which was made non-contributory by your employer, with your own contributions after the end of your employment relationship*.

Extension or continuation of your employment contract:

- Your employer will register you for VBLklassik on the first of the month in which the extension or continuation of the employment was agreed for more than five years. Retroactively being insured in the VBLklassik from the beginning of the employment relationship is not possible. Upon enrolment in the VBLklassik, your employer will discontinue their previous payments into VBLextra. Instead, your employer will pay the contributions required for VBLklassik (see section 2).
- VBLextra will be made non-contributory by your employer at the end of the month preceding the start of your VBLklassik insurance. The entitlement acquired in VBLextra up to that point of time is retained. It may be increased as part of the surplus distribution through the allocation of bonus points.
- You can continue the VBLextra, which has been made non-contributory by your employer, with your own contributions*.

***Important:** The continuation of your VBLextra insurance can be requested from the VBL within three months after your employment has ended. Please simply use the application form enclosed with this brochure or contact our customer service in due time.

8 Online service.

On our website **www.vbl.de** you will find all relevant information about the VBL and your occupational pension scheme.

- Insurance information
- Online pension calculator
- Videos & webcasts
- Events
- VBLnewsletter
- Download centre
- Applications & forms

MeineVBL is your personal space in our VBL customer portal. By registering via our website, you can view your contract data at any time. Simply send us your requests or applications online.

You are welcome to take a look at **www.vbl.de/meinevbl**.

9 Contact.

Would you like to contact the VBL, do you have any questions or would you like an individual consultation?

All necessary information for accessing these services be found at www.vbl.de, under the heading Service/Consultation.



We look forward to hearing from you!



FindYourPension

Are you employed as a researcher in the public sector? The website www.findyourpension.eu gives you an overview of your pension entitlements in the different pension systems in various countries.