

VBLspezial

for Employees



January 2024

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

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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.

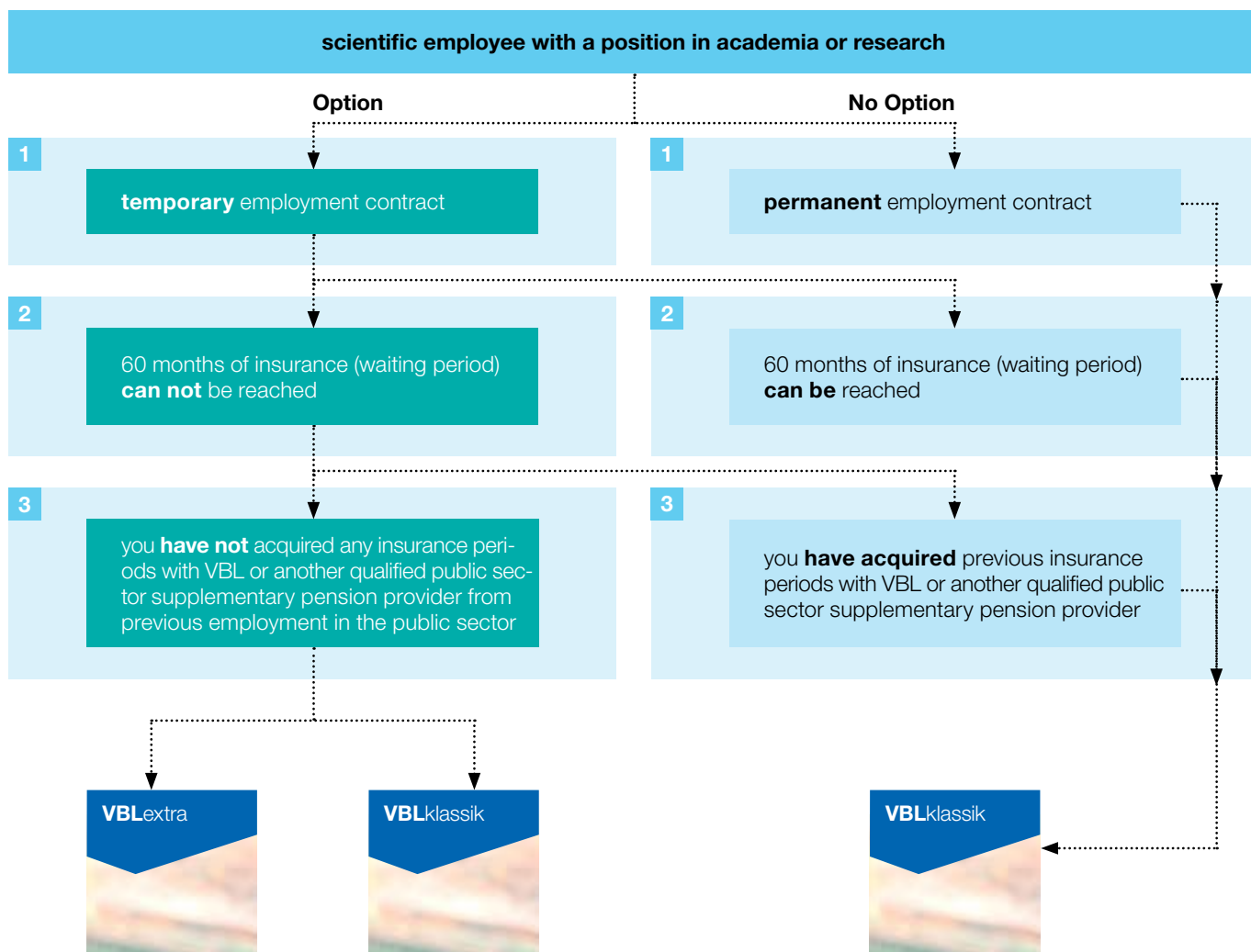
You have signed a temporary employment contract as a scientific employee with a position in academia or research. If - due to this temporary employment - you are unable to fulfil the waiting period which is a prerequisite for a pension entitlement in the VBLklassik scheme (compulsory insurance), you 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).

As you will be insured in the VBLklassik scheme by default, you do not need to do anything if you opt for VBLklassik. Your employer will register you in this scheme after your employment has started. Generally, you will only be entitled to a pension payment later on once you have fulfilled the waiting period of 60 months (please refer to 4.2 as well). Unlike VBLextra, the VBLklassik scheme offers social components (such as additional pension points while you are on parental leave, during periods of reduced earning capacity or in case of surviving dependants' pensions) which enhance your entitlements.

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 revenues for VBLklassik, which is a pay-as-you-go scheme, are calculated on the basis of your salary subject to the supplementary pension scheme. Your employer pays 5.49 per cent and you pay 1.41 per cent. In addition there is an employee-only contribution of 0.4 per cent. The employer's contributions are partly subject to tax and social security.

	Employer's share	Employee's share
Contributions	5.49 %	1.81 %





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) VBLs (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 for Researchers is a capital-funded scheme. Only your employer pays the contribution amounting to 4 per cent based on your salary. No employee contribution is paid. These employer-only contributions to the VBLextra are generally exempt from tax and social security.

	Employer's share	Employee's share
Contributions	4.00 %	–

4 Decision-making aid.

If you meet the requirements listed in the chart under chapter 1 and VBLextra for Researchers is your preferred choice, please keep in mind that there's a **two month** deadline in terms of submitting your application. Please apply via your employer.

Below we have listed some criteria and features which should help you to make your decision. This overview can not cover all relevant details of the customer's individual situation. Should you have any further questions please do not hesitate to contact us.

4.1 Important differences between VBLklassik and VBLextra:

I choose 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 VBLklassik:

- Occupational pension (old-age, reduced earning capacity and survivors' pension) with an interest rate of 3.25 per cent in the savings phase and 5.25 per cent in the pension phase. Plus pension indexation/increase of 1 per cent annually
- Increase in occupational pension through social components for maternity leave, parental leave and reduced earning capacity
- In principle, the VBL waiting period of 60 contribution months must be fulfilled for a pension entitlement; however, the legal vesting period according to the Occupational Pensions Act is to be given priority (see 4.2)
- Reimbursement/Refund of the employee's own contribution possible if neither the waiting nor the vesting period is fulfilled
- Reductions for early retirement of 0.3% per month; maximum 10.8%
- Mutual recognition of insurance periods with other supplementary pension schemes in Germany
- In principle, there is no possibility of transferring the entitlement, except to institutions of the European Union

VBLklassik



I choose 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 survivors' pensions) currently with a 0.25 percent guaranteed interest rate (plus possible surplus participation)
- No waiting period required for a pension entitlement since vested rights are accrued immediately, no reimbursement/refund of contributions is possible
- Continuation of VBLextra is generally possible after termination of employment
- Under very specific conditions the capital value can be taken to another occupational pension scheme (transferability)
- Lump-sum or partial lump-sum payment at the start of the pension possible
- Retirement pension free of deductions on reaching the age of 65. For early claiming 0.3 percent reduction or in the case of later claiming 0.2 percent supplement for each month

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) VBLS, 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 applying for a pension after the insured event has occurred, and given you have fulfilled the necessary requirements, you will receive either a reduced earning capacity or an old-age pension. Your surviving dependants will be covered as well, according to the respective provisions in the Terms and Conditions of the VBL Insurance (VBLS) or the terms and conditions of the VBLextra 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.

If you decided on VBLklassik, please take into account the following:

Your employment contract comes to an end:

- You will be de-registered from VBLklassik when your employment ends. This results in a non-contributory insurance. You do not need to submit a special application for this. Your vested rights acquired up to that point remain in place and are not lost.
- It is not possible to continue paying your own contributions to VBLklassik after your employment has ended. However, if you have taken out additional voluntary insurance with us, you can continue this after your employment has ended*.
- If neither the waiting nor the vesting period has been reached, you can apply for a refund of your own contributions before you turn 69.

Extension or continuation of your employment contract:

- There are no specific issues which you have to consider. Your existing VBLklassik will be continued by your employer without you having to arrange for a continuation.

***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.

VBLextra.

If you chose VBLextra for Researchers, please take into account the following:

Your employment contract comes to an end:

- Once your employment contract ends, no more contributions are paid by your employer. Any entitlement acquired up to this point remains intact and is not lost. An increase by the allocation of bonus points as part of the surplus distribution might be possible.
- You can continue this VBLextra, which your employer has made non-contributory, by paying your own voluntary contributions after the end of your employment.*

Extension or continuation of your employment contract:

- If your employment contract is extended or continued to a period over 5 or respectively 3 years, a change in your insurance follows. Your employer now has to register you in VBLklassik as of the month the extension was agreed on. VBLklassik cannot be backdated to the beginning of your employment. The preceding months in VBLextra do count in terms of reaching the waiting period, if certain requirements are met. **Requirements:** No interruption of your contract – not even one single day. The continuation/extension has to be with the same employer. Upon registering you for VBLklassik, your employer will stop paying into VBLextra and start paying contributions and your employee's share for VBLklassik (see chapter 2).
- Your VBLextra will be deferred. You retain your vested entitlement which has been accrued up to this time. Possible capital earnings increase the benefits.
- A continuation of your VBLextra by paying your own voluntary contributions is possible.

8 Online service.

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

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

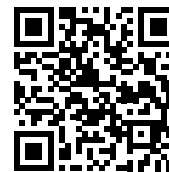
MeineVBL is your personal space in our VBL customer portal. By registering via our website, you can view your contract data at any time. Simply send us your requests or applications online.

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.