

PAYMENTS TO COMPANY PENSION SCHEME

2011 EXTRAORDINARY PAYMENTS

2012 Finance Bill

The Danish government has proposed a new Finance Bill which includes a lower limit of tax deductible payments for annuity pensions.

The limit is proposed to be lowered from DKK 100,000 to DKK 55,000.

If the bill is passed into legislation it will be expected to come into effect as soon as January 1, 2012.

Due to this, December 31, 2011, could provide the last opportunity to take full advantage of the higher tax deduction limit.

Extraordinary payments to your company pension scheme in 2011

Please contact your insurance adviser, should you wish to make extraordinary payments through your salary in November and/or December.

We will inform Accounts department and the insurance company which will in turn report the added payments to the proper authorities (SKAT).

SECURING YOUR TAX DEDUCTION AND PENSION SAVINGS

Tax deduction is handled automatically

If the combined payments to your annuity pension(s) exceed DKK 100,000, the insurance company will transfer the excess amount to a life-long annuity pension, thus retaining tax deductibility.

We expect this process to continue, even with the proposed lower limit of tax deductibility.

Payments are still fully tax deductible

Looking ahead, public spending will be put under increased stress due to more people retiring. This in turn means that your own pension savings will become increasingly important.

Payments made to life-long annuity pensions are still fully tax deductible and still make it possible for you to secure your retirement on favourable taxation terms.

Please feel free to contact your insurance adviser, if you have any questions.

Kind regards,
dahlberg assurance brokers