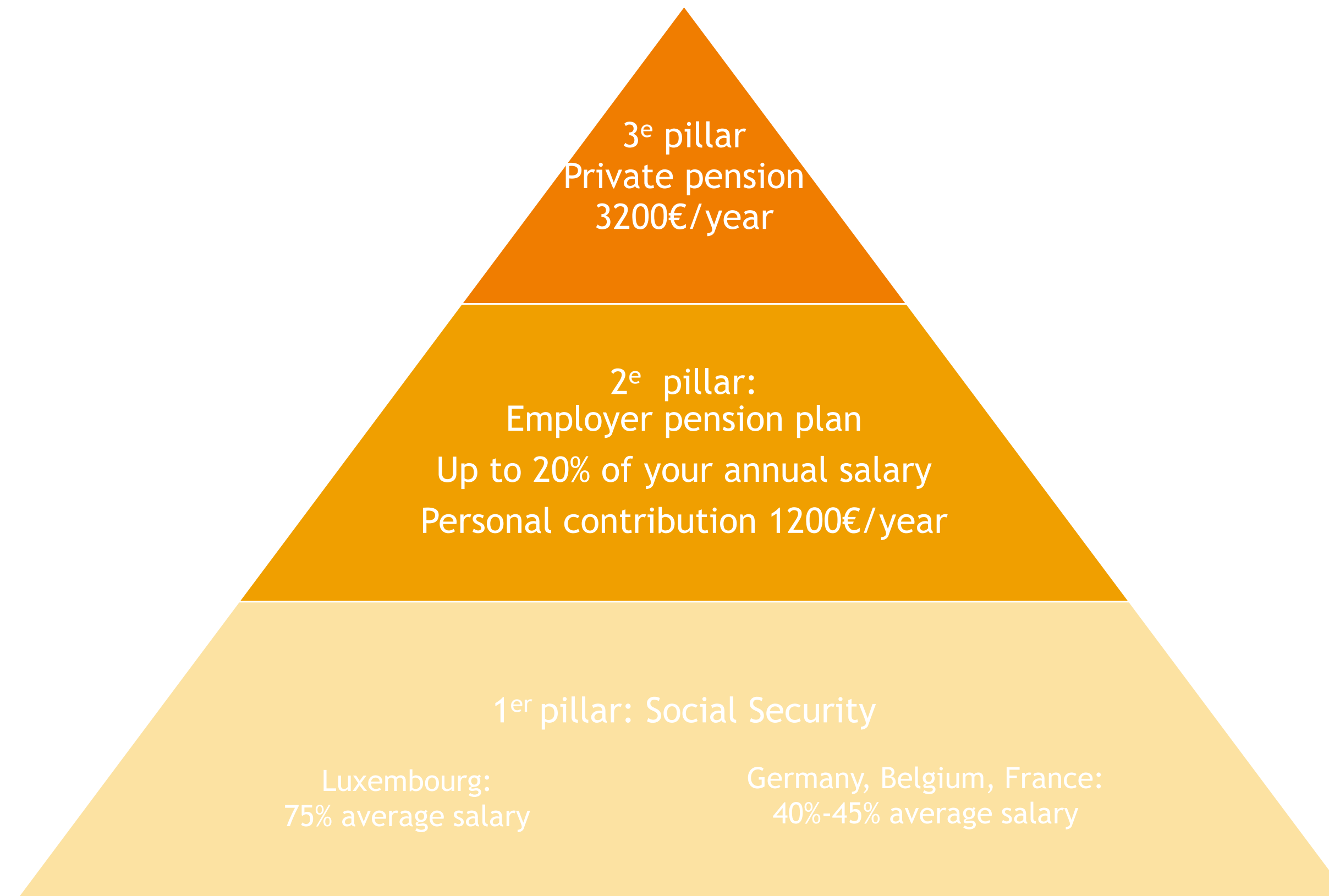




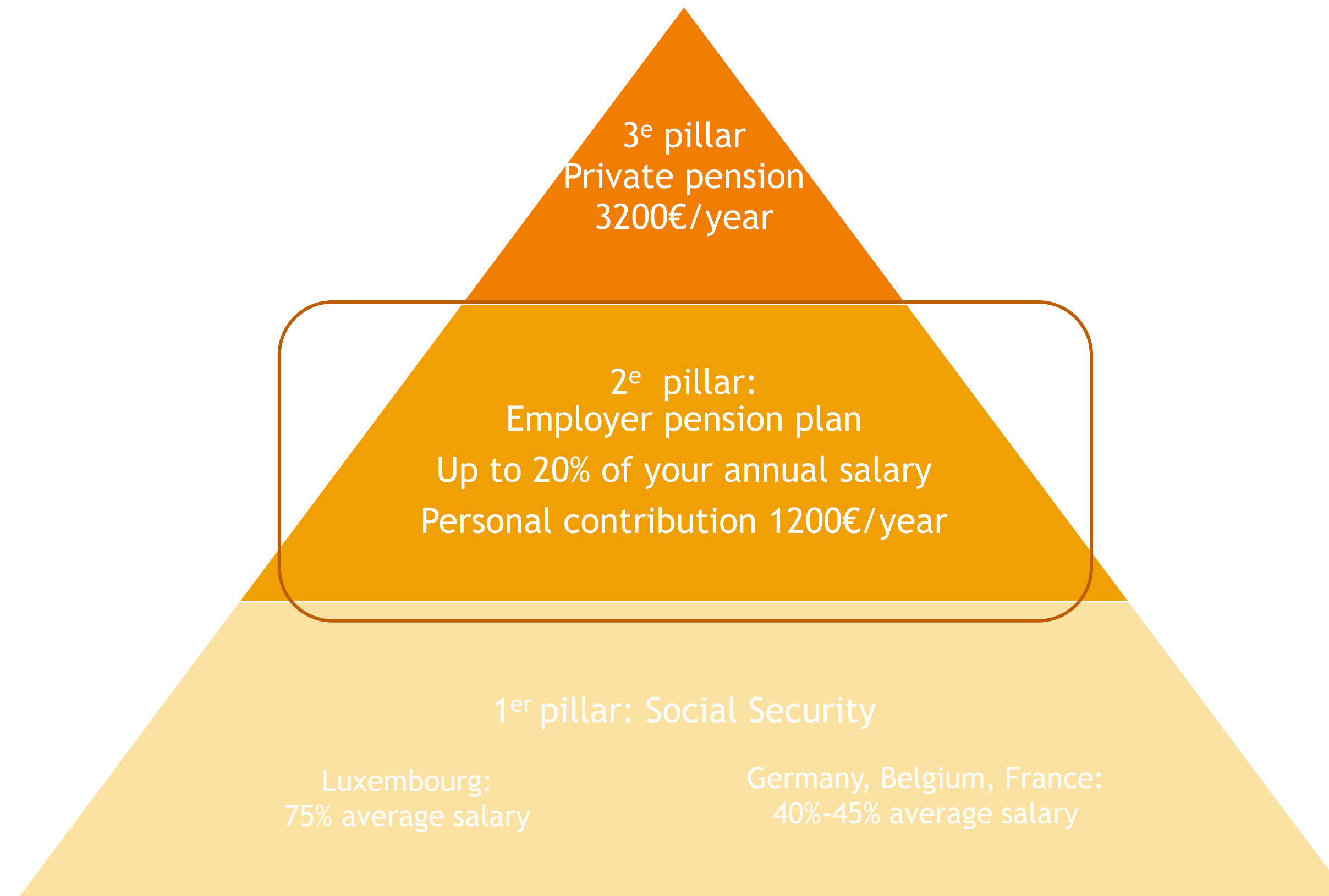
Retirement
Privat pension



Pension in Luxembourg



Pension in Luxembourg



2nd Pillar - Employer pension plan

- Employers in Luxembourg can set up a pension plan
 - For all employees or a category of employees
- Covers
 - Retirement
 - Death
 - Disability
 - Personal contributions
- Part of your salary package



2nd Pillar - Employer pension plan

- Employers who set up a pension plan in Luxembourg
 - can finance a retirement premium up to 20% of the yearly salary and risk covers
 - finance the flat rate tax of 20,9% of the premiums.
 - Employee choose the investments of the retirement premiums
 - Employee can contribute personally up to 1 200€/year, tax deductible
 - Benefits are free of Luxemburgish income tax, only social security of 1,4% is due

2nd Pillar - Employer pension plan

Salary increase		Supplementary pension scheme	
Increase of salary:	100 EUR	Premium pension scheme:	94 EUR
Social Security contributions:	13 EUR	Flat-rate tax 20%:	19 EUR
	-----		-----
Cost employer:	113 EUR	Cost employer:	113 EUR
Net benefit to employee:	62 EUR	Net benefit to employee:	94 EUR
(using an assumed tax rate of 30% and after deduction of Social Security contributions)			

2nd Pillar - Self-employed people

- Self-employed people in Luxembourg can set up a pension plan
 - Retirement premium up to 20% of the yearly salary, tax-deductible
 - flat rate tax of 20,9%
 - Investment choice
 - Death and Disability covers are possible
 - Benefits free of Luxemburgish income tax, only social security of 1,4% is due
- Also possible for the royalties of board members

Portability

➤ In Luxembourg

➤ Change of the employer :

- transfer in the pension scheme of the new employer
- Or transfer in a special product named “Régime complémentaire de pension agréé”

➤ International

- Pay out of the capital is possible when leaving Luxembourg
- Check the double tax treaty between Luxembourg and the new country or the tax impact of your nationality

Important 1st pillar vs Small 2nd pillar

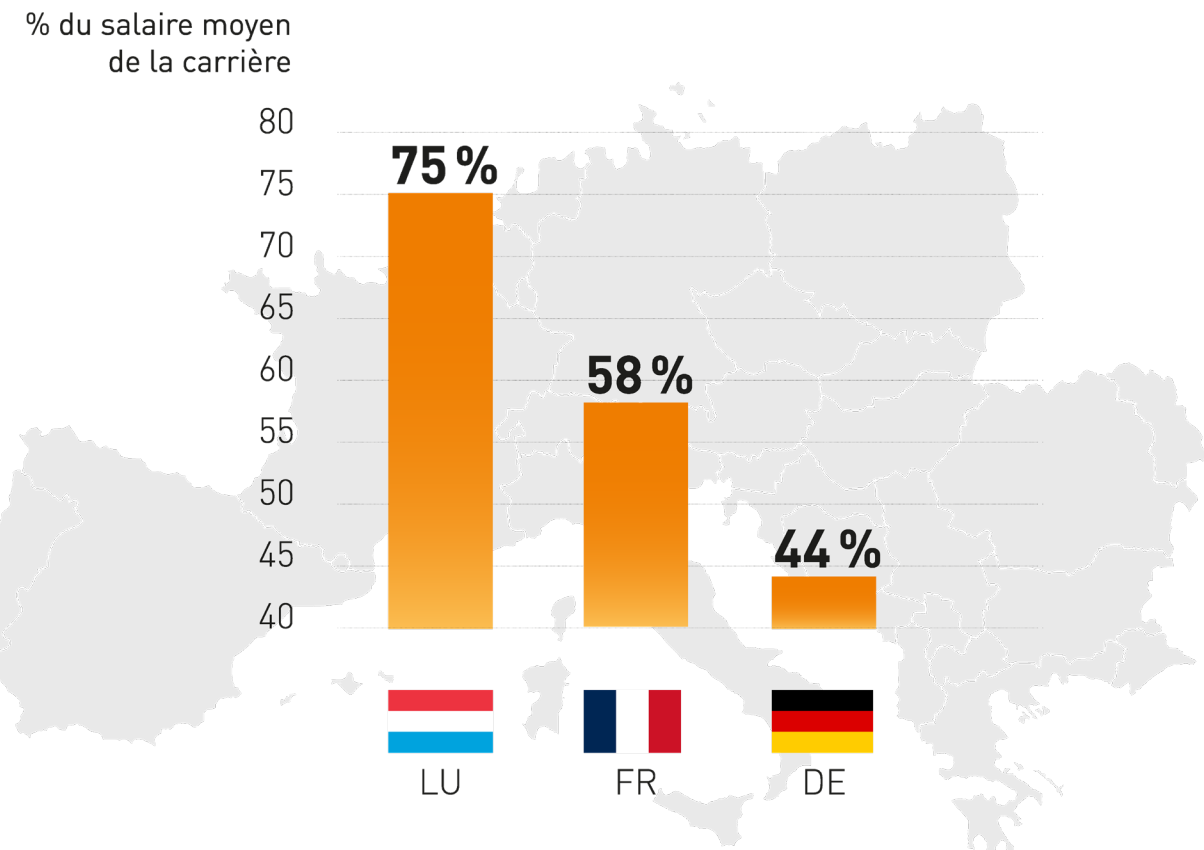
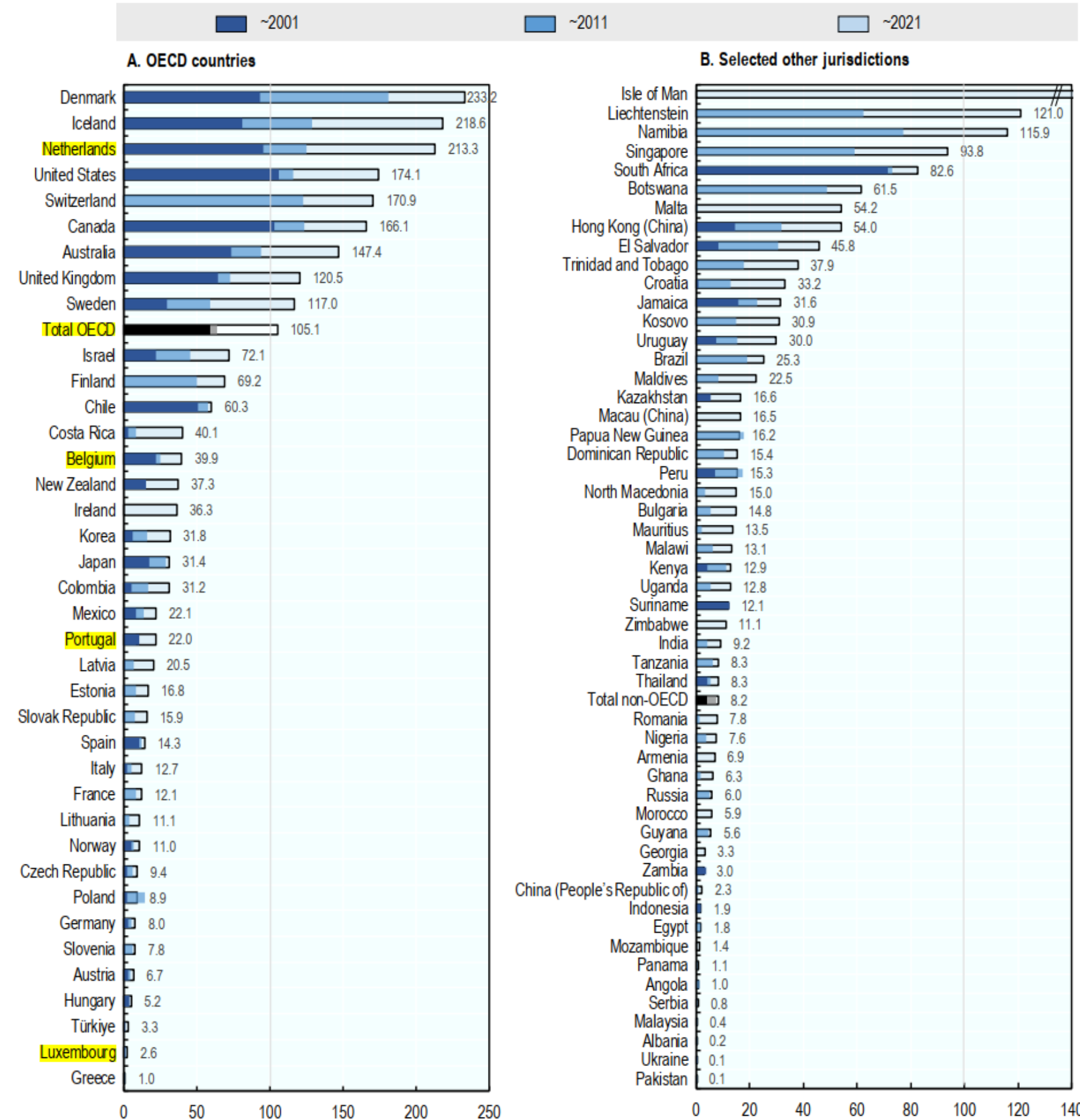


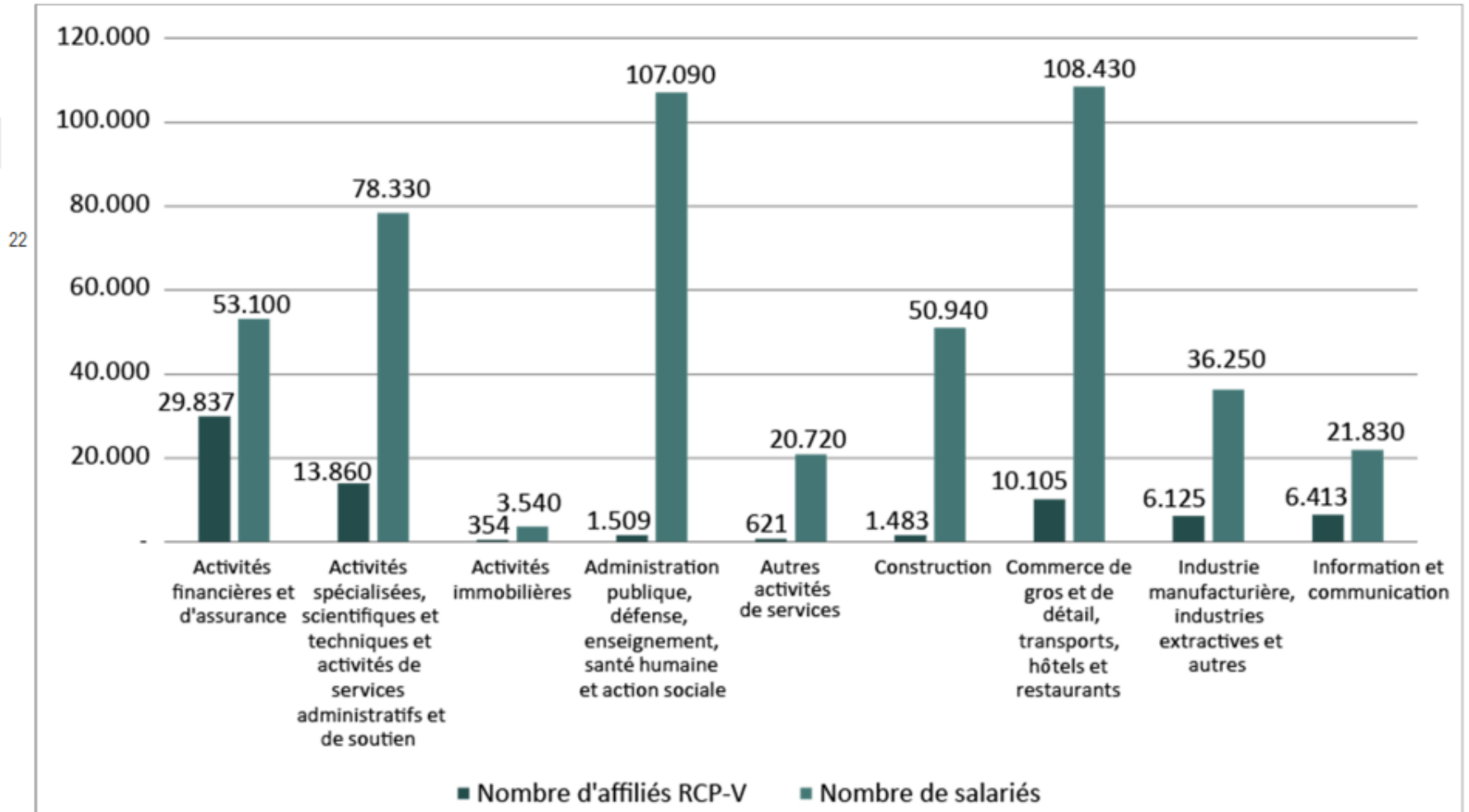
Figure 1.3. Total assets in funded and private pension plans, in 2001, 2011 and 2021 (or nearest year available)

As a percentage of GDP



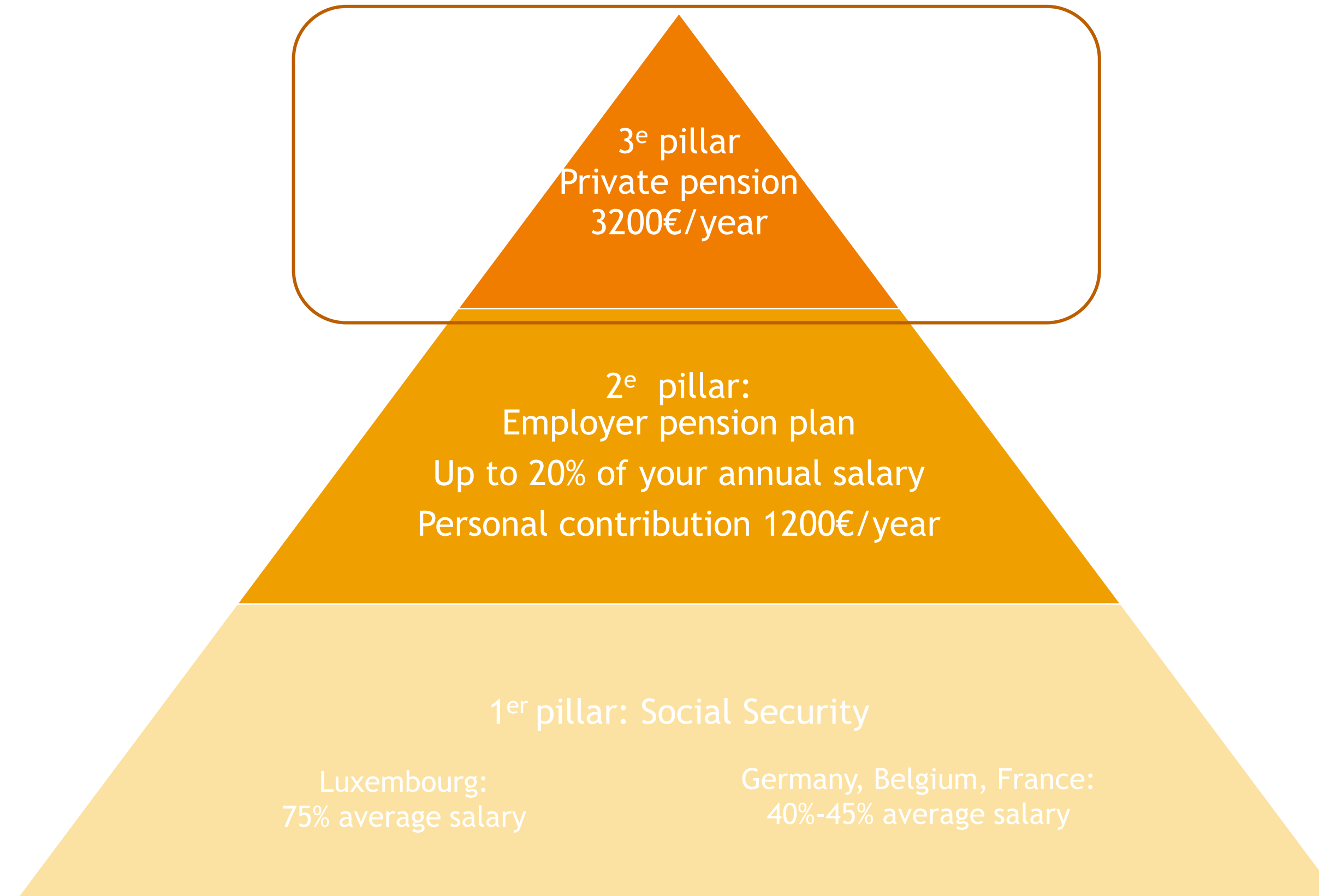
Note: “~” means around. Please see the methodological notes at the end of the report.
Source: OECD Global Pension Statistics.

Graphique 4 - Nombre d'affiliés actifs bénéficiant d'un plan V et nombre de salariés par secteur d'activité au 31 décembre 2022



Sources : CCSS, IGSS

Pension in Luxembourg



3d Pillar - private pension

- Each private person can subscribe a pension product
 - Up to 3200€/year
 - Tax deductible in Luxembourg
 - Minimum duration of the contract : 10 years
 - Benefits available earliest at age 60 and at the latest at age 75
 - 50% of the benefits are taxable in Luxembourg

Tax - international

- Check the double tax treaty between Luxemburg and your resident country or the tax impact of your nationality

DON'T WORRY
be happy

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ASSURANCES