

Bayerische Ingenieurversorgung-Bau  
mit Psychotherapeutenversorgung



Bayerische  
Versorgungskammer

**INFORMATION ON THE  
„BAYERISCHE INGENIEURVERSORGUNG-BAU  
MIT PSYCHOTHERAPEUTENVERSORGUNG“  
(BAVARIAN CIVIL ENGINEERING AND  
PSYCHOTHERAPIST PENSION SCHEME)**



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## 1. GENERAL INFORMATION

Since 1 January 2006, members of the “Bayerische Landeskammer der Psychologischen Psychotherapeuten und der Kinder- und Jugendlichen-psychotherapeuten” (Bavarian State Chamber of Psychological Psychotherapists, Child- and Youth Psychotherapists) have had the opportunity – and, at the same time, the obligation – to participate in the professional pension scheme (old-age, occupational incapacity and survivors’ pensions).

The same has also applied to members of the “Psychotherapeutenkammer des Saarlandes” (Saarland Chamber of Psychotherapists) since 1 November 2008.

The inclusion of these two groups in the professional pension scheme originally intended for engineers working in the construction industry in Bavaria is rooted, on the one hand, in the desire to participate in the professional pension scheme without founding their own pension schemes and, on the other hand, in the willingness of the “Bayerische Ingenieurversorgung-Bau” (Bavarian Civil Engineering Pension Scheme), founded in 1995, to accept them, i.e. in particular, the Board of Directors responsible for self-administration, as well as the institutions necessary for the required legal changes.

For the pension fund, the admission of members of professional chambers from other federal states is not new. As early as 1998, the professional pension scheme was opened to members of the Rhineland-Palatinate Chamber of Engineers and the Saxony Chamber of Engineers at the request of the parties involved. Further state treaties led to the inclusion of professional groups, including the Berlin Chamber of Civil Engineering and the Saarland Chamber of Engineers in 2001, as well as the inclusion of the members of the Hesse Chamber of Engineers and the Thuringia Chamber of Engineers in 2003.

The participating professionals from the aforementioned federal states are integrated into the professional self-administration of the pension fund through a number of administrative boards that are proportional to the number of members.

The “Bayerische Ingenieurversorgung-Bau mit Psychotherapeuten” (Bavarian Civil Engineering and Psychotherapist Pension Scheme) is a public law institution with its registered office in Munich. It is legally represented and administered by the “Bayerische Versorgungskammer” (Bavarian Chamber of Pensions) and, at present, is one of roughly 100 professional pension institutions for the freelance professions in the Federal Republic of Germany that provide for the respective profession (doctors, dentists, veterinarians, pharmacists, architects, lawyers, notaries, etc.).

The idea of a separate professional pension scheme for the chambered freelance professions as a solidarity community against the imponderables of daily life was born over 90 years ago: The first professional pension scheme – the “Bayerische Ärzteversorgung” (Bavarian Doctor’s Pension Scheme) – was founded in 1923. The fact that the self-employed did not have access to the statutory pension insurance for a long time and, that even later, the specific concerns of the self-employed were hardly taken into account, called for the establishment of the professional pension funds to a considerable extent.

The legal basis of the pension fund is the “Gesetz über das öffentliche Versorgungswesen” / “VersoG” (Bavarian Public Pensions Act), the implementing ordinances issued for this purpose and the statutes.

The following is an overview of the applicable membership-, contribution- and benefit laws of the pension fund at present for the professional group of psychotherapists:

## 2. MEMBERSHIP

### 1. Compulsory membership

Membership in the pension fund is established by law, i.e. without the need to conclude a contract, at the same time as membership in the professional Chamber. The legal basis is the "Gesetz über das öffentliche Versorgungswesen" / "VersoG" (Public Pensions Act) as amended from time to time.

### 2. Exceptions / exemptions

Individuals excluded from membership are those who have already reached the age of 55 or who are incapacitated for work, if the other membership requirements are met.

Therefore, if membership of the chamber is not established until after the age of 55, membership in the pension scheme is excluded.

Those who fulfil one of the exemption criteria of the statutes of the pension fund and submit a written application for exemption shall be exempted from membership. An exemption is possible, in particular, if the profession is exercised exclusively in a salaried employment relationship and there is compulsory insurance for this in the statutory pension insurance scheme, furthermore, in the case of civil servant or professional activity abroad. Exemption is possible, in particular, if compulsory membership in another professional (e.g. doctor's) pension fund already exists and contributions are paid to this pension fund from the entirety of a person's professional income. Members of a founding group (the so-called "initial group") of other professional pension funds for engineers and psychological psychotherapists also have a right to exemption.

The exemption is granted retroactively to the date of the occurrence of the reason for exemption – e.g. the beginning of the employment relationship - if the application for exemption is submitted within six months of this date. If the application is submitted later, the exemption is

granted with effect from the date the application is received by the pension fund.

The exemption is effective as long as the reason for exemption – the employment relationship – exists. A waiver of the exemption, i.e. a voluntary "return" to the pension fund is not possible if the reason for exemption continues to exist. Only when the reason for exemption ceases to exist – i.e. the salaried employment relationship ends – will compulsory membership in the pension fund apply once more, but only if, at that time, the age limit for access to the pension fund – the completion of a person's 55th year of life – has not yet been reached.

Members who exercise their profession exclusively as salaried employees and who wish to be exempted from the pension fund should, therefore, take into account that access to the pension scheme is no longer possible if the salaried employment relationship ends after the member has reached the age of 55. In order to ensure that membership in the pension fund is still possible if self-employment is taken up at a later date, the right of exemption should not be exercised, but rather an application should be made for a reduction in the contribution (to half the minimum contribution; cf. Chapter 5 Number 1. b).

A membership in another pension fund of the profession – after a change of activity in the area of responsibility of the Bavarian pension fund – is not a reason for exemption.

Conversely, membership in the Bavarian pension fund must be relinquished if membership in another pension fund of the profession arises (or can arise) due to a move to another federal state or affiliation to another professional Chamber.

### **3. End of membership / voluntary membership / transfer**

Compulsory membership in the pension fund ends, in principle, with the termination of membership in the professional Chamber, apart from the exemption cases already explained.

Membership can be continued on application (only) as voluntary membership with the same rights and obligations if no membership in another professional pension scheme exists / succeeds or can be established. The application must be submitted within three months after termination of the compulsory membership.

If the compulsory membership is not followed by voluntary membership, the pension entitlements acquired from the compulsory membership shall be maintained free of charge. Pension benefits are then derived from these entitlements in the event of a pension claim.

The vested rights also participate in any dynamisation.

If membership follows in another psychotherapists' pension fund, the contributions paid can be transferred there in accordance with the transition agreement, to the extent that a transition agreement exists. Transition agreements have been concluded with the following: "Versorgungswerk der Psychotherapeutenkammer Nordrhein-Westfalen" (which also includes psychotherapists from Baden-Württemberg, Brandenburg, Mecklenburg-Vorpommern, Saxony, Saxony-Anhalt and Thuringia), the "Psychotherapeutenversorgungswerk Niedersachsen" (which also includes psychotherapists from Hamburg, Bremen, Rhineland-Palatinate and Hesse) and the "Versorgungswerk der Psychotherapeutenkammer Schleswig-Holstein".

A lump-sum settlement is generally not possible.



### 3. PENSION FUND / STATUTORY PENSION INSURANCE SCHEME

Those individuals who are exclusively self-employed in their profession (psychotherapists, child and youth psychotherapists) are generally not subject to compulsory insurance in the statutory pension insurance scheme; for them, membership in the pension fund serves as the main pillar of old-age and survivors' benefits, as well as cover in the event of occupational incapacity.

Those who practise their profession exclusively as salaried employees are subject to compulsory insurance in the statutory pension scheme; it is not possible to be exempted from this insurance obligation in favour of the pension fund.

Salaried professionals must pay the pension insurance contribution to the statutory pension insurance scheme for the work they perform that is subject to insurance, but they have the option of building up a supplementary pension in the pension fund.

If a profession-related self-employed activity is pursued in addition to the profession-related employed activity (i.e. the activity as an employed psychotherapist, child and youth psychotherapist), the pension insurance contribution for the employee activity subject to compulsory insurance must be paid to the statutory pension insurance scheme; the contribution for the self-employed activity must be paid to the pension fund.

When "changing" from an employed activity to a self-employed activity, it must be taken into account that the obligation to be insured in the statutory pension insurance scheme ends and that a crediting of benefits granted by the statutory pension insurance scheme is not carried out by the pension fund. Likewise, the transfer to the pension fund of contributions paid to the statutory pension insurance scheme or vested rights acquired in the statutory pension insurance scheme is excluded. This also applies vice versa if compulsory insurance in the statutory pension insurance scheme should occur again.

The years of raising children that have a pension-increasing effect for those insured in a professional pension fund are also credited to the statutory pension insurance scheme "Deutsche Rentenversicherung Bund" [German Pension Insurance Association]) according to the law on statutory pension insurance ("Sozialgesetzbuch VI" / "VersoG" [German Social Code – Volume 6]). An additional crediting does not apply in the pension fund. Whether (and under which conditions) a claim for benefits against the statutory pension insurance scheme arises from this crediting process is solely determined by SGB VI; information is available from the pension advice centres of the statutory pension insurance scheme.

## 4. BENEFITS

### 1. Financing procedure

The benefits of the pension fund were financed up until 31 December 2014 within the framework of the vested rights cover procedure – a funded scheme. As of 1 January 2015 the classic vested rights cover procedure was supplemented by elements of the open cover plan procedure. The new financing method combines elements of the pay-as-you-go method and the capital cover method. The pension fund thus avoids a one-sided dependence on both the demographic and economic situation of the professions (as in the strictly pay-as-you-go system) and the capital market development (as in the strictly open cover plan procedure). The contributions are invested – as in the open cover plan procedure – in a secure, stable and profitable manner in accordance with insurance supervisory regulations, in order to build up a capital stock for the claims of the members. However, in contrast to the vested rights cover procedure, this does not have to be fully funded at all times, as the calculation bases can include, in addition to the actuarial interest rate, further smoothing elements across generations in the calculation. The open cover plan procedure is the most common financing method in professional pension provision in Germany and has been used for a long time – including in the oldest professional pension scheme, the “Bayerische Ärzteversorgung”. The pension benefit in the new financing procedure corresponds to the product of the individually achieved pension points of each member and the relevant pension assessment factor in the year of retirement. The pension points and pension assessment factor, as well as their interaction, are briefly described below.

### 2. Pension points

The member acquires entitlements in the form of pension points for each contribution paid in (compulsory contributions and voluntary additional payments). The number of pension points is calculated by multiplying the contributions paid in by an age- and year-dependent valuation percentage. The amount of pension points can, therefore, be derived from the following formula:

**Contribution x Valuation percentage = Pension points**

In the valuation percentage table, which is part of the statutes, the actuarial assumptions - e.g. the actuarial interest rate, life expectancy (pension term) and other biometric factors are taken into account. Assumptions of this kind inevitably involve periodic changes. It is, therefore, likely that the conditions will change during an insured life. However, the pension fund will release information about this in due time. The valuation percentage table for the cohorts from 1967 onwards is shown below. The transitional regulations for older birth cohorts are printed in Table 1 of the statutes.



### Valuation percentage table for birth cohorts from 1967 onwards

Age in year of contribution payment	Valuation percentage	Age in the year of contribution payment	Valuation percentage
20	13.0 %	44	7.5 %
21	12.7 %	45	7.3 %
22	12.4 %	46	7.2 %
23	12.1 %	47	7.0 %
24	11.9 %	48	6.9 %
25	11.6 %	49	6.7 %
26	11.3 %	50	6.6 %
27	11.1 %	51	6.4 %
28	10.8 %	52	6.3 %
29	10.6 %	53	6.2 %
30	10.3 %	54	6.0 %
31	10.1 %	55	5.9 %
32	9.8 %	56	5.8 %
33	9.6 %	57	5.7 %
34	9.4 %	58	5.6 %
35	9.2 %	59	5.5 %
36	9.0 %	60	5.4 %
37	8.8 %	61	5.3 %
38	8.6 %	62	5.3 %
39	8.4 %	63	5.2 %
40	8.2 %	64	5.1 %
41	8.0 %	65	4.9 %
42	7.8 %	66	4.8 %
43	7.7 %	67	4.7 %

Due to the compound interest effect, the contributions paid in the individual calendar years are valued differently depending on age, i.e. contributions paid earlier are valued higher than contributions paid later. The valuation percentage rate table is currently based on an actuarial interest rate of 2.5%. The actuarial interest rate does not represent a guaranteed interest rate, but is merely an expected value that is very likely to be achieved. If income is generated in excess of the actuarial interest rate, it flows into the corresponding reserves, which can also be used to finance dynamisation (adjustments to pensions and vested rights).

The current valuation percentage rate table for birth cohorts from 1967 onwards is used as an example to illustrate the conversion process:

A member born in 1990 makes compulsory contributions of € 10,000 in 2020.

The age in the year of contribution payment is determined from the calendar year of payment minus the year of birth:  $2020 - 1990 = 30$ .

The valuation percentage is derived from the table printed above. For the year of birth 1990 and the corresponding age 30, the valuation percentage is 10.3%.

The contribution of € 10,000.00 is, therefore, multiplied by the valuation percentage of 10.3%. The member has acquired 1,030 pension points / year as a result of his or her contribution in 2020.

If the member pays contributions of € 10,000.00 in 2021, the valuation rate changes, as age 31 is now to be taken as the basis. For the year of birth 1990 and age 31, a valuation percentage of 10.1% was set.

By paying contributions in 2021, the member acquires 1,010 pension points ( $€ 10,000.00 \times 10.1 \% = 1,010$  pension points / year).

The sum of all pension points acquired in the individual years results in the total entitlement in pension points.

**Note:**

For members who were already members of the pension fund before 1 January 2015, the pension benefit is made up of the pension entitlements acquired under the vested rights cover procedure and the pension entitlements acquired from 1 January 2015 under the new financing procedure. The vested rights acquired up to 31 December 2014 will not be included in the new financing procedure, but will be continued in the vested rights cover procedure. For members who only became members of the pension fund after 31 December 2014, the pension benefits of the pension fund are determined solely on the basis of the entitlements acquired under the new financing procedure.

### 3. Pension assessment factor

The individual pension entitlement under the new financing procedure is determined, on the one hand, by the number of pension points acquired in the course of the professional life and, on the other hand, by the so-called pension assessment factor, which is used to convert the pension points acquired into pension entitlements (vested rights) in Euro. The value of the pension point is thus determined by the pension assessment factor applicable in the year of retirement. To calculate the amount of a vested right, the total number of pension points must be multiplied by the pension assessment factor.

The formula is:

**Total number of pension points x pension assessment factor = entitlement (vested right) in Euro**

**Example:**

A member has acquired a total number of 10,000 pension points during his membership period as an active member.

**Variant 1 (pension assessment factor = 1.0000):**

In the year of the pension referral, the value of the pension assessment factor is 1.0000. Then the member receives an annual pension of € 10,000.00 (10,000 pension points x pension assessment factor 1.0000 = € 10,000.00) or € 833.33 / month.

**Variant 2 (pension assessment factor = 0.9800):**

In the year of retirement, the value of the pension assessment factor is 0.9800. Then the member receives an annual pension of € 9,800.00 (10,000 pension points x pension assessment factor 0.9800 = € 9,800.00) or € 816.67 / month.

The pension assessment factor is determined annually for the following year by the Board of Directors on the proposal of management. The decision of the Board of Directors is made in the form of an amendment statute, which requires the approval of the supervisory authority – here the “Bayerisches Staatsministerium des Innern, für Sport und Integration” (Bavarian State Ministry of the Interior, for Sport and Integration).

The pension assessment factor must be set in such a way that a balancing is achieved. Thus, if the financial situation of the pension fund requires it, a reduction of the pension assessment factor is possible. During any determination proceedings, particular consideration shall be given to ensuring that the obligations can be fulfilled in the long-term, and to the principle of generational equity. In addition, the change in life expectancy – biometrics – must be taken into account. The pension assessment factor may not exceed the value “1.0000”. Since the year 2015, the pension assessment factor has been set at 1.0000.

## 4. Pension benefits

The pension fund recognises the following pension benefits:

- a) Old-age pension
- b) Deferred old-age pension (supplement)
- c) Early retirement pension (deduction)
- d) Single supplement
- e) Pension in the event of occupational incapacity
- f) Survivors' benefits
- g) Voluntary benefits

### a) Old-age pension

Upon reaching the standard retirement age, members are entitled to an old-age pension. For members born in 1967 or later, the standard retirement age is 67; for members born before 1967, there are transitional arrangements (cf. table in annex).

The amount of the old-age pension is determined by the entitlements acquired through the payment of contributions (compulsory contributions, voluntary additional payments) up to 31 December 2014, and the pension points acquired as of 1 January 2015, which are assessed with the pension assessment factor applicable in the year in which the pension is paid. Professional activity does not have to be discontinued when receiving the old-age pension. There are also no "supplementary earnings limits".

### b) Deferred old-age pension

In order to increase the pension entitlement, the retirement pension may be drawn at a later date instead of at the standard retirement age. It may be postponed by one year at a time, up to the age of 70 at the latest. During the deferment period, there is no obligation to pay contributions, but voluntary additional payments can be made. The pension fund will provide information on the resulting entitlements on request.

### c) Early retirement pension

Early retirement benefits can be claimed even before reaching the standard retirement age. However, the pension entitlement is reduced by an actuarial deduction for each month brought forward (compared to the amount received from the standard retirement age), the amount of which is shown in the following table:

For the bringing forward	on the	Deduction per month
67th year of life	66th year of life	0.46 %
66th year of life	65th year of life	0.42 %
65th year of life	64th year of life	0.39 %
64th year of life	63rd year of life	0.36 %
63rd year of life	62nd year of life	0.33 %

### Example:

Bringing forward the old-age pension from the age of 67 to the age of 62 results in a reduction of 23,52 % ( $12 \cdot 0,46\% + 12 \cdot 0,42\% + 12 \cdot 0,39\% + 12 \cdot 0,36\% + 12 \cdot 0,33\%$ ) for the longer pension period of 60 months. The reduction applies to the entire pension reference period.

Professional activity does not have to be discontinued even if the early retirement pension is claimed, but no payments of any kind – i.e. neither compulsory contributions nor voluntary additional payments – can be made after the start of the pension. If the old-age pension is brought forward, e.g. to the age of 62, five years of contributions are missing compared to the regular old-age pension at the age of 67.

Given that the total entitlement is calculated from the total contributions paid during the active period, the total entitlement – in the absence of five years of contributions – is correspondingly lower. In addition, the total entitlement (vested right) is reduced by the actuarial deduction according to the above table.

#### d) Single supplement

If a member is not married at the time of the start of the pension, the old-age pension, as well as the early retirement pension, can be increased by 10% on application for the entire duration of the pension payment (so-called single supplement); however, there is then no longer any entitlement to survivors' benefits. The application can no longer be revoked once the increased pension benefit has been drawn.

#### e) Pension in the event of occupational incapacity

Benefits in the event of occupational incapacity are generally granted without any waiting period; unlike private insurers, the pension fund does not carry out any health checks at the start of membership. This is because the pension fund does not have to fear any negative risk selection due to the legally stipulated compulsory membership for all members of the profession.

A member shall be deemed occupationally incapacitated if, as a result of illness or other infirmity or of weakness of his physical or mental powers, he is unable to pursue gainful employment in the professions entitling him to membership in a Chamber of Psychotherapists. Benefits are thus only paid in the event of total occupational incapacity. It is self-evident that the occupation-specific activity cannot be exercised when receiving an occupational incapacity pension and may, therefore, not be exercised (even marginally) according to the statutes.

In the case of temporary occupational incapacity, the occupational incapacity pension is only paid temporarily, i.e. for the corresponding period of occupational incapacity. During this pe-

riod, self-employed members may have their official office deputised by a substitute for a maximum of four years.

The pension, in the event of occupational incapacity, is calculated on the basis of the entitlements acquired up to 31 December 2014 and the pension points achieved from 1 January 2015 until the occurrence of the insured event and the pension assessment factor applicable at the time of the occurrence of the insured event – this results in the so-called basic right (in German: "Stammrecht") – and a supplement borne by the member community as a solidarity benefit. It is subject to an actuarial deduction.

The more contributions the individual member has paid until the onset of occupational incapacity, the greater the basic right. If the occupational incapacity occurs early, i.e. at a young age, the basic right is usually still relatively low; as a rule, it increases with the duration of membership and the associated payments.

The amount of the solidarity benefit of the member community – the supplement – essentially depends on the duration of membership in the pension scheme measured against the entire insurance biography.

The age at the start of membership in the pension fund is, therefore, decisive on the one hand: If membership of the pension fund begins after the age of 30, the solidarity benefit of the member community is reduced; and the supplement is lower than if membership begins before the age of 30. The later the entry into the pension fund, the lower the supplement. This is because it is assumed that, in these cases, other insurance against the risk of occupational incapacity has already been taken out and the person concerned is not solely dependent on the benefits of the pension fund in the event of occupational incapacity.

On the other hand, an early termination of membership in the pension fund also has a reducing effect on the supplement. This is because – as shown – it depends on the duration of member-

ship in the pension scheme measured against the entire insurance biography. Since the amount of the occupational incapacity pension should be identical to the amount of the early retirement pension, it is – like the early retirement pension – subject to an actuarial deduction. The actuarial deduction is calculated analogously to the deduction for the early retirement pension from the number of months that lie between the completion of the 62nd year of life or the occurrence of the insured event, if this occurred after the completion of the 62nd year of life, and the respective standard age of retirement.

The following calculation examples show the effects of the age at the start of membership and the age at the onset of occupational incapacity on the total amount of the occupational incapacity pension.

The examples show which occupational incapacity pension entitlement is achieved if a constant monthly contribution of € 100 is paid from the start of membership (entry into the pension fund at the age of 30, 35 or 40) until the onset of occupational incapacity (at the age of 45 or 50). Assuming contributions after 1 January 2015 (no payment before this date, also no subsequent insurance) and a pension assessment factor of 1.0000.

#### Example 1:

Entry into the pension fund upon reaching the age of 30,

Payment of a monthly contribution (constant) of € 100 until the age of 45,

onset of occupational incapacity at the age of 45

Monthly occupational incapacity pension € 182.18.

#### Example 2:

Entry into the pension scheme at the age of 35,

Payment of a monthly contribution (constant) of € 100 until the age of 45,

onset of occupational incapacity at the age of 45

Monthly occupational incapacity pension € 117.58.

#### Example 3:

Entry into the pension scheme at the age of 40,

Payment of a monthly contribution (constant) of € 100 until the age of 45,

onset of occupational incapacity at the age of 45

Monthly occupational incapacity pension € 56.95.

#### Example 4:

Entry into the pension scheme at the age of 30,

Payment of a monthly contribution (constant) of € 100 until the age of 50,

onset of occupational incapacity at the age of 50

Monthly occupational incapacity pension € 182.18.

#### Example 5:

Entry into the pension scheme at the age of 35,

Payment of a monthly contribution (constant) of € 100 until the age of 50,

onset of occupational incapacity at the age of 50

Monthly occupational incapacity pension € 131.03.

#### Example 6:

Entry into the pension scheme at the age of 40,

Payment of a monthly contribution (constant) of € 100 until the age of 50,

Onset of occupational incapacity on reaching the age of 50

Monthly occupational incapacity pension € 83.86.

If x times € 100 per month is paid continuously, the occupational incapacity pension entitlement also increases x times.

If the member pays €1,000 / month in the above example, the pension entitlement is ( $€ 182.18 \times 10 =$ ) € 1,821.80 / month.

#### f) Survivors' benefits

In addition to benefits for the member's own old-age pension, the pension fund also offers comprehensive cover for widows, widowers, half-orphans and orphans, as well as for surviving dependants who were partnered with the member until the member's death in accordance with the "Lebenspartnerschaftsgesetz" (Civil Partnership Act).

The basis for the calculation of the death benefit is the last pension benefit actually paid to the deceased member. If the deceased was not yet a beneficiary, the calculation is based on the "fictitious" occupational incapacity benefit, i.e. the benefit that the member would have received if he/she had been occupationally incapacitated on the date of death. Widows or civil partners receive 60% of this calculation basis; in the event of re-marriage or re-partnering, a settlement is paid on application.

Orphans' benefits amount to 20 % of the calculation basis for half-orphans and 35 % for full orphans; they are paid until the age of 18. If vocational training has not been completed by this time, the orphan's benefit will be paid until the child reaches the age of 27 at the latest.

However, survivor coverage is excluded if the deceased member has applied for and received the increased pension benefit for non-married persons ("single supplement" amounting to 10% of the regular pension benefit; cf. chapter 4 number 4. d) for the first time.

#### g) Voluntary benefits

In addition to the standard benefits described above, the pension fund provides maintenance contributions to permanently incapacitated orphans up to the age of 30 as a voluntary benefit.

Subsidies for rehabilitation measures are currently not granted.

### 5. Dynamisation

Insofar as earnings above the actuarial interest rate are achieved, the Board of Directors decides on the use of these surpluses. As a rule, they are distributed in the form of pension or vested right (entitlement) dynamisation and thus serve to maintaining purchasing power.

### 6. Taxation

The pension benefits of the pension fund are taxed on a deferred basis on the basis of the "Alterssteuergesetz" (Retirement Income Act); (Section 22 No. 1 Sentence 3 Letter a Double Letter aa German Income Tax Act ["Einkommenssteuergesetz" / "EStG"]). Up to the year 2040, increasing portions of the pension are included in taxation. From 2040 onwards, the pension is fully subject to taxation.

The pension fund has to notify the tax authorities annually of the amount of the pension benefits (Section 22a EStG).



## 5. CONTRIBUTIONS

### 1. Compulsory contributions

The members of the pension fund pay pension contributions to finance their future pension benefits. The amount of the contributions depends on the type of employment and the amount of professional income. If the standard contribution is not paid, the members must provide corresponding information on their income. Upon request, the member must provide proof of income (usually an income tax- or profit assessment notice). As long as the relevant proof is missing, the contributions shall be provisionally levied on the basis of the last authoritative or probable assessment basis.

Contributions are due monthly. Additional contributions are due at the end of the following month.

#### a) Self-employment

The profit from the professional activity, i.e. the income from self-employed work (as a psychotherapist, child and youth psychotherapist) within the meaning of the "Einkommenssteuergesetz" (Income Tax Act), is decisive. From this, a contribution amounting to the contribution rate that salaried employees also have to pay to the statutory pension insurance scheme is to be paid. This contribution is limited upwards by the regular contribution and downwards by the basic contribution (1/8 of the regular contribution) (exact values are communicated annually by circular letter).

On application, the reduced contribution of two tenths of the regular contribution shall be levied up to the expiry of five calendar years, either after the start of the professional activity as a self-employed person or after the opening of one's own practice, without the need to submit proof of income.

Self-employed psychotherapists, child and youth psychotherapists who are compulsorily insured under the statutory pension insurance scheme upon application may also receive a reduction on the minimum contribution, provided that compulsory insurance occurred before the membership began.

#### b) Work as a salaried employee

All other employed psychotherapists, child and youth psychotherapists who are not exempt from compulsory insurance in the statutory pension insurance scheme pay the "full" pension insurance contribution, i.e. employer and employee contribution, to the statutory pension insurance scheme.

In addition, they pay – if they have opted for a supplementary pension in the pension fund (cf. Chapter 3) – the reduced contribution of 1/8 or 1/16 of the regular contribution, upon application. In addition to the benefits from the statutory pension insurance scheme, they thus receive benefits from the supplementary pension.

The decision in favour of the supplementary pension – with the reduced contribution of 1/8 or 1/16 of the regular contribution – also has the advantage that membership in the pension fund simply continues if the member ceases to be an employee and takes up self-employment after reaching the age of 55.

On the other hand, members of the profession who have been exempted from the pension fund during their employment and who only take up self-employment after reaching the age of 55 can no longer become members of the pension fund due to the entry age limit (cf. chapter 2 item 2).

#### c) Reduction of contributions

For the period of maternity leave and parental leave, the statutes provide for the payment of the minimum contribution, or half of the minimum contribution, or exemption from contributions. A reduction to the minimum contribution or half of the minimum contribution can be claimed, on the one hand, by voluntary members (cf. chapter 2 number 3.) and, on the other hand, by those members who do not make use of a possible exemption from the pension fund (e.g. civil servants, professional activity abroad on a permanent basis, compulsory insurance in the statutory pension insurance scheme – in the case of exclusive – employment).

Members of a founding group (the so-called “initial group”) of other professional pension funds for engineers and psychological psychotherapists also have a right to a reduction in the contribution amount

## 2. Voluntary additional contributions

In addition to the compulsory contributions that accrue due to the type of activity, members of the pension fund can make voluntary additional payments to increase the pension, which are annuitised in the same way as compulsory contributions. Voluntary additional payments can be made at any time, either by individual transfer or standing order or – at the member’s request – by direct debit together with the monthly compulsory contributions.

Since, due to the digressive valuation percentages, the valuation of both compulsory contributions and voluntary additional payments for pension purposes depends on the time of receipt of payment (cf. Chapter 4 Item 2, in particular, the table and examples), voluntary additional payments should be made in good time so that they arrive on the member’s account before the end of the year.

If the respective payment is received after 31.12., it will be assessed with the (lower) percentage of the following year.

As soon as a payment is declared as a voluntary additional payment, booked and valued accordingly with the annuitisation rate at the time of payment, it is no longer at the member’s disposal. In particular, repayment to the member is no longer possible; moreover, crediting against compulsory contributions for future periods is also excluded.

The only exception to this is explicitly regulated in the statutes:

Voluntary additional payments can only be offset against compulsory contributions if an increase in the compulsory contribution subsequently results for the respective calendar year.

In all other respects, offsetting against compulsory contributions is excluded.

Compulsory contributions and voluntary additional payments together may not exceed the annual general maximum payment limit stipulated by the “Körperschaftssteuergesetz” (Corporate Income Tax Act); (two and a half times the annual maximum compulsory contribution, i.e. the regular contribution).

The possible contribution amount will be communicated in the annual circular.

## 3. Tax consideration

Contributions can be taken into account for tax purposes to a certain extent (Section 10 [4] a EStG) in old-age pension expenses. The pension fund is an institution in accordance with Section 10 (1) No. 2 a EStG.

## 6. STRUCTURE AND ORGANISATION OF THE PENSION FUND

### 1. Executive bodies of the pension fund

The Board of Directors of the pension fund is responsible for all essential aspects and specifications underpinning the statutory pension fund mandate – in particular, the enactment of the statutes, the conception of which is presented in this information. The Board of Directors is the decision-making and supervisory body of the pension fund, composed exclusively of members of the profession. The members of this body are appointed by the “Bayerisches Staatsministerium des Innern, für Sport und Integration” (Bavarian State Ministry of the Interior, for Sport and Integration) for four financial years at a time on the proposal of the professional Chambers of Engineers and Psychotherapists associated in the pension fund.

The tasks and powers of the Board of Directors result from Art. 4 (VersoG).

The administration of the pension fund is the responsibility of the “Bayerische Versorgungskammer”, an authority of the Free State of Bavaria, which has been in charge of numerous special pension schemes for decades and is responsible for their management.

An overview can be found on the homepage ([www.versorgungskammer.de](http://www.versorgungskammer.de)).

In certain cases, members of the profession from other federal states are also affiliated to these pension schemes within the framework of state contracts.

The pension fund is subject to the supervision of the “Bayerisches Staatsministerium des Innern, für Sport und Integration” (Bavarian State Ministry of the Interior, for Sport and Integration).

### 2. Administrative costs and administrative procedures

In contrast to the private insurance industry, the pension fund does not maintain a sales force. This means that the usual acquisition costs and brokerage or acquisition commissions do not apply. The pension fund also exercises the greatest possible restraint with regard to advertising and marketing measures. The administrative costs are, therefore, comparatively very low. The savings achieved in this way benefit the insured members and pension recipients in full. As there are no other capital owners apart from the insured members themselves (e.g. shareholders), no investment income flows to third parties, e.g. in the form of dividends, but remains with the community of insured members.

The statutes of the pension fund, which are adopted by the Board of Directors, which require legal- and insurance supervisory approval and which are published in the specified, executive publication bodies (e.g. the “Bayerischer Staatsanzeiger” [Bavarian State Gazette]), are decisive for the membership relationship, for all contribution obligations and for the ensuing benefits. The legal basis for the statutes is the “Gesetz über das öffentliche Versorgungswesen” / “VersoG” (Public Pensions Act).

No contract is concluded between the member and the pension fund; the insurance relationship is governed by public law. In the event of any legal disputes, administrative legal action shall be taken.

The pension fund receives the data relevant to membership from the professional Chamber and then contacts the member by sending information material and the necessary forms.

Compulsory contributions are requested with a contribution notice.

The pension fund sends an annual notification of the payments made and the resulting entitlements in accordance with the applicable statutes.

Information circulars are sent out at the beginning of the year and as required.

Upon request, each member also receives a printed version of the annual report; furthermore, the annual report is also published on the internet at [www.bingv.de](http://www.bingv.de) under the heading „Über uns“ / „Daten & Fakten“ / „Geschäftsdaten“.

Of course, the pension fund staff will be happy to answer any questions you may have about the occupational pension scheme.

Please also note our information on the Internet. Members can also subscribe to the e-mail newsletter, which provides information on current topics.

### **3. Other notes**

As this information brochure is only intended to provide an overview of the applicable statute law, special questions have deliberately not been dealt with. Please refer to the statutes or your pension fund for information on pension equalisation in the event of divorce and other questions. This description of the pension fund makes no claim to completeness. The statutes of the pension fund, which are printed in the „Bayerischer Staatsanzeiger“ (Bavarian State Gazette), are legally binding. We can send you the statutes booklet on request. The statutes are also available for download on the homepage ([www.bingv.de](http://www.bingv.de)).

## Transitional regulation

Table of standard age limit for birth cohorts before 1967

(to Chapter 4 No. 4 a)

Year of birth	Increase by months	Age limit	
		Year	Month
1950	1	65	1
1951	2	65	2
1952	3	65	3
1953	4	65	4
1954	5	65	5
1955	6	65	6
1956	7	65	7
1957	8	65	8
1958	9	65	9
1959	10	65	10
1960	11	65	11
1961	12	66	0
1962	14	66	2
1963	16	66	4
1964	18	66	6
1965	20	66	8
1966	22	66	10

Bayerische Ingenieurversorgung-Bau  
mit Psychotherapeutenversorgung



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