

Tax Treatment for State-Supported Retirement Provision and Supplementary Pension Insurance

Tax-deductible amounts (while accumulating savings)			
Product	Tax bonus	Minimum duration (in years)	Comments
State-supported pension insurance according to § 108b of the Austrian Income Tax Act (supplementary pension insurance)	Policy payments up to a maximum of € 1,000 are supported by means of a bonus (not claimed as allowance for special expenses) (5.5% fixed + variable part according to § 108 (1)). Policy payments in excess of €1,000 are possible, but not eligible for bonus, can only be claimed under allowance for special expenses. Cannot be signed without earlier state-supported retirement provision as of 1 January 2004.	Pension may be paid as soon as the statutory pension is received, at the earliest. Bridging pension possible as of the age of 50 years when discontinuing / reducing gainful activity (minimum of 3 years or until receiving old-age pension).	2.5% insurance tax (also for over-payments) No minimum capital gains tax according to § 17 (3) of the Capitals Gains Tax Act.
State-supported retirement provision according to § 108g of the Austrian Income Tax Act	Policy payments up to 1.53% of 36 times the monthly social-security contributions are supported with a bonus (5.5% fixed + variable part according to § 108 (1)). Over-payments are possible, but receive no support in form of a bonus	No redemption for a minimum of 10 years. Then transfer to another retirement pension, or a supplementary pension insurance, or taxed with retro-active effect	No insurance tax No minimum capital gains tax according to § 17 (3) of the Capital Gains Tax Act

Tax due on benefits (while receiving benefits)		
	Subject to taxation	Comments
State-supported pension insurance according to 108b of the Austrian Income Tax Act (supplementary pension insurance)	No	Policy payments from income after taxes
	When the capitalized pension entitlement/pension cash value is exceeded, payouts are subject to taxation as recurrent earnings, according to § 29 item 1 of the Austrian Income Tax Act	
State-supported retirement provision according to § 108g of the Austrian Income Tax Act	No Pension payments from over-payments are subject to taxation as recurrent earnings when exceeding the pension amount according to § 29 item 1 of the Austrian Income Tax Act	
	No Pension payments from over-payments are subject to taxation as recurrent earnings when exceeding the pension amount according to § 29 item 1 of the Austrian Income Tax Act	After expiry of 10 years: - a one-off payment possible (half of the bonus must be paid back and the difference between the amount paid and the amount received is taxed at a rate of 25%) - a pension is paid - transfer to a supplementary pension insurance