



Assumptions for calculation of pensions for pension schemes under P+ Life cycle

May 2024

In case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

This supplement provides an overall description of your pension statement which shows how you are covered as well as the names of your pension and insurance covers.

You can find the Regulations which form the basis for the pension schemes [here](#)

CALCULATION OF PENSION FORECASTS

Pensions and insurances are calculated according to the technical basis which is reported to the Danish Financial Supervisory Authority. Calculation of the pension forecasts is based on the assumption that the pension scheme and the accompanying insurance terms remain unchanged.

The pension forecasts indicate the present value of the pension benefits on basis of a number of assumptions which may change. Accordingly, they are not binding. In the pension forecast, contributions and costs are adjusted for inflation. The pension is discounted by the inflation rate.

The payment course shows how payment of your total regular pension benefit may develop over time. The assumptions may change, and accordingly the payment course is not binding. In the payment course, costs are adjusted for inflation, and the pension is discounted with the inflation rate. Up to and including 2029, the inflation rate accounts for 2.3 percent, from 2029 up to and including 2034, it accounts for 1.9 percent, and hereafter it accounts for 2 percent.

The Board determines the insurance premiums annually and can change them continually. The pension forecasts include premiums based on a best estimate for the development. We have included a 3.5 percent interest rate when determining the size of the pension.

Your pension forecast is calculated on basis of your current age, your retirement age, your risk profile and the expected returns provided by the Council for Return Expectations.

The expected returns are determined according to social assumptions provided by the Council for Return Expectations.

ADMINISTRATIVE COSTS

The direct administrative costs are determined by the Board. The cost rates appear from the technical basis which is reported to the Danish Financial Supervisory Authority. Calculation of pension forecasts include below administrative costs for 2025 and onwards. For 2024, the present costs, which you find [here](#), are applied.

Forecast for 2025 and onwards:

Administrative costs	Retirement pension	Annuity certain, endowment policy and retirement insurance
Monthly fixed costs	DKK 20	DKK 10
Monthly contribution	DKK 45	DKK 0
Single contribution each time	DKK 45	DKK 45
Payment per month	DKK 25	DKK 10
Payment to spouse/children	DKK 20	DKK 0

Group insurance

The group insurance is a one-year insurance. The Board determines the group insurance and premium annually, and in 2024 the group insurance premium accounts for DKK 1,323. The premium is broken down in monthly payments.

UNCERTAINTY IN PENSION FORECASTS

Uncertainty in the calculation of your benefit

The payment based on the expected return is our best estimate of the size of your benefit when you retire. Calculation is made on basis of key assumptions and average observations about return, inflation, life expectancy and tax. We cannot forecast the development of these conditions accurately. Accordingly, we cannot be certain about the size of your benefit.

Uncertainty about the return

In order to give you an idea about the uncertainty, we also calculate the benefit on basis of a high and a low return. These two figures show the size of your benefit if the financial markets develop better or worse than forecasted. The size of your benefit will in all probability (90 percent) lie between the two.

Only the uncertainty about the development on the financial markets is included in the calculation based on a high and low return on investments respectively. The uncertainty about inflation, tax rules, life expectancy etc. is not included. You can read more about the calculation method and the forecast [here](#)

Uncertainty about life expectancy

The lifelong pension is paid for as long as you live. The size of the benefits depends on the future average life expectancy. If later on we estimate that the life expectancy increases more than expected, yours and the other members' lifelong pensions must last longer. This implies that the size of the benefits may be reduced.

Below, you can see an example of how the size of your benefit may fall if the average life expectancy for all members increases with one year from e.g. 85 to 86 years.

Expected benefits per year	Age 85	Age 86
Annual pension	DKK 100,000	DKK 95,000

TAXATION

Employer paid contributions

Your employer deducts the pension contribution before calculating tax and labour market contribution. P+ pays the labour market contribution to the Danish Tax Agency (SKAT). Accordingly, you have benefitted from a tax relief on the pension contribution, and it should not be stated on your tax return. The paid contributions are not included in your taxable income.

Privately paid contributions

When you pay the pension contributions yourself, P+ reports the payments to SKAT. The reported amounts appear from your tax return.

Payments to a pension scheme with regular payments are fully deductible in your personal income when the payment period is 10 years or longer. If the payment is reduced within the first 10 years, other rules apply. If the payment period is less than 10 years, or you pay single contributions, the total tax deduction must as a main rule be divided with 1/10 per year for 10 years. If the 1/10's deduction is less than DKK 58,100 (2024), you can 'fill up' and deduct this amount every year. If you pay contributions to several private life annuities, the limit of DKK 58,100 applies to all schemes as a whole.

General information

Payment to annuities certain is deductible in your personal income. In 2024, the maximum tax deduction accounts for DKK 63,100 after payment of labour market contribution - regardless of you pay into one or more annuities certain.

Payment to a retirement insurance is not deductible in your personal income. If you have more than 7 years until reaching the state pension age, you can pay up to DKK 9,100 in 2024. If you have 7 years or less until reaching the state pension age, you may pay up to DKK 58,900 in 2024. If you pay into several retirement insurances, the maximum payment applies to all of them as a whole.

Payment to insurances, including a lump sum (lump sum in the event of death and group insurances) is taxable and reported to SKAT.

An individual pension return tax of 15.3 percent is paid annually. Deposit values earned before 1 January 1983 are exempt from pension return tax.

Payment of benefits

- Your monthly pension benefits are taxed as personal income. Payments are not subject to labour market contributions.
- Payment of retirement sums and endowment policies is subject to a 40 percent tax charge.
- Payment of annuities certain, endowment policies and pension life cover on death is subject to a 40 percent tax charge.
- Payment from the group insurance and retirement insurance is tax-free.

On payment of a lump sum death benefit, a potential estate tax is deducted when payment is made to others than spouse, cohabitant or registered partner.

The pension return tax is adjusted annually at the end of December. The adjustment may impact the year's benefit payments.

§ 53A schemes

Contribution payments to § 53A schemes are not deductible. In return, the benefit payments are tax-free unless special rules apply to residence abroad at the time of payment. This applies to both regular payments and lump sums.

The return is taxed as capital income, and we report the amount to SKAT. The amount appears from your tax return if you are tax liable to Denmark. In Greenland, special rules apply to taxation of the return. You can read more [here](#)

TERMINATION

If your pension scheme is set up through your employer, it cannot be terminated without your employer's consent. If the pension scheme is set up by yourself, you have the right to cancel the scheme within 30 days. You can always discontinue payment of contributions to the pension scheme, however, you should be aware that you may be taxed additionally if you have not made payments to a lifelong pension scheme for at least 10 years. The rules on cash compensations for withdrawal appear from the Regulations.

LEGISLATION, TRANSPARENCY AND RIGHT TO COMPLAIN

You should read the pension statement carefully and check that all information is correct. In order to ensure transparency and good corporate governance, there are rules and regulations that we as a pension fund must comply with.

Transparency

In order to make it easier for you to understand your pension and compare your pension schemes in different

pension companies, you can see the pension fund's portfolio composition and your pension scheme's risk labelling [here](#). Here you can also find our Solvency and Financial Conditions Report (the report is only available in Danish).

The General Data Protection Regulation

We process and store your personal data according to the Act on Processing of Personal Data. This means that you have the right to gain insight into the information we hold about you and have corrected, handed over and, if necessary, erased any information about you which is wrong or misleading.

We communicate mainly with you through e-Boks and Min pension. We do not send civil registration numbers or other sensitive personal data via mail, and our IT systems comply with the general standards for security.

Anti-money laundering

We are obliged to ensure that the pension fund is not misused for money laundering or terrorist financing. This means among other things that we must know our members and their relatives to whom we pay benefits. This applies especially to members and relatives resident outside Denmark. Accordingly, there may be situations where we need picture ID or other documentation related to payments made and received.

Right to complain

If you find that P+ has made a wrong decision in a matter between you and the pension fund, you have the right to complain. You can send an e-mail to klageansvarlig@pplus.dk – read more [here](#)



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