

Optimierungsmöglichkeiten bei den bestehenden
steuer- und sozialversicherungsrechtlichen
Förderregelungen der betrieblichen
Altersversorgung

ABSTRACT

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Abstract

Germany's old-age retirement system is based on three pillars: the statutory pension scheme, company pension schemes (CPS), and private retirement funds. The current government's coalition agreement expressly foresees a strengthening of CPS since its popularity has heavily stagnated in recent years. The intention is to optimize the fiscal and social insurance-related framework for CPS in an attempt to encourage its wider use. The present expert opinion is a contribution towards this effort. There is considerable potential for this especially among small and medium-sized enterprises (SMEs) and earners of low and very low incomes, since these groups are disproportionately under-represented when it comes to CPS takeup. In light of this, this opinion gives priority to these target groups.

The study is structured as follows. First, a comprehensive literature review is provided and guided interviews with experts performed in order to identify obstacles to the continued spread of CPS among the target groups under review. Then, interviews are held with employers in the SME category as well as earners of low and very low incomes in order to verify the obstacles identified during the first step and consider any additional insights. On this basis, the authors consider which reforms may prove effective in addressing the identified obstacles. Here, as instructed, any potential reforms should endeavor not to create a financial burden on Germany's tax and social insurance authorities. We then subject these reform ideas to an empirical review that involves interviews with SME tax advisers and again with earners of low and very low incomes. Having analyzed these interviews and discussing additional practical considerations, we explicitly recommend the implementation of selected reforms. In doing so, the authors propose the following two concrete recommendations.

Recommendation 1 suggests introducing a mandatory employer contribution on top of deferred compensation that corresponds to the amount of social insurance contributions that are saved as a result, of which employees would be the obvious beneficiaries. This would result in an increase in employers' financial burden compared to the status quo. To compensate, a "CPS deduction" would be introduced as a tax incentive for small enterprises that decide to introduce a CPS for their employees. This deduction would function similarly to the investment deduction option afforded under Section 7g of the German Income Tax Act, resulting in a positive liquidity and tax deferral effect for small enterprises.

Recommendation 2 aims at incentivizing employees to participate in a CPS. Two alternatives are offered. Either Germany's existing Riester subsidy system could be better integrated into CPS schemes by eliminating the duplication of contributions that exists under the status quo. Alternatively, a "CPS subsidy" could be introduced. This would involve granting a statutory subsidy to employers that contribute a certain minimum amount to the CPS on behalf of

their employees. As a consequence, employees would be able to participate in a CPS without having to make a contribution of their own, which would have the desired effect especially for earners of low and very low incomes. In connection with Recommendation 2, the authors mention two additional aspects that ought to be implemented for the benefit of employees. One, a restriction should be placed on the extent to which CPS payments are set off against basic social security payments. Two, the acquisition costs of insurance-based CPS solutions should be spread across the entire term of the agreement, meaning that no commission fees can be retained that relate to contributions that haven't yet been made.

Finally, the authors recommend two measures that serve to flexibilize and simplify the legal framework surrounding CPS: an increase in the tax- and social insurance contribution-exempt total outlay in the presence of insurance-based external funding and, related to this, a switch from an annualized to a lifetime- or length-of-service-based approach.