



lalux-Staff Protect

A FLEXIBLE SUPPLEMENTARY PENSION SCHEME
WITH TAX BENEFITS

A FLEXIBLE SUPPLEMENTARY

lalux-Staff Protect

PENSION SCHEME

lalux-Staff Protect is a supplementary pension scheme financed by employers to guarantee additional security for employees upon retirement, in the event of death and also in the event of disability.

This flexible product, with tax benefits, is therefore an important part of the modern salary package that enables you to attract, retain and motivate your teams.

To satisfy your requirements as effectively as possible, **lalux-Staff Protect** offers two complementary components:

- Retirement savings cover that allows you to supplement the statutory benefits which are calculated on capped earnings, thus guaranteeing continuity of income.
- Risk cover (death/disability/accident) that protects loved ones facing financial risk, over and above the statutory survivor's and disability pensions. Since statutory pensions are based on a person's average salary from the start of the contribution period up to the age of 55, they fail to take into account an important part of the contributors' career, leading to a considerable loss of income.

WHY IS A SUPPLEMENTARY PENSION SCHEME ESSENTIAL TODAY?

In a professional environment that is in constant evolution, **attracting and retaining talent** is a major challenge for companies.

Although remuneration continues to be a key factor, employees attach increasing importance to **additional benefits**, in particular **to pension and retirement schemes**.

However, social security benefits can be inadequate to maintain a comfortable standard of living after retiring or due to unforeseen events. Several factors contribute to this inadequacy:

- **cap on statutory pensions:** pensions are calculated on a capped basis, which can lead to a significant loss of income, in particular for managers and executives.
- **salary evolutions not being taken into account:** the survivor's and disability pension is calculated based on a person's average salary up to the age of 55, without considering the pay increases awarded at the end of a person's career.
- **international careers:** employees who have worked in several countries can find themselves with insufficient pensions due to less beneficial systems.
- **ageing population and pressure on financing pensions:** the extended life expectancy is putting the pension system in difficulty, which will lead to reforms that reduce future benefits.



A CLEAR ANSWER: THE SUPPLEMENTARY PENSION SCHEME **lalux-Staff Protect**

To meet these challenges, as an employer, you can take concrete action by offering appropriate solutions.

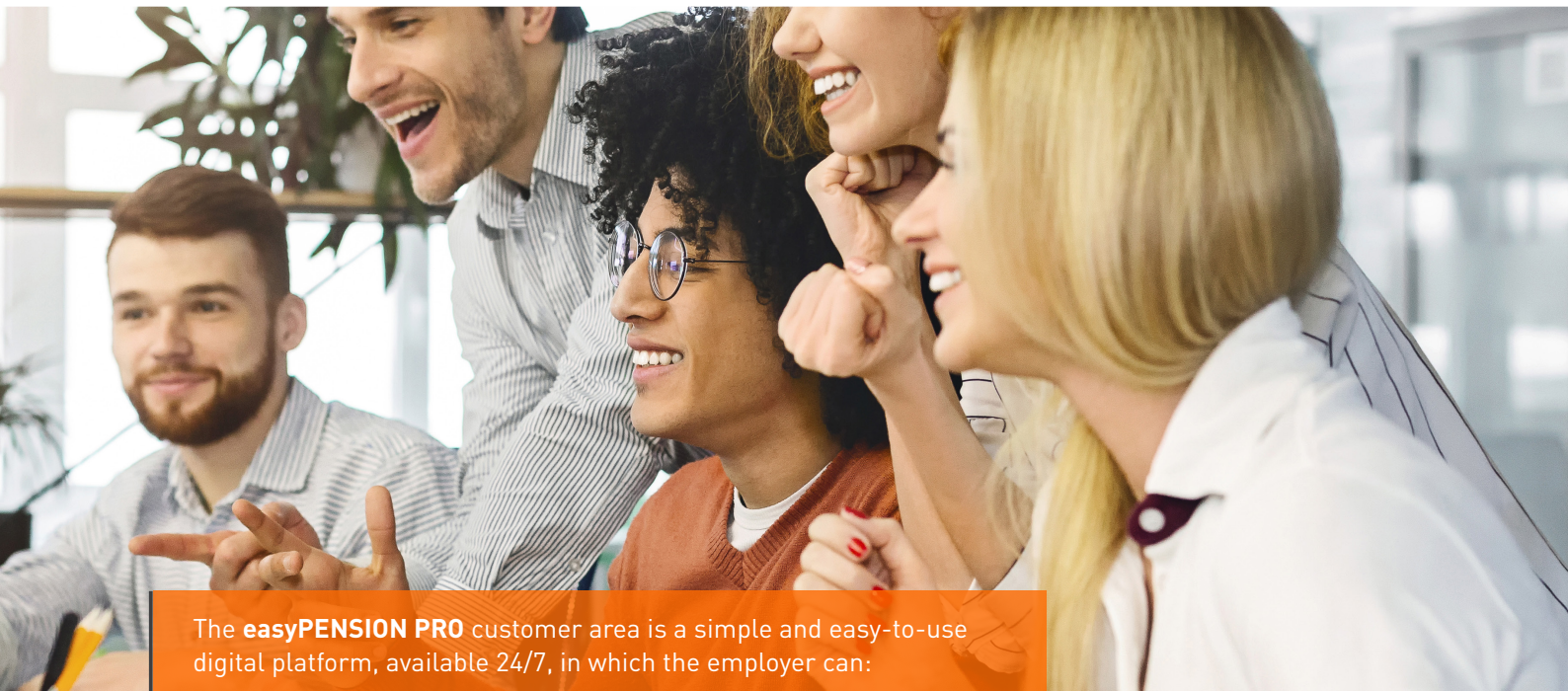
A supplementary pension scheme allows you to:

- guarantee additional income upon retirement
- protect employees in the event of death or disability
- improve your company's HR policy with a distinctive social benefit package
- offer employees tax benefits thanks to tax deductible personal contributions and optimisation of their discretionary bonus through a top-up plan.

A supplementary scheme **is a lot more than a benefit**, it's a **strategic lever** for your teams' well-being and your company's performance.

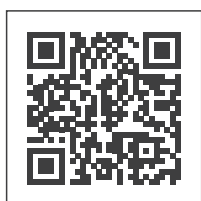
YOUR **easyPENSION PRO**

DIGITAL PLATFORM



The **easyPENSION PRO** customer area is a simple and easy-to-use digital platform, available 24/7, in which the employer can:

- manage and follow the company's pension plan
- view important documents: agreements, contracts
- add one or more new employees
- flag up a departure and initiate all of the communications between the employer, the employee and the insurer
- submit the data for the annual renewal by uploading files
- view invoices, premiums, benefits and the tax return



The **easyPENSION PRO** customer area is also available to employees in order to:

- keep track of their assets and their cover at any time, even if they change their employer
- choose their investments, switches
- view or download an important document such as the annual certificate or the contract for the plan
- amend personal data where necessary
- designate and change beneficiaries in the event of death
- when leaving, provide their choices, their data and the necessary documents

lalux-Staff Protect

AT A GLANCE

PENSION SAVINGS COVER

FRAMEWORK OF THE PLAN DEFINED BY THE EMPLOYER

lalux-Staff Protect is completely flexible.

You define the cover and the level of benefits for your supplementary pension scheme according to your budget, your specific needs, the standard practices within companies in the same sector and the statutory benefits.

TYPES OF PLANS DEFINED BY THE EMPLOYER

You can choose between two types of plans, namely

- a “defined contribution” plan with a fixed premium level, i.e. a plan where the amount of the premium is known. This type of plan is most common on today’s market. You also define the investment vehicles available to your employees, between a guaranteed capital investment or investment funds to choose from.
- a “defined benefit” plan with a goal to reach, i.e. a plan where the level of pension to reach is fixed from the start. This type of plan, which is less common today, is nonetheless still available.

BENEFITS

- When the employee retires, the acquired reserve is paid to them.
- In the event that the employee dies before reaching retirement age, the designated beneficiary(-ies) receive the acquired reserve.
- In the event that the employee becomes disabled and is unable to work, and if the plan provides for disability cover with a waiver of premium, the plan continues and the reserves are paid upon retirement. If the plan does not include a waiver of premium, the acquired reserves are paid immediately and the contract ends.

CATEGORY OF EMPLOYEES

lalux-Staff Protect also allows you to restrict the supplementary pension scheme to certain categories such as executives, department heads, managers etc. and to adapt it according to each category.

CHOICE OF INVESTMENT BY THE MEMBER

Within the framework of the “defined contribution” plan, employees determine the proportion that they wish to devote to the types of investment offered.

Guaranteed life insurance

The lump sum is secured thanks to the classic life insurance product with a guaranteed interest rate, supplemented by any profit-sharing. The rate of this guaranteed return is defined by the Commissariat aux Assurances, the supervisory authority for the insurance sector.

Life insurance with investment funds

The member determines their own investment strategy. The employer selects a range of investment funds adapted to the employees’ needs, including sustainable options that respect the criteria of the ESG (Articles 8/9 SFDR), as well as equity funds, bond funds and mixed funds.

Each year, you allow your employees to redefine their investment strategy between guaranteed life insurance and investment funds through **easyPENSION PRO**.

ACQUIRED RIGHTS

The employer can set a rights acquisition period of up to 3 years. The benefits are only acquired if the employees remain with the employer beyond this period.

TAXATION

- **lalux-Staff Protect** retirement savings premiums are tax deductible as an operating expense at up to 20% of the member's gross annual income.
- The premium paid is subject to tax at a flat rate of 20% and a fee-based tax of 0.9%. These amounts, in addition to the premium, are all tax deductible for the employer.
- In turn, for your staff, the benefits paid out in the form of a lump sum or annuity are free from income tax in Luxembourg, with the exception of contributions for long-term care insurance (currently at 1.4%). For non-residents, the respective double taxation agreements in force at the time the benefits are paid, are applicable.

TOP-UP PLAN AVAILABLE

When you give an employee a variable remuneration (premium, bonus, gratuity), they can take advantage of the product's tax benefits by allocating either all or a part of it to the supplementary pension plan.

This mechanism allows them to enhance their gratuity thanks to a reduced tax of 20.9%, which is well below that of non-periodic income. The top-up plan is therefore a simple and beneficial way to optimise earnings while increasing pension savings.

THE MEMBERS'S PERSONAL CONTRIBUTIONS (LIR 110)

The member can contribute up to €1,200 per year, which is tax deductible directly from their salary. The capital paid out is not subject to income tax in Luxembourg, with the exception of long-term care contributions (currently at 1.4%). This deduction is in addition to personal insurance tax benefits. The member can invest their contribution in a guaranteed life insurance product or in investment funds.

RISK COVER

The various types of optional risk cover, which are all equally beneficial in terms of tax, enable you to guarantee the protection of your employees' loved ones, with maximum flexibility.

DEATH

In the event of the employee's premature death, the death lump sum is paid to the designated beneficiaries, guaranteeing financial protection for loved ones.

DISABILITY

In the event that the employee becomes disabled, a supplementary disability annuity is paid out. In the event that the retirement, death and/or accident components are taken out, this cover is paid for by LALUX from the time the employee becomes disabled, until the term of the contract (waiver of premiums).

ACCIDENT

In the event of death from an accident, an additional lump sum is paid to the designated beneficiaries.

In the event of disability from an accident, an additional lump sum is paid to the employee.

TAXATION

The risk premiums and their taxes (20.9%) are 100% tax deductible for the employer, and this is unlimited.

COMPARISON OF THE EFFECTIVE IMPACT BETWEEN A SALARY INCREASE AND A SUPPLEMENTARY PENSION SCHEME WITH AN IDENTICAL COST TO THE EMPLOYER (rounded figures)

| SALARY INCREASE | | SUPPLEMENTARY PENSION SCHEME | |
|-------------------------------|------|-------------------------------|------|
| Salary increase | €100 | Pension plan premium | €94 |
| Social security contributions | €13 | Social security contributions | €19 |
| Employer cost | €113 | Employer cost | €113 |
| Net employee benefit * | €62 | Net employee benefit | €94 |

* Social Security contributions and tax 30% deducted

ADVANTAGES

FOR THE EMPLOYER

- A tool for retention and motivation
- Strengthened security for employees and their loved ones
- Key argument for attracting talent and for salary discussions
- Tax optimisation of the salary package
- Tax deductible operating expenses (premiums and taxes)
- Rights acquisition period of up to 3 years
- Access to **easyPENSION PRO** to manage and monitor the company pension plan

FOR EMPLOYEES

- Supplement to statutory benefits and continuity of income after retirement
- Additional protection in the event of death and disability
- A fiscally advantageous alternative to a salary increase
- Possibility of tax deductible personal contributions (up to €1,200 per year)
- Premiums exempt from social security contributions
- Top-Up Plan: option to pay all or a part of their gratuity into the pension plan
- Access to **easyPENSION PRO** to manage and monitor their savings, to designate a new beneficiary or to change their investment vehicles



PERSONALISED SUPPORT

LALUX will support your company every step of the way:

- preliminary study
- comparison with the general market trends
- drawing up contracts
- registering the plan with the IGSS ⁽¹⁾
- presenting the plan to the staff
- drawing up the forms for the IGSS ⁽¹⁾ and ACD ⁽²⁾
- daily management
- specific calculations IFRS ⁽³⁾ and PSV ⁽⁴⁾ if necessary

Administrative management is therefore simplified for the employer and kept to a strict minimum.

⁽¹⁾ The supervisory authority (Inspection Générale de la Sécurité Sociale - General Social Security Inspectorate)

⁽²⁾ Administration des Contributions Directes (Direct Tax Administration)

⁽³⁾ International Accounting Standards (IFRS - USGAAP)

⁽⁴⁾ Insolvency insurance Pensions-Sicherungs-Verein (PSV)

LALUX

A TRUSTED PARTNER

Place your trust in Luxembourg's **market leader** in supplementary pension schemes, with a market share of over 38%. The LALUX Group has almost 500 internal staff and the densest network of advisers in the country, consisting of approximately 700 agents, including 130 independent professional agents. With the strength of over 100 years of experience, the LALUX Group is **entirely independent** and has the benefit of an **exclusively Luxembourgish shareholding** including the SPUERKEESS. Its reliability and dynamism give it a solid reputation and a recognised financial stability.

So, if you wish to set up a supplementary pension scheme in your company, LALUX will put its experience and expertise in this area at your entire disposal.

As the key player in the local market, LALUX actively participates in various working groups alongside the competent authorities and the other major players in the market. Furthermore, to respond to the needs of multinational groups, LALUX has made international connections that make it possible to offer suitable solutions to these companies.

LALUX has a department dedicated to supplementary pension schemes for companies. Around **sixty employees**, including **a dozen actuaries**, currently manage over **2,000 supplementary pension schemes**.



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