

TRANSLATION

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

Taxation rules

Company insurance

In the policy or quotation, you can see the distribution of premium/single payment on pension with regular disbursements except for temporary annuity (tax code 1), temporary annuity (tax code 9), instalment pension (tax code 2), and any life insurance without tax deductibility (tax code 5).

In the below table, it is stated how you can get tax deduction for the pension contributions and how the pension will be taxed on disbursement.

	On payment	On disbursement
Pension with regular disbursements except for temporary annuity (tax code 1)	Not taxable 1)	Subject to income tax 3)
Temporary annuity (tax code 9)	Payments up to DKK 58,500 in total excl. LMC per year (2021) are not taxable 1) 2)	Subject to income tax 3)
Instalment pension (tax code 2)	Payments up to DKK 58,500 in total excl. LMC per year (2021) are not taxable 1) 2)	As a rule, subject to income tax 3)
Life insurance without tax deductibility (tax code 5) 4)	Taxable 5)	The disbursements are tax-free 6)

The rules concerning taxation of pension plans are outlined in the Danish Pension Taxation Act (Consolidated Act no. 310 of 9 June 1971 and subsequent amendments).

- Note 1)** You are not be liable to pay tax on premiums and single payments that are paid by the employer. PFA Pension deducts labour market contribution (LMC) from the pension contributions made by the employer.
- Note 2)** The total deduction of DKK 58,500, exclusive of LMC, applicable in 2021 to temporary annuities and instalment pension comprises all your payments during the income year (both private payments and payments made through employer) to temporary annuities and instalment insurance plans in life insurance companies and to instalment pension plans in banks and savings banks.
- The maximum payment to instalment pension and temporary annuity is DKK 63,586 incl. LMC in 2021. The maximum is adjusted according to Section 20 of the Danish Personal Income Tax Act.
- Note 3)** PFA Pension is liable to withhold taxes to the Danish State before disbursement of the pension benefits. Disbursement of pension benefits is not subject to labour market contribution (LMC).
- Note 4)** This concerns risk insurance without savings, where you are liable to pay tax on your employer's payments to the insurance.
- Note 5)** The premium will either be stated as salary income on the tax information sheet from your employer or be stated as income not taxed at source (B income) on the annual tax return from the Danish tax authorities for the income year in question.
- Note 6)** Regular disbursements from insurance plans established before 18 February 1992 may, however, be subject to income tax.