

Changes to taxation rules for pension savings 2014

Various changes to the taxation rules for pension savings were introduced in 2014. They relate to the tax allowance, which changed from EUR 950 to EUR 940, and the system of the anticipative levy, which is reduced from 10% to 8%.

This document will provide a summary of the changes and their impact on the following products:

- **Pension savings** : Star Fund/ING Life Star Plan/ING Star Life
- **Long-term savings** : ING Life Pension Plan/ING Life Plan with tax benefits

Pension savings: Star Fund/ING Life Star Plan/ING Star Life

What does this entail for payments of the maximum tax-free amounts made before 1 January 2015?

2.1 Star Fund

You could pay in up to EUR 950 for **Star Fund** contracts in 2014, whereas the maximum allowance was changed to EUR 940. The overpaid amount of EUR 10 maximum in 2014 is therefore considered as a payment for 2015. This amount has been automatically transferred to you in 2015, so you don't have to do anything.

2.2 ING Life Star Plan/ING Star Life

For **ING Life Star Plan** and **ING Star Life** contracts with deposits higher than EUR 940 in 2014, the insurer reimbursed you with the overpayment of EUR 10 maximum before 31 December 2014.

2.3 Star Fund/ING Life Star Plan/ING Star Life

For these three products, the tax certificate including 2014 payments mentions a maximum of EUR 940.

What changes will occur to the system of tax on capital?

The previous system provided for an **anticipative levy** of 10% for pension savings when the customer reaches the age of 60 (or on the 10th anniversary of the contract if the plan was taken out after the age of 55).

The new regulations stipulate a lower anticipative levy of 8% instead of 10% as from 1 January 2015. This should encourage pension savings.

In addition, collection of the anticipative levy will be expedited by applying this from 2015 to 2019. An amount of 1% of the reserve as at 31 December 2014 will be withheld every year during that period.

These amounts withheld will subsequently be deducted from the 8% that will be booked later at the age of 60 (or on the 10th anniversary of the contract if the plan was taken out after the age of 55) in accordance with the anticipative levy system.

An example to illustrate this:

The theoretical surrender value of a pension savings plan (without profit sharing) is EUR 10,000 on 31 December 2014. The customer will pay 1% of EUR 10,000 from 2015 to 2019 inclusive. This corresponds to a total amount of EUR 500. On the holder's 60th birthday, the anticipative levy of 8% will be calculated on the taxable base, which is – by way of example – EUR 20,000 at that time. This corresponds to an amount of EUR 1,600. The EUR 500 already paid is deducted from this amount. The customer will therefore pay EUR 1,100 on their 60th birthday. This amount will be deducted from the reserve.

If the contract was taken out after 31 December 2014, there is no anticipative levy of 1% applicable.

Long-term savings: ING Life Pension Plan/ING Life Plan with tax benefits

What do the changes entail for deposits made for 2014?

The maximum tax relief for 2014 income (2015 declaration) is EUR 2,260. The insurer already reimbursed the overpayment for contracts with deposits of more than EUR 2,260 in 2014. The maximum amount on the tax certificate of 2014 payments is EUR 2,260.

What changes will occur to the system of tax on capital?

The new regulations do not affect the anticipative levy for long-term savings.