

The Basics Of Expat Pension Optimization

In order to provide a first guideline as service, we gladly offer Expats the following general basic information:

A] Definition Of 'Pensions'

In general we distinguish three kind of pension claims:

- Old age;
- Next of kin;
- Disability.

The pension qualification often includes certain tax benefits. If you might require coverage which is not possible as 'pension', check if it is possible under the more general label of 'life insurance'.

B] State Pensions

Often there is a mandatory participation to the local Social Security Coverage. Please check:

- Who is legally obligated to pay the related premium;
- Which kind of coverage's are included;
- If additional voluntary participation is an option and attractive;
- If there is a minimum participation time before you have a legal claim.

As of now we will focus on workplace pensions if not mentioned otherwise.

C] Product Details

Costs

A relevant aspect is to keep related productcosts as low as possible. Too high costs would have a very negative effect for often several decades and would thus not contribute additional *compounded* return on investment.

Investment & Risk

In case of an investment based pension claim, make sure you invest according to your *Personal Risk Profile*. If you have not yet carefully established this profile, feel free to use our form on our site: Brochures/Forms.

Furthermore check if the chosen Lifecycle or Separate Funds are optimal. Make sure that the risk decreases in time and in accordance with your Personal Risk Profile.

D] Tax Benefits

Maximize

It is relevant to always try to use all existing tax benefits related to pension claims. If not all by law available pension claims have been used and there is the option within a pension plan (or outside of a corporate pension plan by means of a private annuity) please do so if you already have enough savings for regular expenses.

Past & Now

In this regard also check if there are extra tax benefits regarding the *past* which can be used *now*.

E] Additional Premium

Only With Tax Benefits

Pension claims often have to stay within a certain restrictive legal and tax regime which can limit among others the pay-out options.

If there are no tax benefits for additional premium payments, it is advisable not to invest additional premium into the pension plan as it will only increase costs and probably limit your pay-out options and flexibility.

F] Additional Risk Coverage

Lump Sum Capital

If you might need additional risk coverage in the future due to your family, many Expats have an extra capital insured linked to their life.

Often it regards a capital of € 300.000,-/€ 500.000,-/€ 750.000,- for a 5-10 year period. The capital could if so desired decrease in time. As long as you are still young, additional coverage is not expensive.

Details

If this might be an issue in the future, please check if the annual premium is *guaranteed* and if the coverage is still valid if you were to *relocate* to another country.

G] Transfer of Value

Workplace Pensions

A transfer of already existing and build up pension claims is never possible regarding State Pensions nor Private Pensions but might be possible regarding Workplace Pensions.

(Inter)national

Often it is possible on a national level but not always allowed on an international level.

The Devil Is In The Details

If you might want to transfer a totally guaranteed pension claim (DB) to a new investment based pension claim (DC), please be very critical and ask yourself is this is wise. It would mean that you lose the already paid for guarantee. Furthermore also check possibly existing claims to *conditional indexation* and the aspects of pension fund *undercapitalization*.

Advice

Due to all international legal, tax and product aspects, it seems advisable to hire a specialist for sound advice.

H] Double Taxation

Double Tax Treaties

When you retire, you will probably have State and Workplace Pension Claims from several countries.

In international tax it is common that the country where you live will tax your *Global* Income. If you get pensions from another country, they might also have the right to tax those terms *At Source*. Thus double taxation can quickly become a very important issue.

Therefore it is advisable to check Double Tax Treaties between related countries. They determine which State has the right to tax. It will often give one country this right. If both countries might have that right, often it is stated that the tax in Country A will decrease tax in Country B.

National Unilateral Regulations

If there are no treaties to prevent or mitigate double taxation, then you can only look for national regulations to that effect.

I] Investments

For the optimal planning of your investments please check:

- Your Personal Risk Profile;
- Your Personal Investment Horizon;
- If has been invested within both aspects;
- If you have decreased risk by investing in Investment Funds;
- If you have chosen for either Lifecycle mix funds or certain specific funds;
- If you have chosen for ETF's at very low costs or certain Vision Funds with often too high costs.

J] Oversight

Portals & Excel

As Expats often relocate many times, it is understandable that they lose oversight of their pension claims.

Therefore we recommend to always log in to every pension portal that is linked to your claims and to have one excel oversight document. Feel free to contact us for our standard Excel Document.

A) PARAMETERS FOR OLD AGE PENSION PLANNING PARAMETERS FOR OLD AGE PENSION PLANNING PARAMETERS FOR OLD AGE PENSION PLANNING

Amounts in Red Mandatory State Pensions
 Amounts in Black Flexible
 Currency Corporate or Private Pension Optimization
 All amounts translated into €



B) YEAR	YEAR																				YEAR									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051			
Age Client	49	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80		
Age Partner	49	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80		

C) PILLAR 1: STATE PENSIONS STATE PENSIONS STATE PENSIONS

Country A	0																											
Country B	0																											
Country C	0																											
Total	0																											

D) PILLAR 2: CORPORATE PENSIONS CORPORATE PENSIONS CORPORATE PENSIONS

Company A	0																											
Company B	0																											
Company C	0																											
Total	0																											

E) PILLAR 3: PRIVATE PENSIONS & WEALTH MANAGEMENT PRIVATE PENSIONS & WEALTH MANAGEMENT PRIVATE PENSIONS & WEALTH MANAGEMENT

Insurance Plan A	0																											
Insurance Plan B	0																											
Total	0																											

F) SUB TOTAL PRE TAX SUB TOTAL PRE TAX SUB TOTAL PRE TAX

Total	0																											
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G) CORPORATE/PRIVATE PENSION OPTIMIZATION CORPORATE/PRIVATE PENSION OPTIMIZATION CORPORATE/PRIVATE PENSION OPTIMIZATION

Total	0																											
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H) TOTAL PRE TAX TOTAL PRE TAX TOTAL PRE TAX

Total	0																											
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I) TOTAL POST TAX (TOO EARLY FOR ACCURATE ESTIMATE) TOTAL POST TAX (TOO EARLY FOR ACCURATE ESTIMATE) TOTAL POST TAX (TOO EARLY FOR ACCURATE ESTIMATE)

Total	0																											
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J) NOT INCLUDED: SEPARATE WEALTH MANAGEMENT NOT INCLUDED: SEPARATE WEALTH MANAGEMENT NOT INCLUDED: SEPARATE WEALTH MANAGEMENT

Parameters	As of age 60/Flexible/Not included in calculations
Savings	0
Investments	0
Real Estate	0
Art	0
Total Capital	0
Total Capital	0