Please note that ONLY the German version of this document is legally binding and has to be signed. The English translation is provided to help you fill out the original German document.

Last name, first name

date of birth

Please return a signed copy to P2

Notes and explanations on the application for exemption from statutory insurance as part of the supplementary benefits for public servants (Section 2 (2) Collective Agreement on Retirement Pensions – ATV –)

Last updated June 2016

1. The provision of Section 2 (2) ATV reads as follows:

   (2) Employees in a scientific position at colleges, universities or research institutions who are employed on a temporary basis which due to its duration does not allow them to observe the waiting period stipulated in Section 6 (1) and who have not had any previous statutory insurance periods as part of the supplementary benefits for public servants are to be exempted from statutory insurance by the employer upon written request. The application shall be submitted within two months of the date of commencement of employment.

   Employers shall establish pension expectancies for voluntary insurance [in accordance with Section 26 (3)(1)] for employees exempt from statutory insurance according to Sentence 1; the premiums shall be equivalent to the expenditure resulting from statutory insurance, including a possible employee's contribution according to Section 37a (2), but shall not exceed a maximum of four percent of the remuneration subject to an additional pension premium. If the employment relationship is extended or continued within the meaning of Sentence 1, the first month in which the employment relationship was agreed upon to extend or continue beyond five years shall mark the start of the statutory insurance period. Backdating statutory insurance to the date of commencement of employment shall be excluded.

2. Exemption from statutory insurance is possible if the following conditions are fulfilled:

   a) The waiting period of 60 contribution months cannot be observed due to the duration of the temporary employment contract.

   b) You must submit your request for exemption within two months of the date of commencement of employment. The date of receipt by the employer or by your payroll office with the State Office of Finance shall be decisive. If the application is received after this period, an exemption may no longer be granted.

   c) You must be employed in a scientific position. Scientific positions are those that involve scientific or artistic services rendered by scientific or artistic personnel at colleges or universities in accordance with Section 42 of the Framework Act for Higher Education (Hochschulrahmengesetz, HRG). This refers in particular to professors, scientific staff and full-time lecturers/instructors (Lehrkräfte für besondere Aufgaben). A completed university degree is usually a prerequisite for a scientific position.

   d) The scientific position must be with a university, college or research institution.

   e) You may not have had any previous periods of statutory insurance as part of a supplementary benefits system for public servants.

   f) The conditions for statutory insurance must be given on the merits of the case (to be verified by the payroll office).
3. **During the - exempted - period of employment, claims to pension benefits are secured through voluntary insurance.**

Employers are obligated to make contributions amounting to 4% of the remuneration subject to an additional pension premium to a voluntary capital-covered insurance for employees as part of the occupational pension scheme of the Federal and State Government Pension Fund, VBL (it is not possible to use the contributions for an alternative pension scheme for the employee). This results in a claim to a VBL occupational pension when the age of retirement is reached, regardless of whether a waiting period was observed or not.

In addition you have the option of entering into a voluntary insurance contract with the VBL and supplementing the employer's contributions with contributions of your own. Information on this is available upon request from the VBL in Karlsruhe (e-mail: kundenservice@vbl.de, website: www.vbl.de).

4. **The pension benefits received through the voluntary insurance are currently considerably lower than those received through the statutory insurance.**

For new contracts concluded from 1 June 2016, the guaranteed interest for the voluntary insurance is only 0.25 percent, while the interest for the statutory insurance is 3.25 percent during the accumulation phase and 5.25 during retirement. This means that the guaranteed benefits for the voluntary insurance are considerably lower than for the statutory insurance.

Please be aware that a claim to pension benefits from statutory insurance currently only exists if the waiting period of 60 contribution months is observed or counts as having been observed before the age of retirement is reached. However, from 1 January 2018, there is a non-lapsable claim if the employment contract lasts a further three years and if the employee is at least 22 years old by the time the employment contract ends.

5. **Other disadvantages with regard to supplementary benefit contributions may result from an exemption from statutory insurance. Specifically:**

The voluntary insurance does not result in a claim to any social component within the meaning of Section 9 ATV. This means that no additional pension points according to Section 9 (1) ATV may be taken into account for periods of parental leave. Furthermore, no additional pension points according to Section 9 (2) ATV (Additional points) may be taken into account in case of a reduction in earning capacity or in case of the employee's death during the period of employment.

In cases in which statutory insurance is entered into at a later point and the employee's contract ends before retirement, the statutory insurance benefit claims are only incorporated into the calculation of bonus points according to Section 19 ATV if at least 120 contribution months for statutory insurance have been observed.

**Example:**

An employee is initially voluntarily insured for four years instead of having statutory insurance. After four years the employment contract is extended by another seven years. As the statutory insurance only takes into account contribution months for seven years, the conditions for the subsequent non-contributory insurance are not met. The claim to benefits from the statutory insurance thus remains static from the beginning of the employment contract until retirement or until statutory insurance is entered into again.
6. Statutory insurance may be entered into at a later point despite successful exemption.

If the employment contract is extended or continued within the meaning of Sentence 1, the first month in which the employment relationship was agreed upon to extend or continue beyond five years shall mark the start of the statutory insurance period. This marks the end of the employer's obligation to pay voluntary insurance premiums; the voluntary insurance shall otherwise remain unaffected.

Backdating statutory insurance to the date of commencement of employment shall be excluded according to Section 2 (2)(5) ATV.

In order to receive benefits from statutory insurance, the waiting period of 60 contribution months must be observed. Fixed-term employees in a scientific position who have chosen voluntary insurance instead of statutory insurance according to Section 2 (2) ATV must be signed up for statutory insurance after the fixed-term employment is extended beyond five years, even if the stipulated waiting period of 60 contribution months cannot be observed.

The statutory insurance can still be entered into in such cases even without the waiting period of 60 contribution months having been observed, insofar as the optional insurance fulfils the conditions for non-lapsable claims according to the Employers' Pension Benefits Law [Betriebsrentengesetz; cf. Section 1 b (1) BetrAVG]. This means that claims arising during the period in which the employee has voluntary insurance and the subsequent continuous period during which they have statutory insurance are non-lapsable, provided that the employee was employed continuously by the same employer for at least five years before the employment contract ended and that the employee was at least 26 years old when the employment contract ended.

From 1 January 2018, there is a non-lapsable claim if the employment contract lasts a further three years and if the employee is at least 22 years old by the time the employment contract ends.

7. Before requesting exemption, please contact the VBL for further information on the differences between voluntary and statutory insurance (e-mail: kundenservice@vbl.de, website: www.vbl.de).

I have received and acknowledged this information sheet. I have been advised of the two-month deadline for applications for exemption from statutory insurance.

Place, date

Signature