Income tax treatment of 2nd pillar pension products (as of December 2012)

Occupational Pension schemes

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	**Tax incentive**	**Minimum period (years)**	**Comments**	**Taxable**	**Comments**
Austria ***EET***	Occupational group insurance - employer contribution	Employee: tax-exempt Employer: business expense		Up to max. 10% of wage/salary	Yes	Only annuity benefits possible (except a trifling sum)
	- employee contribution	No, except the insurance applies to state-backed pension provision			Yes, only with 25% of the benefits No, if a state-backed pension provision	Lump sum up to a trifle is tax free
	Insurance with provident purpose	Employee: tax-exempt Employer: business expense		Only for premiums of up to €300 p.a. and per person	Lump sum: tax free Annuities: taxable once the benefit exceeds the value of the annuity	
Belgium ***EET***	Collective pension schemes in kind of life insurance or pension fund	Employer share: deductible Employee share: tax-relief	Age 60		Yes, for annuities added to the remaining income and taxed at the marginal rate	
	Individual pension schemes as life insurance	Employer share: limited deductible Employee share: tax-relief	Age 60		Yes, for lump sum, but with a fixed rate (16,5%)	

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	**Tax incentive**	**Minimum period (years)**	**Comments**	**Taxable**	**Comments**
Cyprus	Provident Funds /Pension plans set up by employers for the benefit of their employees under IORP.	Contributions are tax-deductible and thus discounted from total income before applying any income tax rate. There is however one condition: the sum of the tax–deductible contributions paid for (i) life insurance, (ii) social insurance, (iii) occupational pension fund, (iv) health insurance, must not exceed 1/6th of a person's total annual gross income. If it does, any amount in excess is not tax-deductible.	No minimum years apply. The beneficiary can receive a tax-free lump sum (in some cases lump sum + annuity) only at retirement, death, permanent disability, termination of employment, or dissolution of scheme.	Insurers in Cyprus due to problematic framework are not involved in the provision of occupational pension products. Nevertheless, adoption of an amending law that will make this possible is expected very soon.	- Lump Sum payment is exempt from taxation. - Annuities are taxed as income	

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	Tax incentive	Minimum period (years)	Comments	Taxable	Comments
Denmark ***ETT***	Capital pension scheme (TTE as an exemption from general rule)	Non-deductible. Maximum premium is 27.600 DKK p.a./persona.		Yield tax of 15,3% is levied	Yes, if premiums were deductible under former rules	Yield tax of 15,3% is levied. Tax incentive by this tax rate being lower then capital income taxation rate on non-pension savings
	Expiring annuities (ETT-general rule)	Premiums deductible up to 50.000 DKK p.a		Yield tax of 15,3% is levied	Yes, if premiums are deductible	Yield tax of 15,3% is levied, also see above
	Lifelong annuities (ETT – general rule)	Premiums are fully deductible		Yield tax of 15,3% is levied	Yes, if premiums are deductible	Yield tax of 15,3% is levied, also see above

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	Tax incentive	Minimum period (years)	Comments	Taxable	Comments
France ***EET***	Defined contribution contracts	Yes		Only annuity benefits with a restriction regarding amount	Yes, fully, but there is a reduction of 10%	
	Defined benefit pension contracts			For the employer the premiums are deductible, but subject to heavy taxation. For the employee this contributions are not taxable.	Yes, fully, but there is a reduction of 10%	Social security contributions (8.1%) A specific contribution, the rate depends on the amount of the annuity.
Germany ***EET***	Direct insurance (employer-sponsored life insurance) Pensionskasse Pension fund	Premiums tax-free up to € 4.584 in 2013.	As a rule, benefit pay out not before minimum age 61	Pay out in the form of pension payment as a rule	Benefits fully taxable Possibility of partial pay out of capital up to 30% of the capital available at the beginning of benefit pay out; also fully taxable Possibility of optional capital payment of the full capital available under a Pensionskasse or direct insurance (if agreed) at the beginning of pension pay out; also fully taxable	(As a rule: lifelong pension)
Greece ***TTE*** **Note:** **This entry concerns only group insurance**	Group life insurance (annuity and lump sum) **UNDER REVIEW**	Employers' payments: deductible up to €1 500 per employee Employees' contributions:			No, if policyholder and beneficiary not differentiated Yes, if the beneficiary is other than the policyholder. Taxation under the provisions	

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	Tax incentive	Minimum period (years)	Comments	Taxable	Comments
schemes subject to 3rd pillar. Greek legislation does not make any distinction as to whether such schemes belong to 2nd and/ or 3rd pillar. *** ENTRIES FOR GREECE ARE UNDER REVIEW. A NEW TAX BILL IS TO BE VOTED IN THE NEXT DAYS. MAJOR CHANGES ARE EXPECTED**		20% and/or 10% deductible from tax. 10% applies to the amount of the expense that corresponds to the part of income exceeding 40.000€.) Max amount on which 20% and or 10% applies: € 1.200 for singles and € 2.400 per couple **UNDER REVIEW**			of Inheritance and Donation Tax Code **UNDER REVIEW**	
Hungary	Voluntary pension funds	1. Payment of employee: 30% of the premiums, max. HUF 100 000/€400 are deductible from tax 2. Payment of employer: free from Social Security Tax (max. up to 130% of the official minimal wage)	10 years (for >52 years to pension age)			

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	**Tax incentive**	**Minimum period (years)**	**Comments**	**Taxable**	**Comments**
Ireland	Employer pension arrangements	Full tax relief on contributions up to certain limits	Benefits are not accessible until retirement age		Funds roll up free of tax. At retirement, a limited amount may be taken as a tax- free cash sum. The remainder is taxed as income.	
Italy ***ETT***	Occupational pension schemes: Pension funds	Premiums and/or contributions deductible from income up to €5.165 per year		Benefits in form of annuities at retirement age; a lump sum of 50% of the capitalised amount is possible	**Annuity** Liable to income tax in respect of the amount of deducted premiums and/or contributions; flat rate taxation of 15% relating to the payouts from 1/1/2007 A 0.3% extra relief is allowed for each membership year exceeding the 15th, until a 6% reduction is reached (the 15% rate falls to 9% after 35 years' participation in the pension scheme) Transitional rules apply Income from capital taxed by a substitute tax of 20% on the interest elements into the payments (12, 5% rate applicable with respect to income accrued from State bonds).	*Accumulation*: Annual taxation of the accrued income by a special tax of 11%; paid by the insurer or by the pension fund (ETT system). *Accumulation*: Annual taxation

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	Tax incentive	Minimum period (years)	Comments	Taxable	Comments
					Lump sum (max. 50%): Separate taxation at the average tax rate over the previous tax periods with respect to amounts matured up to 2006; flat rate taxation of 15% relating to the payouts maturing from 1/1/2007 A 0.3% extra relief is allowed for each membership year exceeding the 15th, until a 6% reduction is reached (the 15% rate falls to 9% after 35 years' participation in the pension scheme). Transitional rules apply	of the accrued income by a special tax of 11%; paid by the insurer or by the pension fund (ETT system).
Luxembourg **EEE**	Pension funds and group life insurance Employee	Yes		Up to €1 200	No	1% contribution to social security
TEE	Employer	no (20% tax)			No	
Netherlands ***EET***	Annuity	For contributions made by employer and by employee			Yes	
Poland ***TEE***	Occupational	Contributions are	Benefits are	Any earlier		

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	**Tax incentive**	**Minimum period (years)**	**Comments**	**Taxable**	**Comments**
	Pension Fund - created on voluntary basis by employer	subject to income tax, but investment income is tax exempt under conditions defined in the regulation (Pension Fund Act) (Tax incentive for employer) – Employer's contributions are treated as a business expense and are deductible up to 7% of the employee earning. • Additional contribution – the sum of contributions brought by participant cannot exceed 14.368,50 pln. in 2011 year 15.115,20 PLN (4,5 gross average monthly salary in Poland)	paid as soon as pension age is reached or earlier pension entitlement is acquired by participant scheme.	withdrawals are not income tax-exempt		
Romania	Mandatory private pension funds	Contributions are tax free		Benefits to be paid after statutory retirement age	Yes, fully	Subject to personal income tax (16%) above a certain

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country		Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
		Product	**Tax incentive**	**Minimum period (years)**	**Comments**	**Taxable**	**Comments**
					(65/60 in 2014, 65/63 until 2030)		level (240 EUR) and personal health contribution (5,5%) above a certain level (180 EUR)
Slovenia	***EET***	Additional pension insurance	Tax relief: 24% of the contributions paid for compulsory pension and disability insurance for the tax payer individual person/÷or 5,844% of up to 2.646,21 EUR in 2010 and 2.683,26 EUR in 2011			YES, only 50% of benefits paid (tax rate is 25 %)	
Spain	***EET***	Group Pension Plans (voluntary and private providential institutions) and Qualified Group Insurance Policies (PPSE)	Total contributions (company and employee) deductible: Contributions deductible: in general €8.000 per year Maximum limit of €24.250 per year for participants aged 65 or older	Payments not possible prior to retirement, with the exception of grave illness or long-term unemploymen t	The employee always acquires pension rights	Yes, payments are considered earned income/—Payments as annuity and lump sum are fully taxable. .	Payments as annuity or lump sum possible
		Group life insurance policies	Premiums not deductible		The employee may not acquire pension rights until retirement (more common)	Yes, the difference between the benefit and the contribution considered earned income	Payments as annuity or lump sum possible
Sweden	***ETT***	Annuity insurance	Premiums of maximum 35% of the employee's wages,	No minimum period but certain	(Employers pay a special wage tax (24,26 %) on all pension premiums.	Yes subject to income tax.	

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	Tax incentive	Minimum period (years)	Comments	Taxable	Comments
		but not more than SEK 445.000 (2013) may be deducted by the employer.	other conditions for deductibility are applied. Annuity cannot be paid out before the age of 55 and has to be paid out for at least 5 years, it cannot be lent against, transferred, disposed of, etc.	The special wage tax is deductible as a cost.)		
	(Book-reserve schemes) (Pensions foundation)	As above		(Special wage tax on reservations.) (Special wage tax on reservations.)	Yes, subject to income tax. Yes, subject to income tax.	
Switzerland ***EET***	Pension schemes from pension funds	Full deductibility of premiums and purchase payments	Benefits in principle not before the age of 58	Payments as annuity or lump sum possible	Payments are fully taxable	Benefits in the form of a lump sum are taxed at a reduced rate
United Kingdom ***EET***	Pension schemes after 5 April 2006: - registered .	Contributions subject to annual allowance (employee plus employer) limited to	Pension saving not accessible until	Annual Allowance ~~,~~, £ 50,000 (from 6 April 2011 onwards)	25% of value of pension can be taken as a tax-free lump sum	

Income tax treatment of 2nd pillar pension products (as of December 2012)

Country	Deductibility of premiums (saving phase)				Taxation of benefits (benefit phase)	
	Product	Tax incentive	Minimum period (years)	Comments	Taxable	Comments
	pensions scheme	100% of income attract tax relief at individual's marginal rate; costs of premium are deductible expense of employer; tax relief at source of 20% for contributions up to £3 600 even where individual is a non-taxpayer	retirement age: minimum retirement age is 55	excess taxed at 40% Lifetime Allowance - £ 1.5 million (from 6 April 2012 onwards) (£ 1.75 million until 5 April 2012). Excess taxed at 25% if added to savings or 55% if taken as a lump sum Reductions in allowances from 1 April 2014 have been announced. The Annual Allowance will Reduce to £40,000 and the Life Time Allowance to £1.25million.	Thereafter on going annual payments taxed as income	
	- unregistered pensions scheme	None; but contributions are also no longer taxed as income of the scheme member			sum death benefit payable after 5/4/06 and established pre 5/4/06 protected from tax if employer contributions have already been taxed on the scheme member	

insurance europe

Income tax treatment of 3rd pillar pension products (as of December 2012)

Private
Life insurance

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
Austria	No, for capital insurance			Yes	Yes, single premiums and if duration <15 years	
	Yes, for annuity insurance		Restrictions regarding amount		Yes, single premiums and if the duration in case of surrender < 15 years	Yes,if benefit exceeds the cash value of the annuity
	State-backed pension provision: No, state support in the form of premium (% and max. amount variable)	Min. up to statutory retirement age and duration ≥ 10 years	Restrictions regarding type and amount		Yes, difference between amount paid in and amount paid out is taxed at 25% and half of the state premium is to be paid back	No,(if the premiums exceed the limit, the benefits are taxed as private annuities (taxable once the benefit exceeds the cash value of the annuity)
Belgium	Yes, tax relief at a special rate	10 or to retirement age of 60	Restrictions regarding amount		Yes, if the premiums entitle for the tax relief (without bonus sharing); Otherwise with the interest included in the benefits (without bonus sharing)	Yes, same as for lump sum

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
Cyprus	Yes, premiums are generally tax-deductible under two conditions: (1) the annual premiums paid must not exceed 7% of the insured amount (any amount in excess is not tax-deductible), and 2) the sum of the tax–deductible premiums for (i) life insurance, (ii) social insurance, (iii) pension/provident funds, (iv) health insurance, must not exceed 1/6th of a person's total annual gross income. If it does, any amount in excess is not tax-deductible.	As long as the policy is in force and premiums are paid, they will be tax-deductible.	1. The life insurance should be taken on the life of the tax payer. The exception granted for insuring the life of the spouse is still valid for policies effected before 1st January 2003 2. It is noted that due to a problematic legal framework, most 3rd pillar insurance pension products in Cyprus include life cover so as to qualify for tax exemption. These are unit-linked Life Insurance schemes with retirement characteristics. [Very few limited products exist –Insurance Pension Plans –with no life cover. They are illiquid until retirement and the client may have a choice between lump sum or annuity. The tax treatment of such products is problematic, and relevant regulations have been pending for a long time]	-Lump Sum payments are exempt from taxation.	No (in general) In case of cancellation of a policy within 3 years from the day of its issue, a percentage of 30% of premiums for which tax exemption was allowed in previous years is added to taxable income of the year during which the policy is cancelled whereas if the cancellation is between the 3rd and 6th year from date of issue the respective percentage is 20%	Annuity payments are considered income and as such are liable to tax.
Denmark	Capital pension scheme		- Non-deductible. Maximum premium is 27.600 DKK p.a./person**.**		Only if premiums were deductible under former rules	

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
	Expiring annuities		- Premiums deductible up to 50.000 DKK p.a.			Yes, if premiums are deductible
	Lifelong annuities		- Premiums are fully deductible			Yes, if premiums are deductible
France	No,for life insurance in general		Tax credit for certain contracts taken out by or for disabled persons	Yes, the returns from certain unit-linked contracts ('NSK')with a term >8 years; benefit in the event of death	Yes, difference between lump sum reimbursed and premiums paid in. Tax rate depends on length of contract [e.g. 0-4 yrs ≙ 35% 4-8 yrs. ≙ 15% >8 yrs. ≙ 7,5%]	Yes, in line with an age-dependent percentage
	Yes,for pension contracts	Only annuity payments possible; no option for surrender or maturity on retirement age	Restrictions regarding amount, depending on the type of the contract (salary/non-salary/open to all)			Yes, full, but there is a reduction of 10%
Germany	No,(endowment and annuity insurance)	No	No	Yes, in the event of death	Yes, with the difference between the lump sum and the premiums	Yes, in line with an age-dependent percentage
	Yes, with state allowance ("Riester" pension)	Annuity begins at minimum age of 62	Certified products	No	Yes, possibility of a partial payout of capital up to 30 % of the capital available at commencement of benefit payout	Yes, to the full extent

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
	Yes, basic pension schemes	Annuity begins at minimum age of 62	Only annuity benefits; amount is limited; certified products	No lump sum possible	No lump sum possible	Yes, full with a personal allowance
Greece *** ENTRIES FOR GREECE ARE UNDER REVIEW**	Yes, for life insurance in general including annuities, endowment **UNDER REVIEW**	No **UNDER REVIEW**	20% and/or 10% deductible from tax. (10% applies to the amount of the expense that corresponds to the part of income exceeding 40.000€.) Max amount on which 20% applies: € 1.200 for singles and € 2.400 per couple **UNDER REVIEW**	No, if policyholder and beneficiary not differentiated **UNDER REVIEW**	Yes, if the beneficiary is other than the policyholder, then the beneficiary is liable to tax. Taxation under the provisions of Inheritance and Donation Tax Code. **UNDER REVIEW**	No, if policyholder and beneficiary not differentiated. Yes, if the beneficiary is other than the policyholder. Taxation under the provisions of Inheritance and Donation Tax Code. **UNDER REVIEW**
Hungary				Yes,(if the minimum period of the policy is >=10 years, net risk assurance)	Yes,(if the minimum period of the policy is <=10 years	No
Ireland	No tax deduction	-	Funds grow without deduction of tax	-	Yes, investment gains is taxed (current rate is 26%)	Yes, investment gains is taxed (current rate is 26%)
	Personal pensions taken out by individuals – full tax relief on contributions up to certain limits	Benefits not accessible until retirement	Funds roll up free of tax	-		Yes, taxed as income

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
Italy	No, endowment insurance, unit/ index linked			Yes, in the event of death	Yes, 20% substitute tax on the difference between capital and premiums paid (12,5% rate still applicable on income accrued until 31/12/2011 and with respect to the income deriving from State bonds)	
	Yes, death and disability contracts		19% up to premiums of €1 291 deducted from income tax	Yes		

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
	No, annuity insurance with provident purpose					Yes, the payout is taxable only with regard to interest income, since no deduction is allowed in the contribution period. When the annuity is deferred (payout starts after a given number of years' time) the 20% substitute tax is nevertheless levied every year on the accrued interest income (12,5% with respect to the income deriving from State bonds.
	Yes, individual pension schemes. Pension life insurances complying with the following conditions: - Benefits in form of annuity (for at least 50% of the capitalised amount) - Beneficiaries qualifying as for retirement age		Deduction from income up to €5 165; Annuities at retirement age; 50% lump sum is possible;		Yes, the lump sum respective the deducted premiums; flat rate taxation of 15% relating to the payouts from 1/1/2007. A 0.3% extra relief is allowed for each membership year exceeding the 15th,	Yes, the instalments resulting from individual pension schemes are subject to tax up to the portion that represents the premiums deducted over the years (contribution phase); as concerns the interest income

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
					until a 6% reduction is reached (the 15% rate falls to 9% after 35 years' participation in the pension scheme) Transitional rules apply 11% annually from the accrued income into the contract	included in the annuity, this is subject to 20% tax separately (12,5% rate applicable with respect to the income resulting from State bonds), so that if the yearly payout is 100 and reflects an initial capital sum of 1500 and if 1000 out of 1500 were deducted as premiums, 100 is liable to tax (15%, but transitional rules apply) only up to 66% and as the annuity increases by 4% per year, 4 is subject to 20% as interest income (12,5% if income from State bonds). A 0.3% extra relief is allowed for each membership year exceeding the 15th, until a 6% reduction is reached (the 15% rate falls to 9% after 35 years' participation

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
						in the pension scheme Transitional rules apply 11% annually from the accrued income into the contract
Luxembourg	Yes	10	Restrictions regarding amount: general with €672; depending on age from €1 500 up to €3 200	Yes	Yes, for a buyback within 10 years or age < 60 years or if the premiums are deducted	Yes, half
Malta	No		The Maltese market does not provide annuity insurance		15% on the profit attributable to the policy	
Netherlands	No, endowment Insurance Yes, annuity insurance		Deductible up to €17 817; dependent from the first and second pillar	Yes, the payment	Yes, the accrued value is taxed annually at 1.2%	Yes, if the premiums were deducted. Otherwise the value of annuities is taxed annually at 1.2%.
Norway	No, unit-linked Insurance No,endowment insurance No, annuity Insurance Yes, Individual Pension Contract	Retirement age (minimum 64 years)		Yes No	No Yes, with the difference between the lump sum and the premiums paid	Yes, annuities taxed as pension income
Poland	~~There are~~T~~t~~wo	Benefits are paid as	Any earlier withdrawals are not	Yes	No	No

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
	pensions schemes in ~~IIIrd~~ 3rd pillar: IKE (Individual Retirement account) and from 1st January 2012 IKZE (Individual Retirement security Account). **IKE:** No deduction. Only unit-linked life Insurance is allowed to take advantage of TEE scheme. The sum of Contributions brought by participant cannot exceed in 2011 year – 10.077 PLN (3x gross average monthly salary in Poland) IKZE: Deduction in annual income before tax up to 4.030,80 PLN in Y2012 . Unit-linked life insurance	soon as pension age is reached or earlier pension entitlement is acquired by participant scheme. IKE – minimum withdrawal age –60 IKZE – minimum withdrawal age - 65	income tax- exempt.			

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
	is allowed to take advantage of EET scheme. The sum of Contributions brought by participant cannot exceed in Y2012 – 4.030,80 PLN.					
Portugal	Yes, (25% of the applied sums)	After the age of 55 and 5 annual payments of the contract	Only for contracts covering risk of death, disability or retirement: 25% of the premiums deductible, limited to €64pp	No	Yes, difference between insurance benefit and the premiums paid. Taxation dependent on the contract: <5 years: 20% 5-8 years: 16% >8 years:	Yes, if it is not possible to separate the capital reimbursement component from the income component, 15% of the annuity is taxed as pension income. Otherwise, income component is taxed as pension
Romania	Yes, partial tax break	Minimum 7.5 years of contribution, benefits to be paid after 60 years old.	Contributions are personal / corporate income tax free up to the threshold of EUR 400 per year		Yes, subject to personal income tax (16%) above a certain level (240 EUR) and personal health contribution (5,5%)	No, available yet, but most likely will follow same treatment as lump sum.

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
					above a certain level (180 EUR).	
Slovenia	No			- benefit in the event of death if life insurance covers also risk of death - when contract has a minimum duration of 10 years, if policyholder and beneficiary are the same persons and if the contract is not terminated before the expiry of a ten year period from the date of the conclusion of the contract	Yes, difference between the lump sum / benefit and the premiums paid (tax rate is 20%)	Yes, difference between the benefit and the premiums paid (tax rate is 20%). Sum of all premiums paid must be divided equally between the entire period of payment of the annuities There are exemptions: - benefit in the event of death if life insurance covers also risk of death - when contract has a minimum duration of 10 years, if policyholder and beneficiary are the same persons and if the contract is not terminated before the expiry of a ten year period from the date of the conclusion of the contract
Sweden	No, endowment insurance	No		No		

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
	Deduction	Maximum period (years)	Comments	Lump sum		Annuity
				Exempt from tax	Liable to tax	Liable to tax
	Yes, annuity insurance and individual pension saving (IPS) with a maximum yearly amount of SEK 12.~~-~~000. For self-employed with no right to any 2nd pillar pension an additional deduction can be made up to 35 % of earned business income, but not more than SEK 445.~~-~~000 (2013) is deductible	No	Annuity cannot be paid out before the age of 55, and has to be paid out for at least 5 years. (Self-employed pay a special wage tax (24,26 %) on all pension premiums etc. The special wage tax is deductible as a cost in the business.)	Lump sum not allowed)	--	Yes, subject to income tax.
Switzerland	Pillar 3a Yes	Precondition: income from employment subjected to 1st pillar - Men: 18 to 65, in case of continued employment until 70 Women: 18 to 64, in case of continued employment until 69	Restrictions regarding amount defined by federal law - Deductible amount dependent on whether person is affiliated to 2nd pillar or not	No	Yes, taxed separately from other income at a special rate	Yes, 100% of the annuity
	Pillar 3b Yes		Restrictions regarding amount defined by cantonal tax law - In most Cantons the deductable amount is already consumed by the premiums for health insurance	- Yes, endowment insurances financed with periodical premiums - Yes, endowment insurances financed with a single premium in the	- Yes, endowment insurances financed with a single premium in the case of survival or redemption if the contractual	Yes, generally 40% of the annuity

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
				Lump sum		Annuity
	Deduction	Maximum period (years)	Comments	Exempt from tax	Liable to tax	Liable to tax
				case of death. - Yes, endowment insurances financed with a single premium in the case of survival or redemption, if the contractual relationship >=5 years and the insured person >=60 years old at payment and <66 years at the conclusion of the contract.	relationship <5 years or the insured person <60 years old at payment or>=66 at the conclusion of the contract (the difference between the lump sum and the single premium is taxed at the normal rate) - Yes, pure risk insurance (the whole lump sum is taxed at a special rate)	
Spain	No (general case)			No	Yes, difference between capital received and premiums paid (19%-21% tax rate)	Yes, to the full extent, with age- dependent calculation of the yield
	Yes, for guaranteed pension plans (PPA)	Payments not possible prior to retirement, with the exception of grave illness or long-term unemployment / Payments as annuity (less common) or lump sum (more common) possible	Deduction per year: General: up to € 10.000 >50 yrs: up to € 12.500	No	Yes, to the full extend are earned income but reduction of 40% is granted if 2 years have passed since the first contribution	Yes, to the full extent
United Kingdom	As with 2nd pillar pension	As with 2nd pillar pension	As with 2nd pillar pension	As with 2nd pillar pension	As with 2nd pillar pension	As with 2nd pillar pension

insurance europe

Income tax treatment of 3rd pillar pension products (as of December 2012)

Country	Deductibility of premiums			Taxation of benefit		
	Deduction	Maximum period (years)	Comments	Lump sum		Annuity
				Exempt from tax	Liable to tax	Liable to tax
	Premiums into a registered pension scheme attract tax relief at marginal rates subject to limits	Premiums paid into pension saving are not accessible until minimum retirement age (55 years)	Tax relief on premiums is limited to value of premiums being 100% or less of annual taxable income or £3 600 whichever is higher.	Up to 25% of the value of the individual's pension scheme fund at retirement age can be taken as a lump sum – tax free	Lump sum paid over 25% of value is subject to a tax charge	Yes, annual benefits paid are taxed at the individual's marginal income tax rate
	Premiums into general life investment or annuity products not part of the registered pension scheme, no relief		Maximum amount of premiums (employee plus employer) eligible for tax relief in any one year is £50,000 [£40,000 for the tax year 2014-15 and onwards]			