

3rd pillar pension with Swedbank – savings for your company’s employees

Employees are a key asset for success in business. Savings are one of the most important benefits for additional financial safety of employees, and the employer can offer to make them.

Why should a company opt for 3rd pillar pension for its employees?

Financially wise	Far-sighted	Competitive	Beneficial
Allows enjoying tax benefits	Increases long-term motivation of employees	Improves company's prospects on labour market	Low fees (0.69% of savings per year)

Tax benefits for the employer

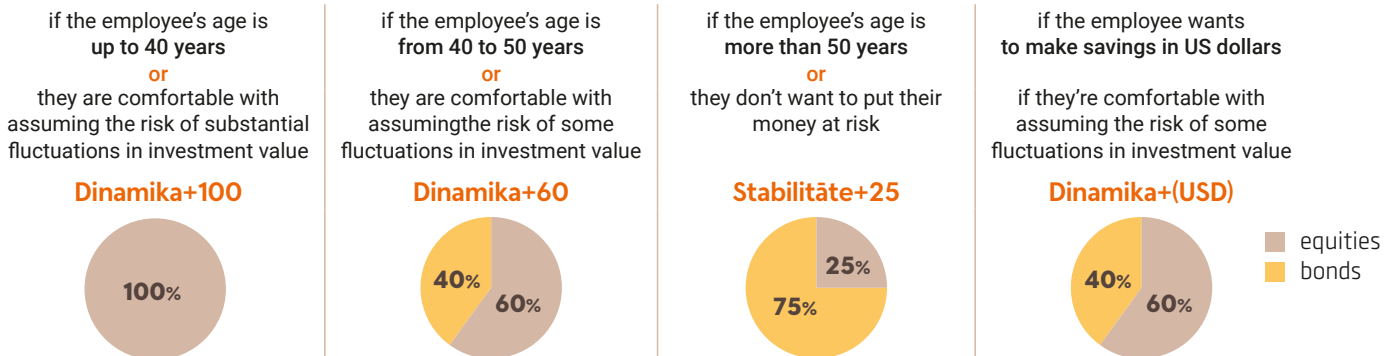
	Initially	Option A Gross pay increase of 100 EUR, per month	Option B Contribution to pension fund 50 EUR and gross pay increase of 50 EUR, per month	Option C Contribution to pension fund 100 EUR, per month
Employee's gross monthly pay	1000	1100	1050	1000
Employee's net monthly pay	753	820	786	753
3rd pension pillar savings, per year	0	0	600*	1200*
Employer's social tax (23.59%)	236	260	248	236
Total costs paid by employer	1236	1360	1348	1336

Tax relief

Contributions of up to 10% of employee's gross salary are exempted from the following taxes:

- Social tax – 23.59% for employer and 10.50% for employee
- At the time of making contributions, also the personal income tax

Swedbank pension plans**:



 Pension savings are invested in sustainable companies, taking into account environmental, social and governance factors.

Important to know:

- The company can choose – create savings for the employee only by the company or with a financial contribution by employees.
- The employee can receive the savings on attaining the age of 55. The pension savings are heritable.
- At the moment of payout of the capital, the personal income tax is withheld from the employer's contributions for the employee – currently 23%, and the income tax from capital gains (from profit) – 20%.
- Fees on savings per year: for pension fund 0.26%, for custodian bank 0.09%, for asset manager 0.34%. FKTK's fee from contributions – 0%, which is covered from the pension fund's revenue.

* Yield of the savings is not taken into account in the calculation Personal income tax at the rate then in force (currently 23%) is levied on employer's contributions upon payout of 3rd pillar pension capital.

** Prior to making investments under the pension plan, it is recommended to evaluate the risks associated with investments considering that a higher proportion of pension plan investments in equities and comparable securities means a higher risk of both positive and negative fluctuations in the value of pension plan investments. The historic yield of pension plans does not guarantee similar yield in the future.