

Pension and retirement provision

Old people who no longer have to work are called "pensioners".

How does the statutory pension work?

If you work in Germany and earn more than €538 a month, part of your gross salary is automatically paid into the pension insurance scheme. Your employer also pays their own contribution to the pension insurance scheme. And the state adds tax subsidies. This money is paid out to all people who are pensioners now. So when you yourself become a pensioner later, your pension will be paid by the people who are then working. This is called the pay-as-you-go system.

Who pays contributions to the statutory pension insurance scheme?

If you are an employee and earn more than €538 per month, you automatically pay part of your income into the pension insurance scheme. These people are compulsorily insured in the pension insurance scheme.


Civil servants and the self-employed are not compulsorily insured. However, they can voluntarily pay into the statutory pension insurance scheme until they retire. This can be worthwhile for short interruptions or if you have not yet reached the minimum number of years of insurance.

When will I receive a pension in Germany?

You will receive a pension in Germany if you:

- have reached the minimum age for a pension, which depends on the year in which you were born
- have reached the minimum insurance period, i.e. you must have paid money into the pension insurance scheme for at least 5 years

Comprehensive information on the retirement age in 10 different languages can be found on the German Pension Insurance website (DRV):

 www.deutsche-rentenversicherung.de

How do I get a pension in Germany?

If you are now in a position to claim a pension, you must apply for it. The pension is not paid automatically. To do this, you must submit an [application](#) at least 3 months before you plan to retire. This will make the transition from employment to retirement easier.

What happens if I do not receive a pension or my pension is not enough to live on?

If you do not receive a pension or your pension is not enough to live on, you can apply for "[basic security](#)". You will receive "[basic income support](#)" from the social welfare office. The social welfare office pays you money so that you can pay your rent, utilities, health insurance and long-term care insurance as well as food and clothing. You must renew your application for basic income support once a year.

Apply for basic income support in good time. You will only receive basic income support from the month in which you submit your application!

You are entitled to [basic income support](#) if:

- You have reached the minimum retirement age.
- You have no assets (assets are, for example, your own house or an expensive car).
- Your monthly income is less than €870.
- You live in Germany.
- You have a [residence permit](#) or German citizenship.

What other pension options are there?

In addition to the statutory pension, there is the **company pension** and the **Riester pension** or **Rürup pension**. It is also possible to make **private** provision.

Which pension option is best for you depends on

- how old you are,
- how high your income is,
- what financial resources you have
- and whether you have a family.

The company pension scheme ("**Betriebsrente**") is an additional type of pension scheme for employees. With a company pension, you save an amount of your income in a special account. Your employer also contributes an amount. Ask your employer whether this option is available in your company.

The **Riester pension** and **Rürup pension** are savings options that are subsidised by the state.

With the **Riester pension**, the state pays a fixed amount of money into your pension account each month. At the same time, you must also pay in a fixed amount yourself each month. The Riester pension can be taken out by anyone who is liable for pension insurance. It is particularly worthwhile for people who have a low income and many children.

The **Rürup pension** is for the self-employed and freelancers. The advantage of the Rürup pension is that you can deduct the contributions from your [tax bill](#). Ask your tax advisor whether the Rürup pension makes sense for you.

With a **private pension**, you invest your money yourself as profitably as possible, for example in equity funds or property. When you retire, you live off this money or these earnings.

Counselling

You can obtain more detailed information on your pension model and other benefits at an advice centre. You can find the nearest advice centre for pension insurance here:

 www.deutsche-rentenversicherung.de

Further information can be found on the website of the consumer advice centre:

 www.verbraucherzentrale.de/wissen/geld-versicheru...