

Information on payroll accounting

Company pension scheme (bAV)

June 2022

Employers' contribution to the company pension scheme (bAV) since 1 January 2022

As at 1 January 2022, the obligation to pay the employers' contribution to the company pension scheme came into effect. As a consequence, the provisions for all company pension agreements with external schemes for individual or collective deferred compensation arrangements are now binding as soon as the employer saves on social insurance contributions. With effect from 31 December 2021, the previously applicable [transitional provision](#) expired. However, it should be noted that the statutory provision falls under the general [collective agreement opening clause](#) and thus falls under the collective agreement. This means that if other provisions governing this issue are affected by the collective agreement, the provisions arising from the collective agreement apply.

The consequences of not implementing this provision could entail claims for compensation by employees and consequences due to [criminal](#) offences.

If you have not yet acted in this respect, we recommend you take up this issue **now**. This is not solely a legal obligation but also an instrument to improve staff retention and win over new employees. In the battle for the best employees, a compelling company pension concept can be a major advantage.

If you have questions regarding this issue or you wish to develop concepts, please get in contact at any time. We can support you to create a forward-looking company pension concept by drawing on a large pool of experts and we can assist in implementing this with legal certainty into payroll accounting. For issues relating to the handling of periods of absence, such as periods of maternity leave or longer periods of illness, we can assist in an advisory capacity. Please get in touch.

Guidance

- Entitlement to company pension for all employees
- Obligation regarding employer contribution

External schemes

- Direct insurance
- Pension fund
- Staff pension insurance [Pensionskassen]

Calculation of employer contribution

- the statutory contribution is calculated based on the social security contributions saved due to the deferred compensation for the company pension scheme, though not exceeding 15%
- higher contributions are permitted at any time



Practical advice

- ✓ The original insurance policy exists.
- ✓ No insurance policy also leads to no consideration in payroll accounting.
- ✓ Notices of intention and applications are not sufficient.

Please do not hesitate to contact us if you have any questions. Get in touch.

Contact

KPMG AG
Wirtschaftsprüfungsgesellschaft

Heike Strissel
Director, Tax
T + 49 69 9587-2106
hstrissel@kpmg.com

Torben Liedtke
Manager, Tax
T + 49 251 59684-8583
tliedtke@kpmg.com

Marcel Pohl
Manager, Tax
T +49 69 9587-4793
marcelpohl@kpmg.com

www.kpmg.de

www.kpmg.de/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG AG Wirtschaftsprüfungsgesellschaft, a corporation under German law and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under licence by the independent member firms of the KPMG global organisation.