



Information sheet for new employees

Dear Sir or Madam,

First of all, we would like to congratulate you on your new job and wish you all the very best in your new employment!

As you are beginning a new employment relationship in your company, the "New Severance Pay" provisions according to the BMSVG (Company Employees Provision Act) which was introduced on 1 January 2003 apply to you. In the following overview we would like to briefly explain the important provisions of the new law:

➤ General points regarding NEW severance pay

From the second month of your employment onwards, your employer pays **1.53 % of your Gross-Income** in contributions to the health insurance fund, which passes the contributions on to a Vorsorgekasse (staff provision fund). The staff provision fund invests the contributions and credits them including the returns on investment (after deduction of administration costs) to your personal severance pay account.

A legally prescribed **capital guarantee** ensures that regardless of the results of the investment, the final severance pay sum cannot be lower than the amount paid in by the employer.

➤ Statement

Once a year, BONUS sends you a written statement which informs you about the current status of your severance pay claim and the annual investment results.

➤ Contributions for "fictitious qualifying periods"

For times spent on military service and training, community service (as an alternative to military service) or for periods in which maternity pay and sickness benefit are paid, your employer continues to pay contributions based on a fictitious assessment basis. For periods in which child care allowance is received and during family hospice leave, the contributions are paid by the government's Family Burdens Equalisation Fund (FLAF).

➤ Regulations for the termination of an employment relationship

The contributions paid by your employer to NEW severance pay cannot be forfeited, regardless of the reason for the termination of the employment contract. However, you are only entitled to freely dispose of your severance pay when:

- **at least three years'** contributions have been paid into NEW severance pay **and additionally**
- the **most recent employment contract** was terminated by **notice given by the employer**, by **mutual agreement**, by **dismissal through no fault of the employee**, by **legitimate premature resignation by the employee** or by **notice given by the employee during part-time employment according to the Mutterschutzgesetz (Maternity Protection Act) or the Väter-Karenzgesetz (Father's Leave Act)**.

If you do not have a claim to severance pay (particularly when you have less than 3 contribution years or when you terminated the employment contract yourself), the contributions made will continue to be invested by BONUS. When your next employment contract is terminated, the conditions stated above will be examined again with regard to a claim to severance pay. As long as this examination does not permit a claim to severance pay, the legal provisions do not allow you to freely dispose of the balance of your account.

➤ Special cases

In the case of termination of the employment contract and **when receipt of a pension commences** or **when the statutory retirement age is reached**, severance pay will be **paid out**, or if you wish **an offer for a pension** will be made. In the **event of death**, payment will be made to **dependant heirs** or will form part of your **estate**. After a minimum of **5 years without an employment contract** for which contributions would have to be made according to the Company Employees Provision Act (e.g. in the case of self-employment, long-term unemployment, emigration, and the like), you **are entitled to freely dispose of your severance pay balance**.

➤ What to do with your payout

You can demand **payment** in the form of a **lump sum** (minus 6 % income tax), or you can let BONUS **continue to invest it** while maintaining free access to it at any time (only possible until receipt of a statutory old-age pension), or you can have the sum **transferred to the staff provision fund of your new employer** or make use of further opportunities for pension provision (supplementary pension insurance, pension investment funds or a pension fund).

Our BONUS customer care staff are pleased to answer any questions on this topic on (01)994 9974 or by e-mail at kundenservice@bonusvorsorge.at.