

# DEPENDABLE PARTNER- SHIP OUR PLEDGE



**APK**  
VORSORGEKASSE





INFORMATION BROCHURE OF APK VORSORGEKASSE AG

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## 1. SEVERANCE PAY

On termination of their employment relationship, Austrian employees have for decades been legally entitled to severance pay, subject to certain conditions.

The idea underpinning this legal provision was, and still is, that in the event of loss of employment through no fault on the part of the employee, this severance pay will serve to provide a measure of interim financing to cover everyday expenditure.

### 1.1. 'OLD' SEVERANCE PAY SCHEME

Employment relationships entered into before January 1, 2003, are subject to the 'old' severance pay scheme.

- An employee's entitlement is dependent on his/her earnings during the last year of service and on the number of years of employment.
- The employee receives severance pay from the respective employer direct.

### 1.2. 'NEW' SEVERANCE PAY SCHEME

The 'new' severance pay scheme was introduced in 2002, pursuant to the Corporate Staff and Self-employment Provision Act, which also stipulated the establishment of corporate staff and self-employment provision funds.

- In consequence, employees no longer receive their severance pay from their employer but from one of these newly established provision funds.
- The new severance pay scheme is financed through monthly contributions by employers to corporate staff and self-employment provision funds.

#### How you benefit from the 'new' severance pay scheme

- Guaranteed entitlement: accrued capital cannot be forfeited. As to when you can dispose of it, depends on the duration of payments made and on the reason for the termination of your employment relationship (see p 8).
- The statutory 100% capital guarantee safeguards that, as a minimum, the sum of the gross contributions made by the employer is paid out.
- Tax benefits: any gains made by the corporate staff and self-employment provision fund on the investment of your capital are exempt from capital gains tax. On transfer of the accrued severance capital to a private bank account or payment in cash, income tax is payable in the amount of 6%.

## 2. CONTRIBUTIONS

As of January 1, 2003, all employees entering into a (new) employment relationship are subject to the 'new' severance pay scheme and are registered with APK Vorsorgekasse AG.

### 2.1. SCOPE

The 'new' severance pay scheme is applicable to the employment relationships (starting after December 31, 2002) listed below:

- workers and salaried employees
- part-timers and marginally employed
- apprentices
- persons in vacation employment
- independent professional contractors

Any employment relationships entered into while the 'old' severance pay scheme was still in force remain subject to this provision.

If an employee changes jobs within an enterprise, and if his/her original employment contract was subject to the 'old' severance payment scheme, this scheme remains applicable also to any new employment contract.

These employment relationships are not subject to the 'new' severance pay scheme:

- employees with a contract for work and services
- unpaid trainees
- homeworkers
- employees whose employment relationship is subject to foreign service regulations

### 2.2. CORPORATE STAFF AND SELF-EMPLOYMENT PROVISION: PROCEDURE

As of the second month of your employment relationship, your employer pays a contribution amounting to 1.53% of your gross monthly earnings, inclusive of any special payments, to the Social Insurance Authority (GKK-Regional Health Insurance Fund, BKK – Company Health Insurance Fund, BVA – Insurance Institution for Public Service Wage and Salary Earners). The computation of this contribution does not take into account any marginal earnings threshold or maximum contribution base. The Social Insurance Authority then transfers these contributions to your corporate staff and self-employment provision fund.

All relevant data and details (e.g., amount of contributions, registration, cancellation) are forwarded to APK Vorsorgekasse AG by the Association of Austrian Social Insurance Carriers (HVB).

If there are two valid employment relationships in place with the same employer within a period of 12 months, liability to pay contributions for the second employment contract starts with the first day of the employment relationship. However, employment relationships lasting less than one month are not taken into account.

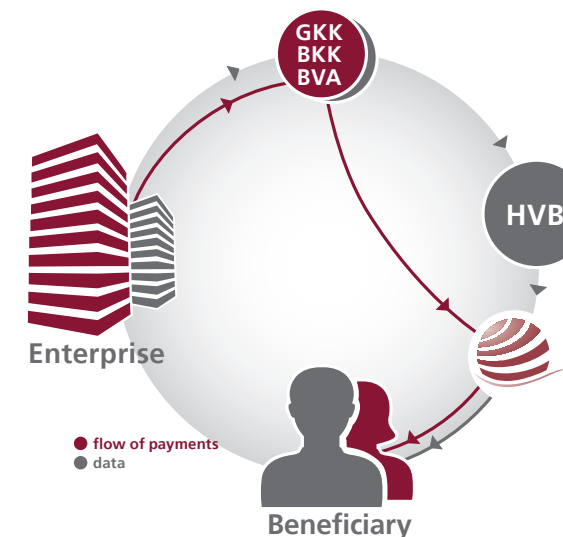


Diagram 1: Corporate provision scheme

### 2.3. EXCEPTIONAL SITUATIONS

#### National service, national training service, or alternative service

- During periods of national service, national training service or alternative service, your employer will continue to pay contributions in the amount of 1.53% of your childcare allowance, provided your employment contract is valid.
- This provision is equally applicable to periods of alternative service, national service as a contracted regular soldier (contributions will be paid to the provision fund for a duration of up to 12 months) and national training service for women.

#### Contributions during periods of drawing maternity or sickness benefits

- Your employer pays contributions to the corporate staff and self-employment provision fund in the amount of 1.53% of a fictitious contribution base.
- In the case of maternity benefits, the fictitious contribution base results from the remuneration due for the calendar month prior to the insured event. With sickness benefits it is 50% of the employee's remuneration.

#### Childcare benefits, educational leave, family hospice leave

- In these cases, you are entitled to contributions to the corporate staff and self-employment provision fund in the amount of 1.53% of the childcare benefits.
- While childcare benefits are drawn, and during periods of family hospice leave, contributions are paid by the Family Burdens Equalisation Fund (FLAF). During periods of educational leave, contributions are paid by the Austrian Employment Service (AMS).

#### Part time employment during periods of further education and training

- Your employer pays contributions to the corporate staff and self-employment provision fund in the amount of 1.53% of a fictitious contribution base
- In this case, the fictitious contribution base results from the remuneration (inclusive of any extra payments) due for the calendar month prior to the reduction in working hours.

3. YOUR ACCOUNT

3.1. STATEMENTS OF ACCOUNT BY MAIL

During a valid employment relationship, a statement of account will be mailed to your home address once a year.

The statements go out during the first six months of the year, provided your pay slips have been forwarded to the specific social insurance carrier on time.

In cases of terminated employment relationships, statements are provided every three years unless the amount of the accrued capital has changed by more than € 30.

The account information package comprises these items:

1

Accrued entitlement capital as at the last balance sheet date. This informs you about the amount of the accrued severance pay entitlement as at December 31 of the previous year.

2

Employer contributions during the previous year

3

Administrative fee  
An administrative fee in the amount of 1.4% of the total sum paid in is deducted.

4

Fees charged by the respective health insurance carrier for collecting contributions amount to 0.3%.

5

Investment income  
Investment income is shown minus asset management fees (0.5% or 0.6% depending on membership years).

6

Total severance pay entitlement at current balance sheet date. The total severance pay entitlement results from the items mentioned above.

7

Statutory gross capital guarantee  
The guaranteed entitlement capital is the sum of all gross contributions paid by the employer and is the statutory guaranteed minimum.

3.2. ELECTRONIC ACCESS TO YOUR ACCOUNT

Instead of relying on written statements received once a year, you can access your account any time throughout the year at [www.kontostand.at](http://www.kontostand.at). 8

Your individual access details – social security number and password – are enclosed with the first statement of account. Should you not be in possession of that statement any more, you can request your access details in writing or by phone. We will be happy to send your access data by mail.

By registering you agree that no more written statements will be sent to you by mail. Thereby you not only contribute to conserving resources and energy; you can access all your account details any time, also those of previous years.

Your benefits at one glance:

- access possible any time
- status of your entitlement capital throughout the year
- statements of previous years
- download information relating to your master data (e.g. address)

Regardless of whether you use [www.kontostand.at](http://www.kontostand.at) or not, in the event of entitlement to disposal you will be informed by mail. We want to make sure that you can assert your entitlement to disposal even if you failed to visit our web portal for any length of time.

Of course, you can switch any time between information by mail and via the internet. Simply contact our team on: 050 275 50



Statement of Account  
(issued on 20 January 2017)

Mr Joe Bloggs  
00, Anystreet  
0000 Anytown

APK Vorsorgekasse AG  
BVK-Leitzahl: 71.100  
Thomas-Klestil-Platz 1, 1030 Wien, Austria  
Stahlstraße 2-4, 4020 Linz, Austria  
Postfach 3  
Telefon: +43(0)50 275 50  
Telefax: +43(0)50 275 5609  
E-Mail: [office@apk-vk.at](mailto:office@apk-vk.at)  
[www.apk-vk.at](http://www.apk-vk.at)

Dear Mr Bloggs,  
May we inform you about your accrued severance pay capital as per 31 December 2016.

Would you like to access your account online?  
Please use your access data on the right.

www.kontostand.at	
User:	1234 100179
Password:	d5d8gadf1 8

Employer: XYZ GmbH

Severance pay entitlements at 31.12.2015 1	€	2.000,00
2 Contributions	€	500,00
Administrative fee 3	€	-7,50
4 Charges payable to health insurance carrier	€	-1,50
Allocated capital gains resulting from investment 5	€	80,00
6 Severance pay entitlements at 31.12.2016	€	2.571,00

Pursuant to Section 24, BMSVG (Corporate Staff and Self-employment Provision Act), APK Vorsorgekasse AG guarantees all sums received. At the reporting date 31.12.2016, the capital guaranteed amounts to € 2.200,00. 7

May we draw your attention to the fact that all amounts listed above are valid with the proviso that the data and transfer payments as provided by your social insurance carrier/s are accurate and complete.

At the reporting date, your severance pay capital was invested in bonds and bank deposits (81,57%), in stocks (5,07%), in property (0,00%) and other values (13,36%).

For additional information, please contact us on +43(0)50 275 50.

**Please note:** This statement of account does not constitute entitlement to disposal. As soon as you are entitled to disposal (see conditions overleaf), we will automatically send you the requisite documents by post.

Kind regards

APK VORSORGEKASSE AG

Mag. Alfred Ungerböck m.p.                      Dipl.-Ing. Thomas Keplinger m.p.



4. TERMINATION OF AN EMPLOYMENT RELATIONSHIP

Independent of the reason for the termination, the contributions paid to the corporate staff and self-provision fund, will not be forfeited. As to when you can dispose of your accrued entitlement, depends on the reason for the termination. Entitlement to disposal is monitored by the Main Association of Social Security Institutions. If it is valid, APK Vorsorgekasse AG will automatically be informed.

When you are entitled to dispose of your accrued capital, there is no need for you to take any steps; APK Vorsorgekasse AG will mail the disposal documentation (samples see p 9) to your home address.

If you want to dispose of your accrued entitlement, you must return your written request for disposal within six months. Otherwise your capital will continue to be invested up to the moment of your next entitlement to disposal. Please note Item 6: Change of address.

4.1. ENTITLEMENT TO DISPOSAL

A client is entitled to dispose of his/her severance capital if 36 monthly contributions have been made up to termination of the employment relationship, and if the employment relationship was terminated for one of the following reasons:

- mutually agreed termination
- notice of dismissal by the employer
- end of agreed period of employment
- wrongful dismissal
- justified premature resignation
- resignation by the employee during maternity or paternity leave, or resignation while in part-time employment

The requisite 36 monthly contributions can result from any number of employment relationships with various corporate staff and self-employment provision funds.

- In any case, there is valid entitlement
- on retirement or termination of an employment relationship on reaching the age qualifying for early retirement
  - if no contributions to any corporate staff and self-employment provision fund have been paid on your behalf for five years, or
  - in the event of death

Upon the death of the employee, the capital accrued will be paid out to his/her dependants or is incorporated into the deceased's estate.

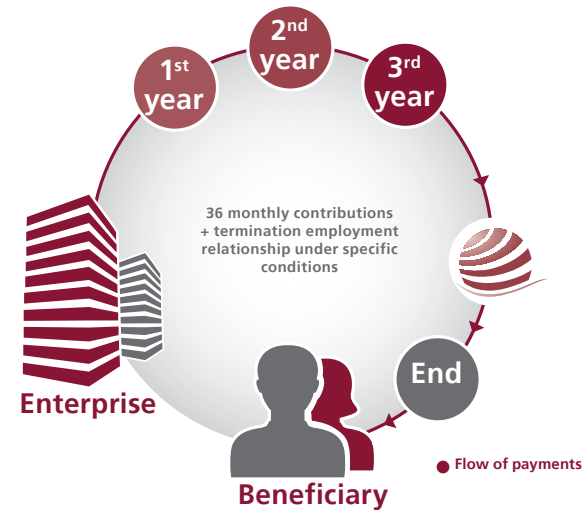


Diagram 2: Entitlement to disposal

4.2. DISPOSAL OPTIONS

- As soon as you are entitled to disposal you can opt for one of these possibilities:
- Continued investment of the capital sum with APK. Later disposal of the accrued sum will only be possible at the moment of your next entitlement for disposal.
  - Transfer to your personal bank account or payment in cash (minus 6% income tax).
  - Tax-free transfer to the corporate staff provision fund of your new employer.
  - Tax-free transfer to a retirement pension fund pursuant to Section 5, Pension Fund Act.
  - Tax-free transfer to a supplementary retirement pension insurance pursuant to Section 108b, Income Tax Act, or to a corporate group insurance.



Joe Bloggs  
SVNR: 1234 100179  
DGKTNR: 12-00347012  
(set up: 20.01.2016)



To  
APK Vorsorgekasse AG  
Stahlstraße 2-4  
4020 Linz

or  
per Fax: 050 275 5609  
per E-mail: office@apk-vk.at

Subject to an entitlement pursuant to Section 14, BMSVG (Corporate Staff and Self-employment Provision Act), I wish dispose of my severance pay entitlement and select one of these alternatives (Please tick as applicable): <sup>1)</sup>

- ☐ I request continued investment with APK Vorsorgekasse AG.
- ☐ I request payment to this bank account (less 6% income tax).

IBAN	
BIC   SWIFT	
Bank	

- ☐ I request postal remittance to the address used in your correspondence with me (Costs payable by the addressee; less 6% income tax; only possible to addresses within Austria).
- ☐ I request transfer to my current corporate staff and self-employment provision fund.

Name of provision fund	
------------------------	--

- ☐ I request transfer to my supplementary retirement pension insurance pursuant to Section 108b, EStG (Income Tax Act) or to the corporate group insurance pursuant to Section 18f, Insurance Supervision Act.<sup>2)</sup>
- ☐ I request transfer to my pension fund.<sup>2)</sup>

Name of pension fund	
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I am aware that supplemental changes concerning data and contribution payments, furnished by the health insurance carrier/s at a later date, may lead to additional contributions payable or the reclaiming of wrongfully paid out entitlement capital, and I hereby undertake to pay back immediately any such wrongfully received payments if requested by APK Vorsorgekasse. I expressly waive any good faith defence.

Please supply additional details:

Telephone	E-mail
	x
Place, date	Joe Bloggs

Important reminder: Please enclose a copy of a valid photo ID

<sup>1)</sup> If you want to dispose of a severance pay entitlement with another corporate staff and self-employment provision fund, please inform us in writing. We will be happy to forward your request. If you fail to return this request for disposal, your accrued entitlement capital will continue to be invested, or – if you draw a pension from the statutory pension insurance scheme – we are obliged to pay out the entitlement as a capital sum.  
<sup>2)</sup> Personal details such as name, address and social insurance number are passed on to the recipient of the amount. Please enclose current documentation issued by your supplementary retirement pension insurance pursuant to Section 108b, EStG (Income tax Act), by your corporate group insurance pursuant to Section 18f Insurance Supervision Act, or by your pension fund pursuant to Section 5, Pension Fund Act. This document has to include the bank details of the respective insurance company or pension fund.

4.3. PAYMENT PROCEDURES

On receipt of your written request for disposal, completed in full, APK Vorsorgekasse AG will pay out accrued capital within the statutory period of two full months and five working days, starting from the termination of your employment relationship.

We do, however, endeavour to minimise the period between receipt of the request for disposal and effective payment.

4.4. TRANSFER OF ENTITLEMENTS

You have the option to transfer accrued entitlements from other corporate staff and self-provision funds to the provision fund of your current employer. This is possible on condition that no contributions have been paid to the previous provision fund for three years. Such transfer is only possible to the provision fund of your current employer.

Application for the transfer of accrued entitlements is only possible in writing, after a term of three years. You can find the transfer forms on our homepage.

4.5. TAX ISSUES

Contributions to a corporate staff and self-employment fund are exempt from any tax or social security contributions. Any investment gains made by the corporate staff and self-employment provision fund are exempt from capital gains tax.

On transfer of the accrued severance capital to your private bank account, or payment in cash, income tax is payable in the amount of 6%. It is automatically deducted and transferred to the Inland Revenue Office by APK Vorsorgekasse AG.

Continued investment of the accrued capital with APK Vorsorgekasse AG, or transfer to another corporate staff provision fund is tax-free, as is payment to an institution for occupational retirement provision, to a corporate group insurance, or supplementary retirement pension insurance, or supplementary retirement pension insurance.

5. TRANSITION FROM THE 'OLD' TO THE 'NEW' SEVERANCE PAY SCHEME

By mutual agreement with their employer, employees subject to the old severance pay scheme can, if they so wish, agree to partial/total transition to the new severance pay scheme.

Transition is on the basis of an individual agreement between an employee and his/her employer. The provisions for such a transition can be laid down in a works agreement (e.g., transition percentages in the event of total transition). The requisite forms can be found on our homepage.

As of the date of transition – no matter whether partial or total – the employer pays 1.53% of the gross remuneration to the corporate provision fund.

5.1. TOTAL TRANSITION

In the event of total transition, you switch from the 'old' severance pay scheme to corporate provision. Any existing entitlements arising from the old severance pay scheme are transferred by your employer in the shape of a transition payment to the corporate provision fund. The sum of this transition payment is not subject to any statutory provision, it is to be contractually agreed. As of the point of total transition, your entitlements are subject to the statutory provisions of the new severance pay scheme.

Benefits for the employer

- Tax saving: transition payments and contributions count as business expenses.
- Reduced risk: predictability on account of fixed contributions and avoidance of financial bottlenecks when employees retire.
- Simplified preparation of balance sheet and organisation: no need to set up provisions; time and cost savings on account of a uniform retirement pay scheme for all employees.

Benefits for the employees

- Contributions paid to the provision fund cannot be forfeited.
- Gross capital guarantee on all contributions, and capital gains tax-free investment.
- Contributions to the new severance pay scheme are paid monthly; hence your entitlement is independent of the last income.

5.2. PARTIAL TRANSITION

In the event of partial transition, any entitlements accrued pursuant to the old severance pay scheme remain with the employer. So, the accumulated entitlements continue to remain subject to the statutory provisions of the old severance pay scheme.

From the key date, contributions will be paid to the corporate staff provision fund.

6. CHANGE OF ADDRESS

Your personal details are forwarded to us by the social insurance carriers. If you move to a new address, please contact your current employer or social insurance institution (GKK, BVA, SVA). They will then automatically forward your new address to us.

If you are no longer employed in Austria, or are no longer resident here, and if, in consequence, your address details are not automatically updated with your social insurance carrier, we would ask you to inform us in writing – by mail, fax or email – about your current address abroad (including a copy of a valid photo ID).

RESPONSIBILITY-  
TODAY AND  
TOMORROW  
OUR PLEDGE





# 7. SUSTAINABILITY

## 7.1. SUSTAINABLE INVESTMENT

As an institutional investor, we feel committed to take investment decisions in compliance with environmental, social and corporate governance principles. APK Vorsorgekasse AG seeks to live up to this standard by means of meticulously defined decision processes, active communication, and the pledge to constantly enhance its commitment.

The essential ethical principles we aspire to encompass upholding human rights, a democratic social order, and protecting the environment against industrial pollution. Our investors can rest assured that their investments not only foster economic success but are also ethically and responsibly deployed.

On account of our diversified portfolio and our global investment strategy we co-operate in matters of research and sustainability analyses with an internationally renowned and independent investment services institute. This safeguards unbiased analyses of all aspects. Our portfolio is monitored along international guidelines and conventions, such as UN Global Compact, OECD Guidelines for Multinational Enterprises, and numerous others.

Currently, complete analyses of our stock enterprise portfolio are conducted by means of biannual screening. In this, individual securities are monitored with regard to potential breaches of sustainability. The results of the screening are then discussed in order to take suitable measures and to decide on further steps. The outcome of this process may well lead to the sale of single securities.



Detailed analyses of international developments in the field of SRI (socially responsible investment) also help us to identify, early on, new issues arising in the domain of sustainability.

Our SRI process also seeks to effectuate a new *modus operandi* within the investment industry as a whole. To this end, we have opted for a ‘responsible engagement approach’. In cooperation with GES (Global Ethical Standard), our associated screening institute, we seek active dialogue with those fund managers whose shares in a company appear potentially flawed in SRI respects. Additionally, GES represents the interests of our shareholders in various meetings and conferences, with APK Vorsorgekasse AG playing an active role here as well. This is to ensure that external fund managers are sensitised to SRI issues and are more likely to be guided by this idea when selecting securities.

On occasion, not only the operating areas of investee enterprises but also their corporate ethics and mission have necessitated action on the part of APK Vorsorgekasse AG. The increasing interconnectedness of individual investor groups has made it easier for APK Vorsorgekasse AG to detect apparent irregularities in the business activities of particular companies at an early stage. If such irregularities point to fraudulent intent, APK Vorsorgekasse AG will, if necessary, seek to protect investor interests also through a class action suit in a court of law. On rare occasions, such measures had to be taken in the past; they resulted in compensation payments by the companies concerned.



## 7.2. SUSTAINABLE ENTERPRISE

### ENERGY SUPPLY

APK’s focus is firmly on the future; it also endeavours to have a share in actively planning and shaping it and to set an example of conserving natural resources. Our two in-house photovoltaic power plants generate an annual output of ca. 42,000 kWh. This equals annual energy savings of 24,500 kg of CO<sub>2</sub>, achieved with this eco-friendly technology. Partly fed by our home-produced electricity, our e-charging station provides clean energy for our clients’ e-bikes, e-scooters and e-cars.

### CONSERVING NATURAL RESOURCES

Resources, even those stemming from renewable sources, are valuable. Therefore, we have modified our internal processes to such an extent that our in-house administration is virtually paper-free. The only, deliberate, exception is the annual information pack mailed to those of our clients who wish to have their account information in writing. However, we are happy to offer any clients who prefer electronic statements the option of paperless access to their individual accounts via our web portal [www.kontostand.at](http://www.kontostand.at).

### GREEN BUILDING

#### Lighting

Use of latest technologies has enabled us to reduce electricity consumption by more than 80%. Before, annual consumption amounted to 50,000 kWh, now it is down to just 9,000 kWh. The resulting annual energy saving amounts to 41,000 kWh or 24,000kg of CO<sub>2</sub>.

#### VENTILATION

Subjective perception of air quality in offices is by no means a substitute for objective measuring of the most important criteria, such as temperature, humidity and CO<sub>2</sub> pollution. The project ‘Good Air Quality’ has helped us to achieve significant improvements through minor modifications to offices (plants) and practical tips on correctly airing the rooms.

#### ENERGY EFFICIENCY

Over a number of weeks, a consulting firm analysed electricity consumption by APK Vorsorgekasse AG premises. At weekends, during holidays and outside office hours, a central master switch now cuts out all those hardly noticed energy wasters which, in stand-by mode, guzzle electricity unnecessarily.



## 8. MY CONTACTS

The APK team will be happy to answer any questions about the 'new' severance pay entitlement scheme, provide detailed information about your contributions to the corporate staff and self-provision fund, or information relating to the termination of your employment relationship.

APK Vorsorgekasse AG does not use the services of a call centre; only qualified experts will answer your questions.

You can contact us by telephone

Mondays to Thursdays 07:30 - 16:00  
Fridays 07:30 - 12:30  
**Telephone number:** **+43 (0)50 275 50**

You are welcome to contact us by email. We will answer email enquiries within three working days.

**Email:** **office@apk-vk.at**

For more information, please go to [www.apk-vk.at](http://www.apk-vk.at)



### IMPRESSUM

**APK Vorsorgekasse AG**

Stahlstraße 2-4  
4020 Linz

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# DEPENDABLE PARTNER- SHIP OUR PLEDGE

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[www.apk-vk.at](http://www.apk-vk.at)



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VORSORGEKASSE