



# SEVERANCE PAY SCHEME

## SELF-EMPLOYED

As of January 1, 2008, the scope of the obligatory severance pay scheme was extended to self-employed persons. Since then, all self-employed persons subject to mandatory health insurance pursuant to Section 2 GSVG have been obliged to pay contributions to a self-employment provision fund. Monthly contributions amount to 1.53% of the contribution base for contributions to a health or retirement pension scheme.

### SELECTING A CORPORATE STAFF AND SELF-EMPLOYMENT PROVISION FUND

For all self-employed who have already selected APK for their employees, APK is the statutory corporate staff and self-employment fund for their contributions. You will be asked by the Austrian Social Insurance Institution for Trade and Industry to confirm that you have selected APK.

Self-employed persons who have not yet opted for a self-employment provision fund must register with a self-employment provision fund within six months of starting their self-employed activities.

### THE MOST IMPORTANT FACTS FOR SELF-EMPLOYED

#### CONTRIBUTION

- The monthly contribution amounts to 1.53% of an employee's health insurance contribution base (with a maximum contribution base of € 81,900/year, as applicable in 2023).
- Contributions are made via the respective social insurance carrier.

#### ENTITLEMENT TO DISPOSAL

There is a valid entitlement to disposal

- after a minimum of three years of contribution payments and two more years of suspended business activities, or on termination of your business activities,
- if no contributions have been made to the new severance pay scheme for five years,
- on retirement,
- upon death.  
Upon the death of the self-employed person, the capital accrued will be paid out to his/her dependants or is incorporated into the deceased's estate.

#### YOUR BENEFITS

##### YOU BENEFIT IN NUMEROUS WAYS

- Guaranteed entitlement – the accrued entitlement capital cannot lapse. The severance capital will be paid out in a lump sum (at the reduced tax rate of 6%).
- Tax advantages – you benefit both from full tax deductibility of any contributions to the self-employment provision fund as business expenses, and from capital gains tax-free investment.
- Capital-guaranteed contributions – safeguards that the severance pay will in no case be below the sum total of the contributions paid.

