

Deferred compensation

12.05.2004

Deferred compensation is the payment of part of your income by the employer into a pension insurance fund. The great number of persons insured enables "bulk discounts" in respect of company pension provisions, i.e., company pension offers are more favorably priced compared to private offers.

The Retirement Savings Act has resulted in the reduction of benefits paid by the statutory pension insurance funds (BfA/LVA), while personal provisions and company old-age pensions are being subsidized to develop supplementary pension provisions. Employees and workers since have a right to a company pension through deferred compensation. Employees determine an amount of their gross salary or wage, which is to form a contribution to the company pension. The employer transfers this amount to the respective pension fund.

The state subsidizes this employee-financed age pension through taxes and contributions not being applied. If this were privately financed, this insurance contribution would have to be transferred in full from the employee's net income.

Fraport offers deferred compensation through the Kommunale Dienstleistungszentrum (KDZ) - Zusatzversorgungskasse für Gemeinden und Gemeindeverbände in Wiesbaden (ZVK) - and through Allianz Pensionskasse.

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