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CAPITAL

The 4 Pillars of the Belgian Pension System

Belgium's pension system is often described as having 4 pillars. The modest pension that you will receive from the state is just one of them.

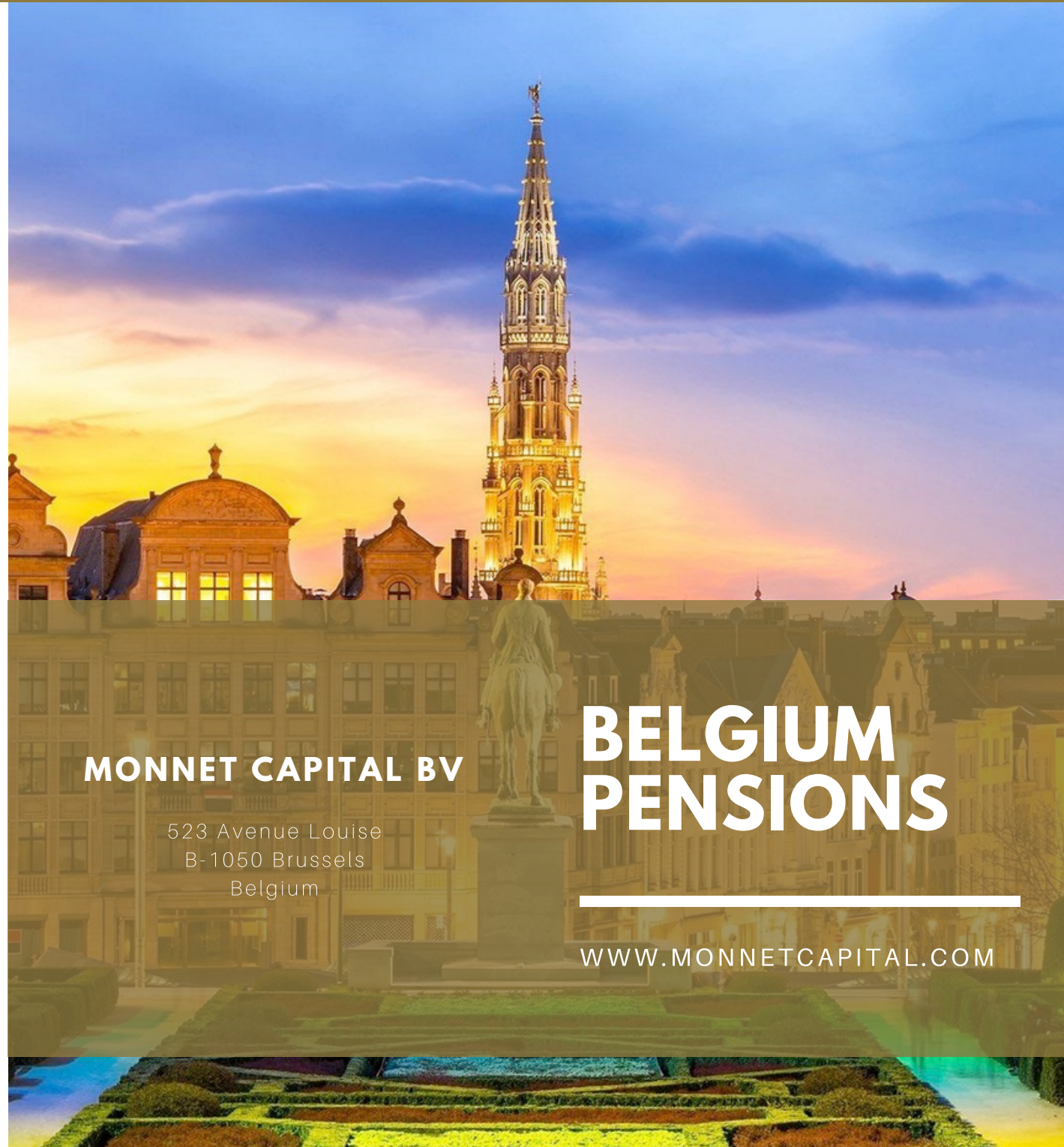
This guide provides an overview of all 4 pillars and outlines other ways to put money aside for your retirement.

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**BELGIUM
PENSIONS**

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Your Guide to Pensions in Belgium

Pillar 1 - The Statutory Pension

Also known as the state pension, the statutory pension is the pension you receive from the Belgian state upon retirement. The value of this pension is variable and depends upon several factors; primarily:

- the number of years worked
- salary
- employment status (employed, self-employed or civil servant)

Pillar 2 - The Supplementary or Extra-legal Pension

Employees

As an employee, you may be fortunate enough to work for an employer who contributes to a group insurance scheme or pension fund. A component of your salary will be placed into a "pot" which is then invested by a pension institution. Your employer will also make contributions to this pot.

It is important to know that employers are under no obligation to provide you with this benefit and the contribution amount is not fixed.

If you do not have this option, or are limited by the group insurance scheme that your employer subscribes to, you can choose to contribute to a private supplementary pension for employees, otherwise known as VAPW.

Self-employed.

As a self-employed person you can also choose to contribute to a private supplementary pension. This has the added advantage of being tax efficient. Pensions for self-employed persons are typically lower than those of employed workers, so it is advisable to consider a private supplementary pension.

Civil Servant

As a civil servant your pension options are directly related to your personal circumstances. Contracted civil servants oftentimes have the benefit of being part of a group insurance scheme, although this is not the case for statutory civil servants. Pensions for civil servants are, on average, higher than those of employees.

Pillar 3 - The Individual Pension Savings Plan

An individual pension savings plan allows you to top-up your future pension and has the advantage of being tax friendly.

By regularly contributing to the plan, it will grow alongside your capital. If you meet certain criteria, an individual pension savings plan can offer a tax reduction of up to 25% of the maximum amount of 1,270 EUR (in 2022).

Pillar 3 also permits you to have a combination of solutions, such as a pension savings plan plus a long-term savings plan. A long-term savings plan also provides tax relief of up to 30% of the amount deposited, assuming you meet certain conditions. There is a greater tax benefit associated with long-term savings, as the maximum amount that you can deposit is 2,350 EUR (in 2022).

However, your fiscal maximum for long-term savings could be lower dependent upon your professional income and tax benefits related to any home loan you may have.

Pension savings insurance

With pensions savings insurance you can benefit from both guaranteed capital and a guaranteed return. However, this can be limited by economic periods where low interest rates are prevalent. One way to bypass any negative impact of low interest rates is to opt for a Branch 23 Savings insurance plan, where the return on your investments is linked to that of one or several investment funds.

With a Branch 23 Savings insurance plan your capital is not guaranteed but your returns may be higher.

Long-term savings

Long-term savings may enable you to benefit from both guaranteed capital and returns but can also be limited during times when low interest rates are in effect. Instead you could choose a Branch 21 life insurance policy which is a savings-based insurance policy that allows you save at your own pace and provides guaranteed capital and returns. Your income can also be supplemented with an annual profit-sharing scheme and you may be eligible to an exemption from withholding tax.

It is important to remember that different fiscal regulations and taxes apply to long-term savings when compared to pension savings insurance plans. If you would like to know more about the differences, please click the button below to request a free consultation.

[CLICK HERE NOW](#)

Pillar 4 - Individual Savings & Investments

The fourth pillar of the Belgian pension system is constructed from the money you have set aside; such as savings accounts or property investments.

Unfortunately it is often the case that the sum of the first 3 pillars may not be enough to provide you with the financial security required to be able to fully enjoy your retirement, especially now that the interest on savings has been reduced. Therefore you would be well advised to plan for your retirement & your future happiness today.

Monnet Capital can help

Retirement planning

To be sure that you have enough capital for later in life it is important to invest wisely today.

How do we help you achieve this?

We begin by determining the income you would like later in life. One of our qualified pension specialists will then work with you to design a savings and investment plan for your target income, taking into account your time frame and personal circumstances. With over 35 years experience of advising people, who live or work abroad, on their retirement plans, we can help you with the following:



SET UP NEW SAVINGS & INVESTMENT PLANS OR REVIEW YOUR EXISTING ARRANGEMENTS

GENERATE TAX-EFFICIENT INCOME FROM YOUR PENSION SAVINGS

SAVE FOR RETIREMENT & PLAN TO PASS ON MORE OF YOUR WEALTH TO YOUR LOVED ONES

DECIDE IF A PENSION TRANSFER IS RIGHT FOR YOU

About Us

Monnet Capital B.V. is an independent insurance brokerage, founded to provide specialised financial services to both corporate & private clientele. The principle of the firm is rooted in the ideals of integratory, independent analysis & value driven metrics.

As a brokerage specialising in advise to EU expats, Monnet Capital BV can help you navigate the intricacies of retirement planning and help you on the path to a sustainable future.

Start the process of planning for your retirement today and look forward to enjoying your future projects with confidence.



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