



TAX INFORMATION NOTE - GERMANY

FOYER GROUP

The following general information on taxation is intended for natural persons fiscally resident in Germany.

The information herein is without prejudice to future changes in legislation during the life of the contract. It does not take into account the particular features of individual situations.

We therefore recommend that you seek advice from an independent legal and fiscal advisor, who will take into account your personal situation.

Our products are designed for specific countries and the features of each product are based on the Law and Regulations of a specific country. It is important to check if all characteristics of your insurance contract, in particular the level of death coverage, and as a consequence its tax treatment comply with the law and regulations of your country of habitual residence.

The taxation applicable to the insurance contract is generally that of the country of your habitual and fiscal residence.

You or the beneficiary or the legal taxpayer are solely responsible for declaring and paying all required taxes or making any other required declaration with regard to this insurance contract.

Insurance Premium Tax

Premiums paid into a life insurance contract are currently not subject to tax.

Taxation of the maturity benefit or surrenders

Payments from the insurance contract are subject to capital income tax.

The difference between insurance benefits and the sum of premiums paid is taxable income in accordance with the provisions of the income tax act on income on capital assets (§ 20 I Einkommensteuergesetz) and taxed at the general rate of 25% (plus solidarity surcharge and church tax if applicable), unless your individual tax rate is more favourable. To the extent the underlying assets of the insurance contract are invested into mutual investment funds, 15% of the difference between insurance benefits and premiums paid attributable to "mixed funds" (equity ratio of at least 25%) and 30% of the difference between insurance benefits and premiums paid attributable to "equity funds" (equity ratio of at least 51%) remain tax free. This applies to maturity benefits and surrenders for any gain made from 1st January 2018. No such reduction will be applicable to "bond funds" (equity ratio below 25%).

If the insurance contract provides for a minimum death coverage of 110% of the contract value, insurance benefits are paid after you have reached the age of 60 (62 in case of subscriptions after December 31, 2011) and after 12 years of insurance contract duration, half of the capital income is taxable at your individual tax rate.

Premium payments are not tax deductible as special allowances.

Please note that income from this insurance contract paid after the oldest insured person has reached the age of 80 is not subject to the individual tax rate on half of the income but the entire income is subject to the general rate of 25% (plus solidarity surcharge and church tax if applicable).

Taxation of the death benefit

Claims and payments from unit-linked life insurances are subject to inheritance tax if they are acquired by reason of the policyholder's death and to gift tax if they are acquired during the lifetime of the policyholder through the policyholder's donations.

This applies also for acquisition of the policy by the replacement policyholder.

Nothing herein shall be deemed legal or tax advice. To the best of our knowledge and belief the information in this fact sheet is true and correct as of December 2017. Nevertheless any information included in this presentation is subject to modifications of the product, as well as amendments to the applicable insurance and tax regulations. This presentation is solely for general information purposes.