

You need to make a decision regarding your early retirement scheme

From 1st January 2012 new regulations concerning the early retirement scheme became effective. You therefore need to decide whether you want to stay in the scheme, or make use of the option of getting your contributions refunded tax-free.

IAK will guide you with regards to the legislation and your options, and in this letter you can read more about:

- New regulations concerning your early retirement scheme if you decide to stay in the scheme
- The option of a tax-free refund of your early retirement contributions.

We cannot guide you about what is best for you. The decision will also depend on your risk of becoming physically disabled and on your economic circumstances. We therefore recommend, that you contact your bank or pension fund for specific guidance regarding your pensions.

NEW REGULATIONS CONCERNING YOUR EARLY RETIREMENT SCHEME

Your retirement age

These new regulations mean that the specific time, where you will be able to retire, is postponed, and your period with early retirement benefits is shortened.

In the Danish letter and at http://iak.dk/Nye_etterloensregler.aspx you can check, at what age you will be able to retire based on the year of your birth, and the rate of benefits paid out to you.

Deduction because of your pension

As a consequence of these new regulations, there will be a deduction from your early retirement benefits because of your pension(s), whether you choose to have your pension(s) paid out concurrently with your early retirement benefits, or you choose to wait for your retirement pension.

At our website, iak.dk under "Efterløn/Pensionsmodregning" you can get more information. Here you will also find examples of calculations showing how large the deduction will be depending on the size of your pension(s).

Your tax-free premium

If you postpone your early retirement, or do not make use of it at all and continue to work, you will earn the right to a tax-free premium.

The tax-free premium is a reward for staying on the labour market. You will earn the premium based on your working hours, so the longer you continue working, the bigger a premium you will earn.

At iak.dk under "Efterløn/skattefri præmie" you can get more information about the rules concerning the tax-free premium.

The early retirement contributions are still your money

If you wish to stay in the early retirement scheme, you do not need to do anything. We will continue to collect your contributions as we have done till now.

The contributions are still your money. You will at any time be able to apply for a refund of your contributions. It is, however, only within the period 2nd April – 1st October 2012 you will be able to get the contributions refunded tax-free.

TAX-FREE REFUND OF YOUR EARLY RETIREMENT CONTRIBUTIONS

You can have your contributions refunded tax-free, if the changes in the regulations mean that you no longer want to be in the scheme.

When can I have my contributions refunded?

You need to send your application to IAK within the period **2nd April 2012 – 1st October 2012**. After this date, you will no longer have the option of applying for a tax-free refund. You can find the application at mitIAK under "Udfyld blanket/Efterløn" from 2nd April 2012.

How much will I get?

You can find the exact amount in your Danish letter.

The contributions paid up to 15th May 2011 are refunded tax-free. The contributions paid to us from 16th May 2011 and onwards, will of course also be refunded. In the latter case, there will, however, be deducted a fee to the state of 30 per cent.

What does the refund mean for my right to early retirement benefits?

If you decide to have your contributions refunded tax-free, you will not have the right to

- Early retirement
- Tax-free premium
- Senior job
- Prolonged right to unemployment benefits up to your retirement age
- Flex benefits

At iak.dk under "Nye regler for efterløn/FAQ" you can read more about senior job, prolonged right to unemployment benefits and flex benefits.

Your decision about having your contributions refunded cannot be reversed, and you cannot sign up for the early retirement scheme at a later point in time if you decide to opt out now.

Stop paying your contributions now

If you have already decided to opt out of the early retirement scheme and have your contributions refunded tax-free, you can stop paying your contributions from now on.

You can deselect the scheme at mitIAK under "Udfyld blanket/Efterløn".

This means that we will stop collecting further contributions from you. You must, however, still remember to apply for the refund from 2nd April 2012.

Where can I get more information?

You can read further at iak.dk under "Nye regler om efterløn". This information at iak.dk and mitIAK is only available in Danish.

If you need any guidance concerning your options, you are of course welcome to contact us.