

This abstract summarises the DAV professional standard of practice “Aktuarielle Aspekte bei der Bestimmung des Übertragungswerts in der betrieblichen Altersversorgung” which underwent the DAV Due Process for the Adoption of Professional Standards of Practice and was approved by the DAV Executive Board on 29.06.2022. The complete publication (in German language) is available [here](#).

## **Actuarial aspects in determining the transfer value in occupational pension schemes**

The following comments are primarily concerned with actuarial issues in connection with the determination of the transfer value. This professional standard of practice relates to the legal status as of December 01, 2021.

The transfer by mutual agreement between the contracting parties can take place either by the commitment being taken over by the new employer or by the value of the vested pension entitlement acquired by the employee (transfer value) being transferred to the new employer and the latter making a commitment of equal value.

If the company pension is provided through a pension fund, a pension fund or a direct insurance and the transfer value does not exceed the contribution assessment ceiling in the general pension insurance, the employee can demand from his former employer or, under certain conditions, from its pension provider that the transfer value be transferred to a corresponding external pension institution of the new employer.

However, the determination of the transfer value does not only play a role in the transfer of pension entitlements. The transfer value is also referred to when determining the settlement amount in the settlement of vested pension rights and current benefits as well as when determining the value of an entitlement within the meaning of the German Occupational Pensions Act (Betriebsrentengesetz) or the corresponding capital value in the case of pension equalization.

*The German Association of Actuaries (Deutsche Aktuarvereinigung or DAV) is the professional body representing actuaries and Appointed Actuaries in Germany. It creates the underlying conditions enabling its members to practice their profession properly and in a technically sound manner as well as engaging in constant dialogue with all relevant national and international institutions.*

*Professional standards of practice are DAV publications that – together with the rules of professional conduct – set out the fundamental principles for the correct practice of actuarial activities. Professional standards of practice are characterised by their*

- *treatment of specialist actuarial issues,*
- *fundamental significance and practical relevance for actuaries,*
- *professional legitimisation through an implementation process that allows all actuaries to be involved in such implementation,*
- *correct application, with members being professionally safeguarded by a disciplinary process.*

*The professional standard of practice “Aktuarielle Aspekte bei der Bestimmung des Übertragungswerts in der betrieblichen Altersversorgung” (Actuarial aspects in determining the transfer value in occupational pension schemes) is an advisory note. Advisory notes are professional standards of practice*



- *that are to be taken into account in actuarial considerations, the application of which can be freely decided upon in individual cases, however, within the framework of the code of conduct, and*
- *which only consist of basic knowledge*
- *on specific individual questions.*