



This abstract summarises the DAV professional standard of practice „Aktuarielle Aspekte bei der Bestimmung des Übertragungswerts“ which underwent the DAV due process for the adoption of professional standards of practice and was approved by the DAV executive board on 26.09.2017. The complete publication (in German language) is available [here](#).

Actuarial aspects of the determination of the amount which is to be transferred according to § 4 section 5 Occupational Pensions Law (BetrAVG)

According to a regulation introduced into BetrAVG as at 01.01.2005, an employee may claim that his vested pension rights be transferred to his next employer or an institution for occupational retirement provisions (IORP) after the termination of his employment. In the transfer process the (present) value of the transferred obligation has to be determined. The same is true in the case of a lump sum settlement. While the legal text of § 4 section 5 BetrAVG gives some guidelines for the practical implementation there is still room for interpretation.

The purpose of this advisory note is to give guidance to pension actuaries for the calculation of a transfer value conformable to law with respect to all five ways of implementation available for occupational pension plans in Germany. Both the appropriate valuation method and the assumptions to be used are discussed.

This advisory note is supposed to be reviewed and adjusted as soon as further questions concerning the transferral of pension rights are clarified by jurisdiction or legislation. Its scope of application encompasses all pension actuaries in Germany.

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 a 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 (Actuarial aspects of the determination of the amount which is to be transferred according to § 4 section 5 Occupational Pensions Law (BetrAVG))“ is an advisory note. Advisory notes are professional standards 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.