



## A short guide of Czech retirement saving system

The current state of pension rents, received from our government, is insufficient. Although we might expect the current system to remain more or less the same, its quite certain they won't suffice still. We highly recommend you to save/invest up to keep your standard of living in retirement. „Doplňkové penzijní spoření“ (hereinafter referred to as „DPS“) is an opportunity to partially fulfill that goal by choosing your own investment strategy.

In „DPS“, your savings, your employer's contributions and state contributions are regularly placed into a fund managed by **one of eight Czech pension companies.**

**Saving up for retirement is a long-term commitment. Once you reach a certain stated age, you may choose either to access all your saved up funds at once, or get paid in rent while your funds keep earning more money.**

### How much should I save up?

Save up < 300 CZK	Save up < 1000 CZK	Save up more than 3000 CZK
Value of your funds will grow, you won't be able to access the state contributions.	You'll be eligible to receive state contributions ranging from 90 CZK up to 230 CZK per month (depending on your own contribution). You must have permanent residence in Czech republic or anywhere in the EU and it's necessary to reach a certain stated age to collect the state contribution.	There are no monthly limits in your own contribution into pension fund. If your personal contribution equals to 3000 CZK, you receive full state contribution and tax advantages. All advantages may sum up to 6360 CZK per year.

The minimum contribution you may send to your „DPS“ is 100 CZK per month.

How much you'll receive on state contributions thanks to your own contribution is depicted below:

Monthly saving amount	100 CZK	200 CZK	300 CZK	400 CZK	500 CZK	600 CZK	700 CZK	800 CZK	900 CZK	1000 CZK
State contribution	0 CZK	0 CZK	90 CZK	110 CZK	130 CZK	150 CZK	170 CZK	190 CZK	210 CZK	230 CZK

## What is the best investment strategy for me?

We shall find out together by filling an investment questionnaire, which is essential for every „DPS“ agreement. Together we will reach the best solution possible, based on the test results and complex analysis of needs and wishes of our client.

## Pros and cons you need to know

- **You may change your monthly saving amount any time.** We'll gladly help you with it.
- **You pay no extra fees.** That means you're not paying for establishing a pension account, or regular changes. If you'd want to transfer your „DPS“ between pension companies before 5 years of continuous saving up, you may pay up to 800 CZK.
- **One of cheapest investments possible.** Regular investment opportunities can get quite expensive. However, „DPS“ has limited cost of fund management. The mandatory conservative fund costs around 0,4 % on management fees per year. Other funds management cost can get up to 10 % plus performance fees.
- **Save up for your kids too:** You may start saving up for your kids right after their birth. Your child may withdraw one third of the saved up sum when reaching 18 years of age after 120 months of saving up.
- **Employers like to contribute too:** It's much easier for them than raising your regular wage. Your employer may contribute up to 50 000 CZK per year without paying social or healthcare tax like they would while paying regular wage.
- **You may cancel your agreement after two full years:** Everything will be properly taxated and you'll receive no state contributions.
- **„DPS“ is highly adaptable:** Your „DPS“ will allow you to gradually accumulate saved up funds into less risky assets when you get older. This means you should get a bit safer before your pension savings time ends.
- **In worst case scenario:** If you die before withdrawing all of your savings, you may choose from one or more close friends / relatives that'll receive finances without inheritance proceedings.

### Disclaimer:

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