

Capital pension – section 21A(1), second sentence of PBL

Refund/transfer of capital pension premiums/contributions exceeding the personal income, see section 21A(1), second sentence of the Danish Pension Tax Act (*Pensionsbeskatningsloven (PBL)*).

You can start using this form **at the earliest** after the end of the income year which the refund or transfer concerns.

It is up to you to decide whether you want to use the form or not. However, please note that the information stated on the form must be reported to the Danish Tax Agency (Skattestyrelsen) in any case by your pension provider.

See the guidance on the following pages, if necessary. You can contact the Danish Tax Agency if you need help to fill in the form.

You should fill in the form and submit it to the bank from which you want the refund/transfer made along with documentation to show that the premium/contribution can be refunded or transferred free of tax charge.

1.	Refund/transfer requested for the income year: _____ of DKK: _____
	In connection with company capital pension schemes, the amount must be stated after deduction of labour market contributions.
2.	Refund/transfer of capital pension premiums/contributions exceeding <i>the personal income</i>
	Name of policy holder/account holder _____
	Address _____
	Postal code and city _____
	Civil registration no. (CPR) _____
3.	If you want a refund or transfer from a capital pension scheme or pension fund scheme which is linked to your employment, the employer's consent must be stated here.
	Amount and income year are indicated under item 1.
	Company stamp _____ Date _____ Signature _____
4.	<div style="border: 1px solid black; padding: 5px;"> The policy holder/account holder hereby confirms the correctness of the information above: </div>
Certification	Date _____ Signature _____
5.	Refund from policy no./reg. no./account no. _____ See section 21A(1), second sentence of the Danish Pension Tax Act, of DKK _____
	was made on _____
6.	Transfer from policy no./reg. no./account no. _____ See section 21A(1), second sentence of the Danish Pension Tax Act, of DKK _____
	to policy no./reg. no./account no. _____ The scheme concerns _____
	<input type="checkbox"/> Annuity <input type="checkbox"/> Temporary annuity <input type="checkbox"/> Life annuity <input type="checkbox"/> pension <input type="checkbox"/> pension <input type="checkbox"/>
	Name and signature of pension provider _____

The pension provider must keep the form on file for five years after the end of the calendar year in which the amount was refunded or transferred to another pension scheme comprised by Part 1 of the Danish Pension Tax Act, see section 16(3) of Danish Executive Order No. 1370 of 21. december 2012.
The pension provider must report the change to the Danish Tax Agency in the Central Pension System (CPS) within four weeks of the refund or transfer having taken place, see section 18(3) of Danish Executive Order No. 888 of 6. June 2020.

Guide

Refund/transfer of contributions/premiums exceeding your personal income

Deductions for capital pension premiums/contributions cannot exceed your personal income (see section 18(2), fourth sentence of the Danish Pension Tax Act).

If you have been unable to exercise your right to deduct the contributions because they could not be covered by your personal income for the relevant year, you are entitled to have the excess amount refunded free of tax charge or transferred to a deductible annuity pension scheme or a deductible pension scheme providing a regular income comprised by Part 1 of the Danish Pension Tax Act (see section 21A(1), second sentence of the Danish Pension Tax Act).

The conditions for obtaining a deduction for contributions to annuity pension schemes and pension schemes providing a regular income appear from section 18 of the Danish Pension Tax Act.

If you want to transfer the excess amount to another scheme, the deduction granted for the transfer will take effect for the income year in which the capital pension contribution was originally made, even though the transfer may have taken place in a subsequent income year.

If the total contribution comprised premiums/contributions to several pension schemes, the maximum amount you can have refunded cannot exceed the amount contributed to the pension scheme in the relevant income year.

If you want the excess amount refunded or transferred to another pension scheme comprised by Part 1, *page 1 of this form can be used*.

The request for refund or transfer must include documentation of the excess amount contributed.

You must fill in a form for each policy/account from which you are requesting a refund.

In the tax assessment notice, the Danish Tax Agency will inform you whether the capital pension premium/contribution exceeds your personal income.

Calculation of personal income

Under the Act, the right of deduction applying to capital pension contributions requires that the deduction can be covered by the personal income.

Premiums and contributions to other types of pension schemes (annuity pension schemes and pension schemes providing a regular income), on the other hand, are fully deductible when calculating the personal income.

The capital pension contribution must be covered by the personal income before applying the rules on transfer/carryforward of negative personal income from previous income years or a spouse, if any.

Example:

A person has taken out a personal pension scheme in the 2009 income year.

DKK 46,000 has been contributed to the scheme, and the personal income before deduction of the capital pension contribution amounts to DKK 10,000. A deduction can only be obtained for DKK 10,000 of the contribution.

The remaining DKK 36,000 can either be refunded or transferred to an annuity pension scheme or a pension scheme providing a regular income comprised by Part 1 of the Danish Pension Tax Act.

If the remaining DKK 36,000 is either transferred to an annuity pension scheme or a pension scheme providing a regular income, the personal income thus amounts to DKK -36,000. This means that the first DKK 10,000 is not deductible as it cannot be covered by the personal income. The DKK 10,000 can therefore also be refunded or transferred to the annuity pension scheme or the pension scheme providing a regular income.

Company schemes

If an amount contributed in an income year by an employer or a pension provider, respectively, exceeds the amount covered by the personal income, the same rules apply in principle as the rules applying to personal capital pension schemes, see section 21A of the Danish Pension Tax Act.

There is the difference, however, that the contributions to a company pension scheme are not included in the employee's taxable income in accordance with the rules set out in section 19 of the Danish Pension Tax Act. This means that the pension contribution within the DKK 46,000 limit (in 2009: the DKK 46,000 limit) can normally be covered by the employee's personal income as the contribution constitutes earned income for the employee (which is offset by a deduction of the same size).

The requirement for the contribution to be covered by the personal income is therefore only relevant in cases where the employee's personal income is negative. There may be instances where the employee, parallel with being in employment, is running his own business, which is making a loss.

If your personal income is negative, you must add a part of the pension contribution corresponding to the negative amount to your personal income. The deduction you have obtained due to your employer having excluded the capital pension contribution in connection with the calculation of your taxable income is thus offset. Persons with company pension schemes and persons with personal pension schemes are thus placed on an equal footing for tax purposes.

Example:

In the 2009 income year, the employer contributed DKK 46,000 to a company capital pension scheme. The employee's personal income totals DKK -10,000. The employee's taxable income is increased by DKK 10,000 to 0. The remaining DKK 36,000 of the pension contribution constitutes earned income, which is offset by a deduction of the same size. The amount which can be refunded to the employee or transferred to an annuity pension scheme or a pension scheme providing a regular income is made up of the DKK 10,000 with which the taxable income has been increased.

If the DKK 10,000 used in the example is either transferred to an annuity pension scheme or a pension scheme providing a regular income, the personal income will amount to DKK -10,000.

You can find an example of how excess amounts are calculated on page 3.

Example of calculation of excess amount, see section 21A(1), second sentence of the Danish Pension Tax Act*Example**Own calculations*

2009 income year:

Earned income (excluding employer's contribution)	DKK	100,000
Loss from business activities	DKK	-90,000
Other personal income	DKK	0
Employer's contribution to capital pension scheme	DKK	30,100
Private contribution to capital pension scheme	DKK	10,000
Private contribution to annuity pension scheme	DKK	20,000
Losses for carryforward from previous years	DKK	0

Calculation of personal income – 2009 income year*Example**Own calculations*

Pay	DKK	100,000
Other personal income	DKK	0
Loss from business activities	DKK	-90,000
Total	DKK	10,000

Fully deductible contribution to annuity pension scheme	DKK	-20,000
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Total personal income	DKK	-10,000
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A. Employer's contribution to employee's capital pension scheme to be added to personal income	DKK	+10,000
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B. Personal income subsequently amounts to	DKK	0
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Please note that the personal contribution to the capital pension scheme is not included in the above calculation as the personal income is negative already before the contribution to the personal capital pension scheme is made. The contribution to the personal capital pension scheme will therefore not be deductible.

In the example, the earned income is DKK 100,000, in addition to which the employer has contributed DKK 30,100 to a capital pension scheme. The total earned income has therefore been DKK 130,100. As the personal income is negative prior to the calculation of A, an amount corresponding to the negative income must be added to the personal income. In the example, the amount will be DKK 10,000.

If you have personal pension schemes as well as company pension schemes, the refund/transfer must primarily be made from personal capital pension schemes (see section 18(2), third sentence of the Danish Pension Tax Act). If you are entitled to a refund or transfer of an excess amount from a company capital pension scheme, you must obtain your employer's consent.

As shown in the calculation of the amount which you can demand refunded for tax purposes (calculation of excess amount), a total of DKK 20,000 has been contributed to capital pension schemes which cannot be used for tax deductions.

Calculation of excess amount – 2009 income year*Example**Own calculations*

Private contribution to capital pension scheme	DKK	10,000
Employer's contribution, see A in calculation of personal income	DKK	+10,000
Total contributions to capital pension scheme not covered by personal income	DKK	20,000

Total contribution to capital pension schemes:

Employer's contribution	DKK	30,100
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Private contribution	DKK	10,000
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Total contribution	DKK	40,100
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You can request that DKK 10,000 be refunded or transferred from the personal capital pension scheme for tax purposes, as DKK 10,000 has been contributed to the scheme in the income year.

You can request that DKK 10,000 be refunded or transferred from the company capital pension scheme for tax purposes.

Refund of amounts used by a pension provider to finance supplementary one-off disbursements, see section 29 A of the Danish Pension Tax Act, requires that this is permitted according to the pension scheme agreement and that other parties, if any, to the agreement have accepted the refund.

The pension provider must report the refund/transfer in the Central Pension System (CPS) system to the Danish Tax Agency.