



PPSE Vs Excess Policy

ADOBE

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welcome to brighter



	Insured Qualified Pension Plan (PPSE)	Group Life Insurance (Excess Policy)
Eligibility (*)	<ul style="list-style-type: none"> • Principle of non-discrimination (1 month) 	<ul style="list-style-type: none"> • There is no principle of non-discrimination
Parties	<ul style="list-style-type: none"> • Policyholder: Company • Participants: Employees included in the PPSE • Beneficiaries: <ul style="list-style-type: none"> ○ Retirement, permanente disability and dependency: the participant ○ Death: the person designated by the participant 	<ul style="list-style-type: none"> • Policyholder: Company • Insured: Employees included in the Excess Policy • Beneficiaries: <ul style="list-style-type: none"> ○ Retirement and disability and dependency: the insured ○ Death: the person designated by the participant.
Contingencies	<ul style="list-style-type: none"> • Retirement • Death • Permanent Disability • Dependency 	<ul style="list-style-type: none"> • Retirement • Death • Permanent Disability • Dependency
Exceptional cases of liquidity	<ul style="list-style-type: none"> • Severe Illness and Long Term Unemployment. 	<ul style="list-style-type: none"> • Severe Illness and Long Term Unemployment.
Financial contribution limits (**)	<ul style="list-style-type: none"> • 1,500 € per year. It can be increased by 8,500€ if the increase comes from the company or employee contributions, provided that the employee's contributions do not exceed the amounts resulting from a table based on the company's contribution. 	<ul style="list-style-type: none"> • There are no annual contribution limits.

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Taxation	<p>Contributions:</p> <ul style="list-style-type: none"> • The company's contributions must be attributed • Deduction in the Employee personal Income Tax (IRPF), from the minimum of the following limits: <ul style="list-style-type: none"> ✓ 30% of the sum of net income from work and economic activities ✓ The amount of contributions made, in accordance with the annual contribution limits. <p style="text-align: center;">Tax neutral for the Employees.</p> <p>Benefits: Earned income subject to withholding. (Rendimiento del Trabajo)</p>	<p>Contributions:</p> <ul style="list-style-type: none"> • Company does not allocate the contributions to the employees. Therefore, they defer the taxation to the momento of receiving the Benefit. <p style="text-align: center;">Tax neutral for the Employees</p> <ul style="list-style-type: none"> • Mandatory tax allocation from €100,000 per employee per year. <p>Benefits:</p> <ul style="list-style-type: none"> • Retirement, Permanent Disability and Dependency: Earned income subject to withholding. (Rendimiento del Trabajo) • Death: Inheritance Tax (Impuesto sobre Sucesiones y Donaciones).
Investments	<ul style="list-style-type: none"> • Minimum Guaranteed Interest + PS 	<ul style="list-style-type: none"> • Minimum Guaranteed Interest + PS
Employee rights	<ul style="list-style-type: none"> • 100 % Accured Rights in case of leaving the Company before retirement. 	<ul style="list-style-type: none"> • 100 % Accured Rights in case of leaving the Company before retirement.

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Advantages	<ul style="list-style-type: none">• Immediate deduction of contributions for the Company in its Corporate Tax. Plus additional 10% deduction in tax rate in the Corporate Tax.• Reduction in the contribution to the Social Security.	<ul style="list-style-type: none">• There is no annual contribution limits.• There is no principle of non-discrimination.• It could be a Unit Linked.• Death Benefits are taxed under the Inheritance Tax (Impuesto sobre Sucesiones y Donaciones).
Drawbacks	<ul style="list-style-type: none">• There is a principle of non-discrimination.• It must guarantee a minimum interest rate + PS	<ul style="list-style-type: none">• No immediate deduction of contributions made by the Company in its Corporate Tax.• No reduction in the contributions to the Social Security.

(*)

Non Discrimination Principle

An Employment plan Will not be discriminatory when all the staff employed by the promoter is covered or eligible to be covered by said plan, without requiring a seniority of more than one month to access it. Any employment plan may provide for access with less than one month of seniority or from the date of joining the promoter plan.

Non-discrimination in access to the employment plan will be compatible with differentiation of contributions from the promoter corresponding to each participant, in accordance with criteria derived from collective agreement or equivalent provision or established in the plan specifications.

(**)

Annual Contribution limit:

The maximum annual joint contributions limit for employer and employees will be 1,500 euros per year. This limit can be increased by 8,500 euros per year, provided that such increase comes from employer contributions or employees contributions to the same employment plan in an amount equal to or less than the amounts resulting from the following table based on the annual amount of the employer contribution.

Annual amount of the contribution	Maximum employee contribution
Equal or less than 500 euros	The result of multiplying the employer's contribution by 2.5
Between 500.01 and 1,500 euros	1,250 euros, plus the result of multiplying by 0.5 the difference between the employer's contribution and 500 euros
More than 1,500 euros	The result of multiplying the employer's contribution by 1

However, in any case, the multiplier of 1 will be applied when the worker obtains gross income from work exceeding 60,000 euros from the company making the contribution.



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