

# Apply for employee savings allowance

Capital-forming benefits invested?

Then, under certain conditions, an employee savings bonus can also be granted.

## Competent Department

- [Finanzamt Bremerhaven](#)
- [Finanzamt Bremen](#)

## Basic information

The employee savings bonus promotes the employee's capital formation through agreed capital-forming benefits (VL). These are funds which the employer invests for the employee in a certain form of investment (e.g. securities savings contract or also building society savings contract).

The savings bonus amounts to 9% (in the case of a baupar contract or the direct use of VL for housing construction) or 20% (in the case of so-called "participation savings") of the amount of VL.

If two eligible contracts are concluded (e.g. a baupar contract and a securities savings contract), the bonuses are granted in parallel.

## Requirements

The VLs are eligible for a savings bonus up to a maximum of EUR 470 per year (e.g. for a building society contract) or up to a maximum of EUR 400 per year (e.g. for an equity fund), provided that the employee's taxable income does not exceed EUR 17,900 (e.g. for a building society contract) or EUR 20,000 (e.g. for an equity fund).

In the case of joint assessment of spouses, the joint taxable income of the spouses may not exceed EUR 35,800 (e.g. in the case of a baupar contract) or EUR 40,000 (e.g. in the case of an equity fund). The allowance is then granted at nine percent (Euro 42.30) or 20 percent (Euro 80).

If both spouses are employed as employees, both can claim the savings bonus.

If your income exceeds the aforementioned limits but is within the limits for the granting of a housing construction premium, you have the option of claiming the VL paid into a building savings contract as your own payments for the granting of the housing construction premium.

## **Procedure**

The employer pays the VL on behalf of the employee directly into a specific form of investment set up by the employee with an institution. At the end of the calendar year, the employee receives a certificate from this institution confirming the paid-in VL ("VL Annex"). You must enclose this Appendix VL with your application for an employee savings bonus - submitted to the tax office using the form "Income Tax Return".

Unlike the employee savings bonus, the VLs are part of taxable earnings.

## **Legal bases**

- [§ 13 Vermögensbildungsgesetz \(VermBG\) - Anspruch auf Arbeitnehmer-Sparzulage § 14 Vermögensbildungsgesetz \)VermBG - Festsetzung der Arbeitnehmer-Sparzulage](#)

## **What deadlines must be paid attention to?**

The application for an employee savings bonus can be submitted to the competent tax office within the four-year assessment period, just like the application for an income tax assessment. In most cases, the employee savings bonus is only paid out after the blocking periods have expired.

## **How long does it take to process**

Since the application for the assessment of the employee savings bonus must be submitted together with the income tax return, the processing time depends on the processing time of the tax return.

## **What are the costs?**

There are no fees or other costs