



IT Financial
Update für deine Finanzen

Tax savings with ETFs

Receive up to 13.498,68€ in tax refunds

*Utilize our tax optimized strategy
and secure up to 47% tax refund
for your ETF investments*

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CHAPTER 01

Tax refunds for your ETF savings plan?



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CHAPTER 01

Tax refunds for your ETF savings plan

ETFs are a popular investment choice for long-term investors, and for good reason. They offer broad diversification, low costs, and the opportunity to benefit from the long-term returns of global markets. In recent years, they have become a favored investment option, supported by numerous academic studies.

But did you know that you can receive tax refunds for your contributions towards your investment? Yes, it's possible!

By regularly investing in an ETF savings plan, you can not only build wealth over the long term but also take advantage of tax benefits:

- ✔ No capital gains tax
- ✔ No church tax
- ✔ No solidarity surcharge
- ✔ No preliminary flat-rate tax
- ✔ No inheritance tax
- ✔ Write off the contributions from taxes

“

Wealth is not determined by what one earns, but by what one does not spend.

”
Henry Ford

CHAPTER 02

The effect on your investment's performance
- a comparison



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CHAPTER 02

1. Layer: Taxes

First, let's look at the initial effect:

The reduction of the tax burden

To do this, we consider these parameters:

Parameters

30 years old

100.000€ gross annual income

single

no kids

health insurance:

500€ monthly budget



annually	before	after
gross income	100.000,00€	100.000,00€
socials	- 15.390,30€	- 15.390,30€
income tax	- 26.540,76€	- 23.720,88€
net income	= 58.068,94€	= 60.888,82€
savings		+ 2.819,88€
invest budget		+ 6.000,00€

CHAPTER 02

2. Layer: Investment

Now we know that there are tax benefits, but how much is the advantage compared to the conventional ETF savings plan exactly?

Parameters

500€ monthly budget

net performance of the ETF: 8% annually (incl. costs)

accumulating income distribution of the ETF

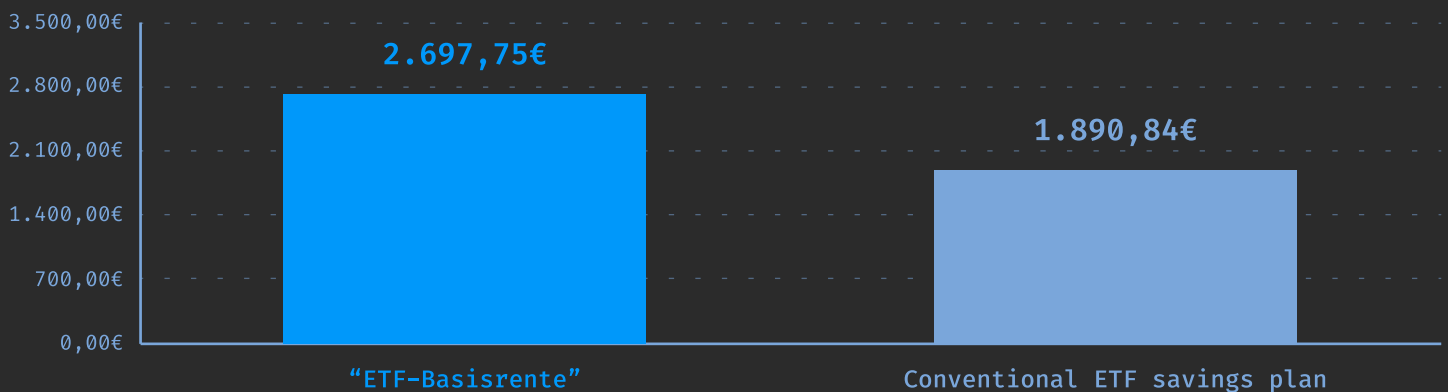
tax exemption for direct fund investment: 30,00%

no church tax

front-end load: 0,00%

base interest rate (preliminary flat rate): 2.29% (2024)

income tax in old age: 70% of today's rate (42%) = 29.40%



Benefit: 806,91€ monthly

Source: Institut für Vorsorge- und Finanzplanung (<https://ivfp.de/>)

CHAPTER 02

What is a “Basisrente”?

The “Basisrente” is a form of private retirement plan that is particularly attractive for self-employed individuals, freelancers, and high income earners. It was introduced in 2005 and provides a tax-advantaged way to save for retirement.

The “ETF-Basisrente” is an investment plan with ETFs that utilizes the "rürup" subsidy. During the accumulation phase, capital is increased by investing in ETFs. In the withdrawal phase, the securities are gradually sold, resulting in a lifelong monthly payout.

Why should the German government provide me with a tax refund for my ETF investment plan?

Why does the state have an interest in promoting the retirement savings of its citizens? The reasons are diverse and range from social aspects to financial incentives:

On the one hand, a well-promoted retirement savings scheme allows for a reduction in social payments during retirement, as citizens can better provide for their own needs. This relieves the burden on state pension funds and creates room for other important expenditures.

Furthermore, the state also benefits indirectly from private retirement savings through taxation. Taxing capital gains from investments provides additional revenue to the government.

Not to mention, when retirees have additional capital, there is an increase in demand for consumer goods and services. This leads to higher revenue from VAT, corporate tax, and other indirect taxes.

In summary, a well-supported retirement provision is not only in the interest of citizens but also in the interest of the state as a whole.

CHAPTER 03

Understanding the tax benefits and calculating them



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CHAPTER 03

No capital gains tax

In your “ETF-Basisrente”, capital gains throughout the entire term are exempt from the preliminary flat rate, capital gains tax/withholding tax, solidarity surcharge, and church tax. Why? Because it is not a typical ETF account, rather a subsidized contract.

Summarized:

- No preliminary flat rate
- No capital gains tax
- No solidarity surcharge
- No church tax

// Even though in this "insurance coat" all we want to do is implement an ETF savings plan.

2. Up to 47% tax refund for your savings rate

Each year, individuals can deduct up to 27.566€ from taxes through the “ETF-Basisrente”.

The contributions are reported under "Sondersausgaben" in the annual tax declaration.

Up to 47% refund (income tax + solidarity surcharge).

But how do I calculate my individual refund myself?

Let's take a look at that on the next page.



CHAPTER 03

How to calculate your own individual tax benefit:

We first need to calculate your current tax burden. For this, we will use the tax calculator of the German Ministry of Finance.

<https://www.bmf-steuerrechner.de/ekst/eingabeformekst.xhtml>

Input your current gross income
click "Berechnen" ("calculate")

You should find a bold printed value called "Summe". Enter it here:

Tax burden (currently): _____ € annually

2. Now we will calculate your tax burden after utilizing the "ETF-Basisrente":

annual gross income: _____ € annually

your monthly budget: _____ € monthly

= _____ € annually

annual taxable income (afterwards): _____ € annually

<https://www.bmf-steuerrechner.de/ekst/eingabeformekst.xhtml>

Now, calculate your tax burden for after utilizing the "ETF-Basisrente":

Input your **annual taxable income (afterwards)**

click "Berechnen" ("calculate")

You should find a bold printed value called "Summe". Enter it here:

Tax burden (afterwards): _____ € annually

3. Profit

tax savings: _____ €

invested: _____ €

in %: _____ %

Conclusion: Not only is the solid risk-return ratio of ETFs utilized, but also your tax burden significantly reduced, thereby increasing the efficiency of growing your wealth.

CHAPTER 04

Limitations and their solutions



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CHAPTER 04

I. Flexibility

One of the most common concerns with the “ETF-Basisrente” is its lack of flexibility compared to other investment options. Traditionally, the Basisrente is long-term and offers limited options for withdrawal.

Solution: Combine it with a conventional (ETF) savings plan

Our fan favorite to address the lack of flexibility of “ETF-Basisrente”: Complementing it with a conventional savings plan featuring a ETF portfolio.

By investing in this, the investor will gain additional flexibility since ETFs in a conventional plan can be withdrawn at any moment with minimal to no costs. This allows the investor to be flexible while still benefiting from the long-term tax advantages of the Basisrente.

II. Pension payment from Basisrente needs to be taxed as income

The fact that the pension from the Basisrente must be taxed as income is undoubtedly a factor to consider when deciding on this form of retirement provision.

However, let's take a closer look at why this perceived disadvantage may not be as significant as it initially appears:

In your retirement you will have a lower tax rate

A crucial advantage of taxing the Basisrente during the retirement phase is that most retirees tend to have lower income during this time compared to their working years. This results in a lower tax burden.

CHAPTER 04

to: II. Pension payment from Basisrente needs to be taxed as income

2. Progressive change of the tax tariff

It's important to note that the income tax rate tends to become "cheaper" over time (due to inflation, politics, etc.). Historically, tax rates have improved from year to year.

Therefore, retirees will be able to benefit from a better tax tariff for their retirement income.

3. Worst case scenario: Let's play "Devil's Advocate"

Let's assume: The tax rate does not become more favorable, and we still have 60.000€ taxable income in retirement (e.g., from state pension, company pension, etc.).

In this scenario, the total tax burden is still only 26.12%. This means that this tax burden is lower than the current 26.38% capital gains tax and should therefore be preferred. (2024; including solidarity surcharge, excluding church tax)

In reality, the taxable income in retirement is likely to be even lower. This illustrates that the taxation of the pension from the Basisrente may not be as burdensome as initially assumed.

In the comparison calculation in Chapter 2, we had assumed 70% of the current tax burden during the retirement phase. This is already a handicap for calculation of the "ETF-Basisrente", yet there remains a significant advantage compared to the conventional ETF savings plan.

CHAPTER 04

III. Higher costs in the “ETF-Basisrente”

Another common objection to the Basisrente is the often high costs associated with this form of retirement provision. This often includes administrative fees, sales fees and other expenses that can affect the investment's return.

Solution: **Optimizing costs by choosing your contract transparently**

In practice and what we see with our client's old contracts, the Basisrente is unfortunately rarely characterized by a transparent fee structure. Therefore, it is crucial to choose the right product partner and tariff so that the contract is free of hidden and/or high costs.

Advantage of cost optimization:

After deducting the costs, there remains a remarkable advantage on the side of the subsidized variant, especially regarding the long-term tax benefits.

You already have such a contract and wonder, if it is cost-efficient and performs well? Book our:



discreet contract-check [link]

trick: **Additional manual payments**

To minimize the costs of Basisrente, the option of additional payments is available.

By making regular or one-time additional payments, the investor can reduce the overall costs of the contract, as lower costs are calculated on those payments .

CHAPTER 05

Use your tax benefits now



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CHAPTER 05

1. I want such a contract with those tips!

Variant 1: **Full version**

Strategy consulting for tax-optimized wealth accumulation

Your financial planning should never rely solely on individual products but should be based on a tailored strategy.

For this, book now our **free:**

 **Discovery Call & Analysis [link]**

Variant 2: **“Plug’n’Play”**

Arrangement of an “ETF-Basisrente” contract

You just want your “ETF-Basisrente”? You will receive the appropriate offer from us, as well as all necessary contract documents digitally and ready for signature.

For this, book now our **free:**


 **ETF-Basisrente arrangement [link]**

 **Proven Expert** Kundenbewertungen



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4,93 von 5
★★★★★
SEHR GUT
9 Bewertungen



100%
Empfehlungen

✓ Kundenservice
SEHR GUT (4,71)

✓ Preis / Leistung
SEHR GUT (5,00)

Empfehlung! Danke Davis für die tolle Beratung!! Ich bin über Instagram auf ihn aufmerksam geworden. Sein Terminkalender war etwas voll, aber sonst alles top! Die Versprechen wurden
.....
19.10.2023

Top-Kompetenzen: ✓ Top-Kompetenz 1 ✓ Top-Kompetenz 2 ✓ Top-Kompetenz 3 [Mehr Infos](#) 

CHAPTER 05

2. I already have such a contract!

Do ETFs already appear as an option in your contract? Is the provider cost-efficient? Is the tariff selection suitable for you? We are happy to provide you with professional answers to these questions in our **discreet contract-check**.

In our contract-check, we examine your contract closely to see if it still meets your needs. Unfortunately, poor tariffs are widespread and often overpriced. Let's check it together!



For this, book now our **free:**
discreet contract-check [\[link\]](#)

About us



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About us



This eBook was authored by Davis Skrzypiec, founder, entrepreneur, and expert in tax-optimized investing.

I specialize in combining intelligent investment strategies with tax advantages. I assist my clients in optimizing their tax burden while also investing their capital profitably. Through personal consultations and individual financial analyses, I develop a deep understanding of my clients' needs and create solutions for their long-term financial success.

I invite you to experience my vision of ethical financial consulting and to work together to achieve your financial goals.

Together with partners and experts, IT Financial has established itself as a trusted partner in all financial matters, guided by the values of loyalty, discretion, and efficiency.



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