

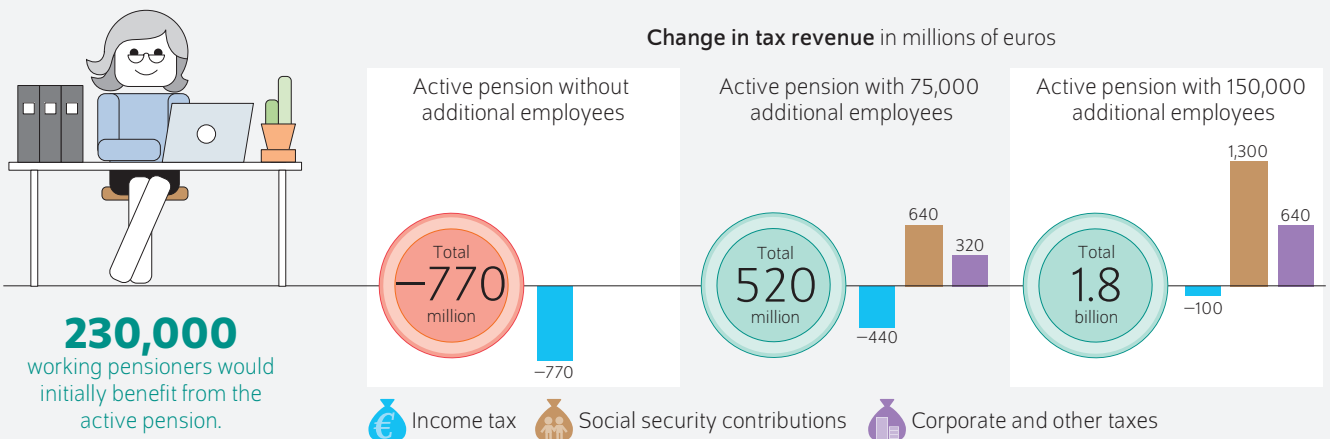
AT A GLANCE

Active pension mainly relieves higher-earning pensioners; employment effects are uncertain

By Stefan Bach, Hermann Buslei, Johannes Geyer, Peter Haan, and Joris Pieper

- Active pension would allow working pensioners to earn up to 2,000 euros per month tax-free
- Around 230,000 working pensioners would benefit immediately, especially higher earners
- Initial tax revenue loss of around 800 million euros a year are expected
- Revenue losses could be offset with 75,000 additional employees
- Including the self-employed would be expensive, but difficult to avoid due to the resulting unequal tax treatment

Active pension provides tax relief for working pensioners. More working pensioners increase revenue from tax and social security contributions and can offset income tax revenue shortfalls



FROM THE AUTHORS

“The government will not be able to exclude the self-employed from the active pension. This will result in more free-rider effects. The self-employed work past retirement age more frequently. It is difficult to determine if this is active income from people who work at a company or only passive profit withdrawals.”

— Stefan Bach —

MEDIA



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ABSTRACT

The new German federal government coalition is planning a significant tax break for workers of retirement age: the active pension (*Aktivrente*). With the active pension, workers who have reached the statutory retirement age may earn up to 2,000 euros a month tax-free, a move that the government is hoping will motivate more pensioners to work longer to counteract the skilled worker shortage. Microsimulation analyses using Socio-Economic Panel (SOEP) data show that at first, around 230,000 pensioners would benefit from the active pension, especially those with higher incomes. This would initially result in annual tax revenue losses of 800 million euros and uncertain employment effects. If 75,000 additional pensioners started working, these revenue losses could be offset by additional revenue from their taxes and contributions. Although including the self-employed in the active pension would result in more free-rider effects, excluding them is unfeasible, as tax treatment between the two groups would be too unfair.

The new German federal government coalition is planning on introducing the active pension, or *Aktivrente*, to counteract the shortage of skilled workers.¹ As stated in the coalition agreement, the active pension would allow “[w]hoever reaches the statutory pension age and voluntarily continues to work ... [to] earn up to 2,000 euros tax-free per month.” The goal is to increase the incentives for voluntarily working past retirement age and to allow people of retirement age to transition into retirement more flexibly. As pensions now have a larger taxable portion, pensioners pay a comparatively high tax on their additional earnings, as the progressive tax rate means that rates rise rapidly for lower and middle income earners. The 2,000 euros are tax-free regardless of whether or not the pensioner is already receiving a retirement pension. The new coalition is also aiming to make employment beyond the regular retirement age easier in terms of labor law and to simplify the process of temporarily continuing existing employment relationships past the retirement age. Options for those receiving a surviving dependents’ pension to earn supplementary income should also be improved.²

Being able to earn 24,000 euros tax-free each year is considerable tax relief for older workers. To put that into perspective, low-income earners working full time often earn only slightly more than that per year.³ With the active pension, the federal government is entering new tax policy and tax law territory. Internationally, there are hardly any comparable models, and when there are, the tax benefits are considerably lower.⁴ In Germany, employed pensioners have gener-

¹ CDU, CSU, and SPD, *Verantwortung für Deutschland. Koalitionsvertrag zwischen CDU, CSU und SPD. 21. Legislaturperiode (2025)* (in German; available online). The proposal comes from the CDU: CDU and CSU, *Politikwechsel für Deutschland. Wahlprogramm von CDU und CSU*: 3 (in German; available online).

² In addition, it should be examined whether the rules for offsetting personal income when receiving basic income support in old age can be made more flexible to improve employment incentives.

³ Full-time employees earning the minimum wage (12.82 euros gross per hour 2025) earn 25,640 euros for working 2,000 paid hours a year. The average gross annual wage (median) was 52,159 euros in Germany in 2024, while the average gross wage was 62,235 euros. Federal Statistical Office, press release no. 134 from April 8, 2025 (in German; available online).

⁴ An example of a similar policy can be found in Sweden. There, taxation of earned income has been significantly lowered, especially for people aged 65 and older, via an “earned income tax credit.” The amount of the tax credit depends on the earned income and leads to noticeable relief. In addition, the social contributions paid by older workers were reduced to increase labor demand.

ally been an exception to the rule. When pensioners do work, they are usually marginally employed. As a result, there is a lack of information on the potential labor supply effects of such reforms on pensioners.

It is unclear how much the active pension would change employment, growth, and public finances. The federal government hopes that it can motivate more pensioners to work longer. During the election, CDU General Secretary Carsten Linnemann spoke of at least 50,000 additional workers and possibly hundreds of thousands who would keep the labor market going.⁵

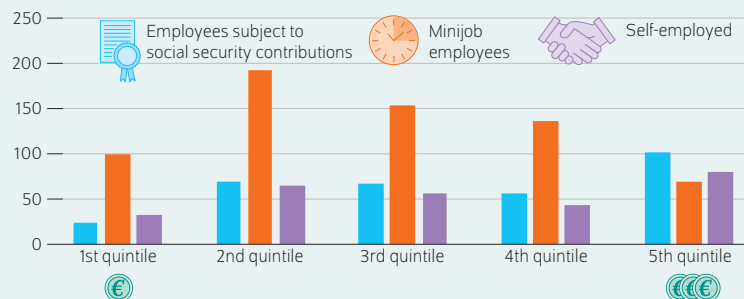
The active pension lowers the tax burden on employed pensioners, which would lead to immediate losses in income tax revenue, or free-rider effects. Additional employed pensioners would compensate for these losses, as long as their earnings are above the tax-free threshold of 2,000 euros a month. Furthermore, additional social security contributions, indirect taxes, and corporate taxes are incurred if GDP increases and existing employment and value creation are not displaced.

This Weekly Report estimates the possible effects of the active pension by analyzing revenue and distribution effects using SOEP data from 2022 and a microsimulation model.⁶ In the analysis, all significant types of income are extrapolated to 2025. Income tax, the solidarity surcharge, and social security contributions are simulated according to the state of the law in 2025.

The microsimulation depicts the active pension, meaning earned income of up to 24,000 euros per year remains tax-free for retirement-age taxpayers. Other taxable income, primarily retirement income, such as pensions and retirement pay as well as self-employed income, business income, or investment income, remain taxable as previously. In an alternative scenario, self-employed income is also included in the active pension. The active pension does not change anything regarding social security contributions; it is assumed that working pensioners only pay the employee contributions for health and long-term care insurance. Under current legislation, employer contributions include pension and unemployment contributions as well as accident insurance and the U1 to U3 levies (which finance continued remuneration

Figure 1

Employees aged 66 or older in 2022
In thousands



Notes: The bottom (top) quintile indicates the equivalence-weighted income of the poorest (richest) 20 percent of households.

Sources: DIW Berlin calculations using SOEP data (v39).

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In 2022, there were 315,000 employees subject to social security contributions, 645,000 minijobbers, and 272,000 self-employed people.

in case of illness and maternity leave as well as insolvency payments).⁷

In 2022, some of the 1956/1957 cohorts reached the retirement age of 65 years and 10 or 11 months. Since the SOEP data is collected in the spring, most 66-year-olds probably have reached the retirement age this year. Therefore, only employees aged 66 or older whose taxable earned income (excluding minijobs) would benefit from the active pension are included in the following analysis.

Pensioners most often working minijobs

According to SOEP data, 313,000 pensioners were working jobs subject to social security contributions, usually part-time for around 20 hours per week (Table 1). An additional 645,000 pensioners had a minijob and, in total, 958,000 pensioners were employed (Figure 1).⁸

With 272,000 self-employed pensioners, the SOEP data reveal the self-employed are overrepresented among employed pensioners. According to the employment calculations by the Institute for Employment Research (*Institut für Arbeitsmarkt- und Berufsforschung, IAB*) and the national account systems

The social security contribution rate is 31.42 percent for younger and 10.21 percent for older workers. The corresponding reduction in the employment of pensioners in Germany is significantly lower due to the elimination of employee contributions to pension and unemployment insurance. See Lisa Laun, "The effect of age-targeted tax credits on labor force participation of older workers," *Journal of Public Economics* 152 (2017): 102-118 (available online) and OECD, *Tax and benefit policy descriptions for Sweden 2024. OECD descriptions of tax and benefit systems (2024)* (available online).

⁵ Manfred Schäfers, "Was bringt ein Steuerfreibetrag für Rentner?" *FAZ*, November 25, 2024 (in German; available online).

⁶ The tax transfer microsimulation model (*Steuer-Transfer-Mikrosimulationsmodell, STSM*) includes complex simulation modules on income tax, the solidarity surcharge, and social security contributions as well as on the most significant social transfers. Viktor Steiner, Katharina Wrohlich, Peter Haan, and Johannes Geyer, "Documentation of the Tax-Benefit Microsimulation Model STSM. Version 2012," *DIW Berlin Data Documentation* 63 (2012) (available online).

⁷ Workers who wish to increase their current pension in subsequent years may waive the insurance exemption and pay pension insurance contributions in addition to their employer's contributions.

⁸ These figures fit well with the Federal Employment Agency's employment statistics, which indicate 217,000 employees subject to social security contributions and 835,000 minijob employees aged 67 or older. Over the past ten years, the figures have risen: In 2010, there were only 84,000 employees subject to social security contributions and 601,000 minijob employees. See *Deutscher Bundestag, Drucksache 20/1679*: 86 ff. (in German; available online). Analyses using microcensus data confirm the SOEP results: According to microcensus analyses, there were 322,000 employees aged 66 or older subject to social security contributions working 27 hours a week on average as well as 519,000 pensioners with minijobs in 2022. Research data center (FDZ) of the Federal Statistical Office of Germany and the statistical offices of the German states, *Scientific Use File Microcensus 2022* (available online), and authors' calculations.

Table 1
Employees aged 66 or older in the Socio-Economic Panel, 2022

	Employees			Self-employed	Total
	Subject to social security contributions	Minijob	Total		
	1,000				
By quintiles of the equivalence-weighted net income¹					
1st quintile	23	98	121	31	151
2nd quintile	68	192	259	63	323
3rd quintile	67	153	220	55	274
4th quintile	56	136	192	43	235
5th quintile	100	67	167	80	247
Total	313	645	958	272	1,230
By gender					
Men	206	305	511	149	660
Women	107	340	447	123	570
Total	313	645	958	272	1,230
By age group, in years					
66 to 69	156	337	493	135	629
70 to 74	104	221	324	86	410
75 and older	54	87	141	51	191
Total	313	645	958	272	1,230

1 Equivalence-weighted using the modified OECD scale.

Sources: DIW Berlin calculations using SOEP data (v39).

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(Volkswirtschaftliche Gesamtrechnung, VGR), only about nine percent of all employees were self-employed in 2022, while the figure shoots up to 22 percent for pensioners. The 2022 microcensus counted 450,000 active self-employed pensioners, or three percent of workers in this age group.⁹ This overrepresentation could be explained by the fact that entrepreneurs and the self-employed work longer more frequently. They have no set upper age limit, frequently closely intertwine their work with their life, or have only minimal retirement benefits.

When looking at the income quintiles of the equivalized¹⁰ net household income, it can be seen that employed pensioners who are subject to social security contributions are overrepresented in the upper income groups (Figure 2).¹¹ In contrast, the bottom and middle income groups in the second and third quintiles are most frequently represented in minijobs. Men make up nearly two thirds of retirement aged employees subject to social security contributions, while the gender ratio is even for employees with minijobs (Figure 3). Furthermore, retirement-age employees subject to social security contributions more frequently have a higher level of education.

Additional employment can increase public revenue

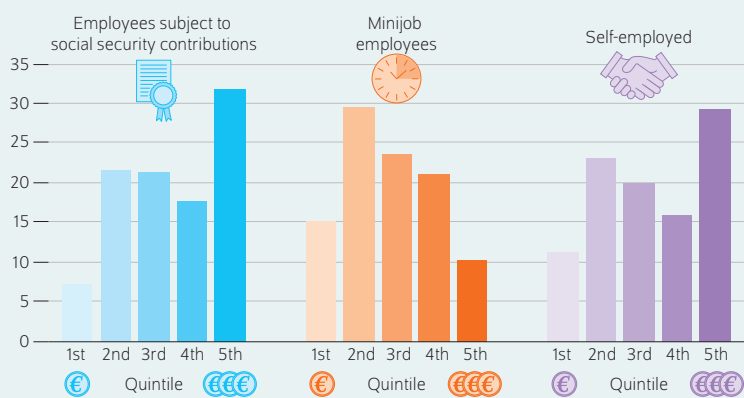
The microsimulation shows that if employment beyond the retirement age continues as it is, 234,000 taxpayers will benefit from the active pension (Table 2). As the marginally employed do not pay any individual wage taxes and thus do not receive relief, this primarily applies to employees subject to social security contributions. These employees work 22 hours per week on average and there are hardly any differences among income groups. Working pensioners earning a high total income whose wage income—together with retirement income, a large portion of which is now taxable,¹² as well as investment and other income—is subject to the high marginal tax rate rates benefit the most.

According to the simulations, the active pension will initially result in annual revenue losses of 770 million euros. These free-rider effects affect pensioners who are already employed in a scope beyond a minijob.¹³

Figure 2

Share of income groups by different types of employment for employees 66 or older in 2022

In percent



Notes: The bottom (top) quintile indicates the equivalence-weighted income of the poorest (richest) 20 percent of households.

Sources: DIW Berlin calculations using SOEP data (v39).

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Employees subject to social security contributions have above-average household incomes, while minijobbers tend to have lower incomes.

⁹ See footnote 8.

¹⁰ Compare with the entry on equivalized income in the DIW Berlin Glossary (in German; available online).

¹¹ SOEP data makes analyzes according to income groups and other socioeconomic characteristics possible, although the low case numbers limit the informative power of the analyses.

¹² As a part of the long-term transition to downstream taxation of retirement income since 2005, a large portion of retirement income from younger pensions is now taxable (in German; Section 22, no. 1 a) aa) of the Income Tax Act). Pensioners entering retirement age in 2025 will have to pay tax on 83.5 percent of their life annuities. For pensioners beginning retirement in 2021, it was 81 percent and in 2017, 74 percent, although the annual pension adjustments are fully taxable.

¹³ These values are significantly below the estimates from Eduard Brüll, Friedhelm Pfeiffer, and Nicolas Ziebarth, "Analyse der Einkommens- und Beschäftigungswirkungen einer Einführung des CDU-Konzepts der 'Aktiv-Rente,'" *Perspektiven der Wirtschaftspolitik* 25, no. 3–4 (2024): 227–232 (in German; available online). In their simulations, it is assumed that the active pension is introduced at age 63, thereby simulating free-rider effects from people who do not benefit from the active pension.

The goal of the active pension is to make employment during retirement age more attractive and to allow people to transition from employment to retirement more flexibly. How much employment the active pension will result in is difficult to forecast, as it depends on many factors. How much are older people able to react to financial incentives, and how much do they want to? How much demand for work is there for this group? Up until now, few pensioners have worked in part time or full time beyond a minijob. Internationally, there are also only a few examples to look at that can be applied to Germany to a limited extent. Thus, the estimate of the employment effects strongly depends on the assumptions. This also explains why previous active pension simulations have come to such different results: In one study, researchers at the Leibniz Centre for European Economic Research (*Leibniz-Zentrum für Europäische Wirtschaftsforschung, ZEW*) transferred relevant behavioral adjustments for younger workers from the literature to working pensioners and arrived at a maximum of 15,000 additional employees.¹⁴ Two further studies are based on an analysis of the employment potential of pensioners carried out by DIW Berlin on behalf of the *Bertelsmann Stiftung*.¹⁵ Based on this potential estimate, Prognos simulates scenarios that fluctuate between 50,000 and 300,000 additional employees without specifying which measures need to be implemented to achieve this.¹⁶ The *Dezernat Zukunft* calculations are also based on the DIW Berlin study.¹⁷ In these calculations, Sweden is used as an example because the employment rates and work hours of the elderly are significantly higher there than in Germany. The *Dezernat Zukunft* estimates that the active pension and other coalition agreement measures could reduce 75 per cent of the difference in labor volume compared to Sweden. Expressed in numbers, this means an increase to 25,500 full-time equivalent workers per year and thus 255,000 full-time equivalents by 2034.

Because these assumptions are difficult to justify empirically, this Weekly Report simulates how many additional retirement-age employees would be necessary to offset the annual income tax revenue losses of 770 million euros. An additional 75,000 working pensioners (the equivalent of 41,000 full-time employees) would reduce the revenue losses to 440 million euros, so long as the additionally employed pensioners are not supplanting any younger employees (Figure 4).¹⁸ At the

¹⁴ Brüll, Pfeiffer, and Ziebarth, "Analyse der Einkommens- und Beschäftigungswirkungen einer Einführung des CDU-Konzepts der 'Aktiv-Rente'."

¹⁵ Hermann Buslei, Johannes Geyer, and Peter Haan, *Beschäftigungspotenziale Älterer – Umfang und Realisierungschancen bis 2035* (Gütersloh: Bertelsmann Stiftung, 2024) (in German; available online).

¹⁶ The active pension is just one of the possible measures for achieving this potential. Hauke Toborg, Stefan Moog, and Oliver Ehrentraut, *Aktiv in Rente. Volkswirtschaftliche Effekte steigender Erwerbsquoten von Menschen im Rentenbezug. prognos Studie im Auftrag der Initiative Neue Soziale Marktwirtschaft (INSM)* (2024) (in German; available online).

¹⁷ Sven von Wangenheim, Saskia Gottschalk, and Florian Schuster-Johnson, "Wie viel Potenzialwachstum steckt im Koalitionsvertrag? Und was das für den Bundeshaushalt bedeutet," *Dezernat Zukunft Policy Paper* (2025) (in German; available online).

¹⁸ In the simulation, employees 66 and older subject to tax are weighted upwards by 75,000 people. This is not entirely accurate, as the additional employed pensioners are presumably primarily recruited from pensioners previously working minijobs and the hidden reserve. Insofar as the latter presumably have lower hourly wages and fewer work hours, the fiscal effects are slightly overestimated in this respect.

Table 2

Tax revenue and distribution effects of the active pension, 2025
Dependent employees aged 66 or older

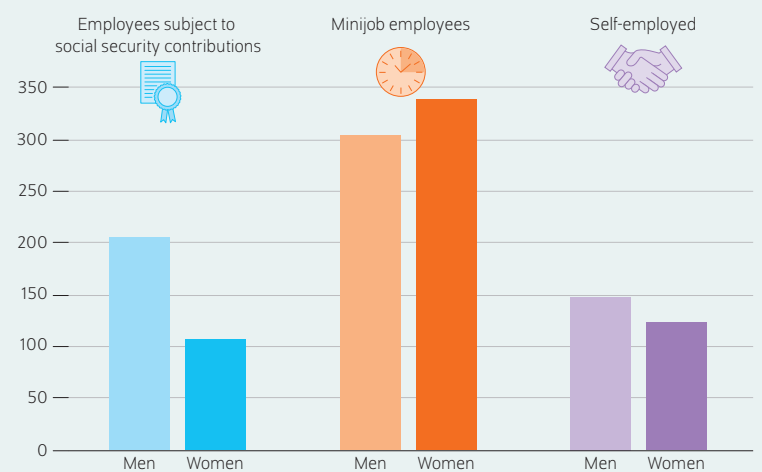
Quintile of the equivalence-weighted ¹ net income	Employees subject to taxation 1,000	Average hours worked per week	Wage income		Change in wage/income tax	
			Millions of euros	Total percent	Millions of euros	Total percent
First-round effect without employment effects						
1st quintile	10	15	61	1.1	-4	0.6
2nd quintile	64	23	171	3.0	-4	0.5
3rd quintile	53	19	524	9.1	-93	12.0
4th quintile	35	24	741	12.9	-109	14.1
5th quintile	72	23	4,252	74.0	-563	72.8
Total	234	22	5,749	100.0	-774	100.0
Increase in employment by 75,000 people (41,000 full-time equivalents)						
1st quintile	13	15	80	1.1	-4	0.8
2nd quintile	84	23	225	3.0	3	-0.7
3rd quintile	70	19	691	9.1	-87	19.9
4th quintile	47	24	978	12.9	-82	18.7
5th quintile	95	23	5,613	74.0	-268	61.3
Total	309	22	7,588	100.0	-438	100.0
Increase in employment by 150,000 people (82,000 full-time equivalents)						
1st quintile	16	15	100	1.1	-3	0.7
2nd quintile	105	23	280	3.0	10	-2.4
3rd quintile	88	19	859	9.1	-82	18.7
4th quintile	58	24	1,215	12.9	-55	12.5
5th quintile	118	23	6,973	74.0	26	-6.0
Total	384	22	9,427	100.0	-103	23.5

¹ Equivalence-weighted using the modified OECD scale.
Sources: DIW Berlin calculations using the tax transfer microsimulation model (STSM) using SOEP data (v39).

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Figure 3

Employees aged 66 and older by gender in 2022
In percent



Sources: DIW Berlin calculations using SOEP data (v39).

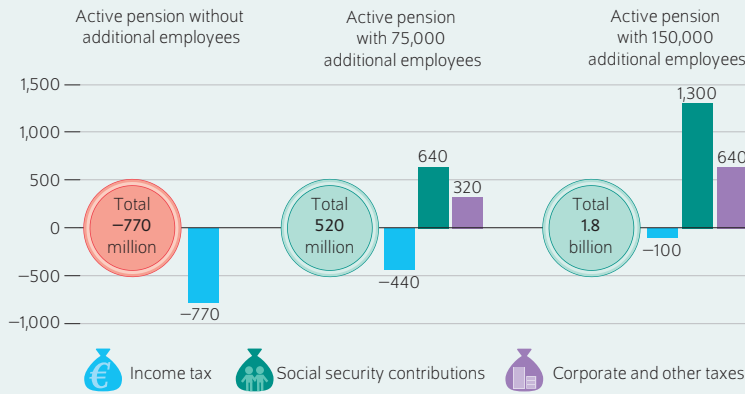
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Men make up almost two thirds of retirement-age employees who are subject to social security contributions, while the gender ratio is balanced among minijobbers.

Figure 4

Effect of the active pension on taxes and social security contributions in different scenarios

In euros



Sources: DIW Berlin calculations using the tax transfer microsimulation model (STSM) using SOEP data (v39).

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Additional working pensioners are likely to compensate for the reduced tax revenue through additional tax and social security contribution revenue.

same time, this would result in additional revenue: With an extra 640 million euros in social security contributions and a conservatively estimated 320 million euros in corporate taxes and indirect taxes, GDP is estimated to increase by three billion euros, or 0.07 percent.¹⁹ Overall, the state could bring in additional revenue of 520 million euros, which would more than offset the free-rider effects.

If employment were to increase by 150,000 working pensioners (equivalent to 82,000 full-time employees), the income tax revenue losses would decline to 100 million euros. The additional revenue from social security contributions would increase to 1.3 billion euros, while it would increase to 640 million euros for corporate taxes and indirect taxes. This would result in additional annual revenue of 1.8 billion euros for the federal government. GDP is estimated to increase by six billion euros, or 0.14 percent.

Free-rider effects increase when including the self-employed

According to the coalition agreement and policy statements, the active pension would only apply to income from dependent employment, meaning income from employment in accordance with Section 19 of the Income Tax Act (EStG), not including pension payments such as pensions and similar income in accordance with the second sentence of Section 19 of the Income Tax Act. This would exclude the self-employed and entrepreneurs who generate income from agriculture

and forestry, a business enterprise, or self-employment (mostly freelance work).

It is questionable if the self-employed and entrepreneurs may be excluded from the active pension. These groups work into retirement age more frequently. From a constitutional perspective, excluding them from the active pension would result in unequal income tax treatment, which is difficult to justify in terms of tax and economic policy²⁰ because it blatantly violates the principle of equal treatment. In addition, the shortage of specialists and workers is worsening in many service sectors with freelancers and other self-employed people. Entrepreneurs are more frequently unable to find successors and often give their businesses up.

In practice, questionable incentives arise when the self-employed are excluded from the active pension, as the following example illustrates: After reaching retirement age, an employed engineer continues to work 20 hours a week at an hourly wage of 35 euros. In addition, she receives a pension of 35,000 euros per year. Thanks to the active pension, 24,000 euros of her income remain tax-free.

This employed engineer has a friend of the same age who continues to work as a freelance engineer to a similar extent and, accounting for pension expenses, earns a similar income, which she is taxed on in full because the active pension does not apply to her. At a marginal tax rate of 35 percent, she pays 8,400 euros tax on this additional income, more income tax than her employed colleague whom active pension does apply to.

This unequal treatment primarily affects freelancers, entrepreneurs, and people in business partnerships. To benefit from the active pension, they would have to be employed by their clients, which is bureaucratically complex, at least for smaller work contracts.²¹ Active shareholders of limited liability companies, stock corporations, or other corporations, on the other hand, often benefit directly because they usually have employment contracts with their company. For this group, there is a risk of dispute-prone structuring options with frequent checks if older shareholders receive an excessively high salary relative to their actual work performance.

A further problem would arise if business income were to be included in the active pension in full: This would result in passive income, for example from shareholdings in partnerships, being favored. This would also mostly benefit wealthy investors who are involved in closed-end investment funds or investment companies, or people in partnerships who are no longer active in the company but receive a return on their

²⁰ However, cf. Gregor Kirchhof, *Aktivrente. Grundgesetzliche Leitlinien einer möglichen Umsetzung Verfassungsrechtliche Stellungnahme im Auftrag der CDU Deutschlands* (2023) (in German; available online).

²¹ Furthermore, this can trigger disadvantages or problems with health and long-term care insurance or retirement provision, which would have to be regulated.

capital contribution.²² This would also create incentives for corresponding involvement. Significant bureaucratic effort would be required to exclude this passive income from the active pension.

If the active pension applied to the self-employed, this would result in significantly greater free-rider effects and reduced revenue. Simulations result in annual income tax revenue losses of 1.5 billion euros. However, these losses are probably significantly underestimated, as the SOEP tends to underestimate the income of the self-employed and does not precisely record shareholdings in partnerships. The employment effects here would probably be lower than for the employees, as the self-employed already are frequently working into older age. Nevertheless, the federal government could achieve an overall balanced result due to additional revenue from social security contributions, corporate taxes, and indirect taxes.

Conclusion: Active pension is sensible, but only a small contribution to more employed pensioners

Demographic ageing is casting a looming shadow. As baby boomers retire over the coming years, the labor force will begin a significant and continuous decline that the younger generations will be able to only partially offset. Immigration from abroad remains consistently high, but it cannot completely compensate for the deficit. Thus, stronger mobilization of pensioners for the labor market is needed. Due to the high marginal tax rates, employment above the minijob threshold is currently not financially attractive for them. This is because a large portion of statutory pensions is taxable and further pension income such as Riester pensions is also taxable. Therefore, it is no surprise that there are not many employees who continue working beyond the retirement age.

While the active pension supports employment during retirement, its employment effects cannot be estimated with certainty. Even with an optimistic estimate, the active pension's

contribution to employment is low relative to the skilled worker shortage. In addition, there is the threat of free-rider effects, especially from the self-employed, who cannot be denied the active pension.

The active pension is not a replacement for other necessary measures for improving employees' qualifications and further education, expanding childcare and care infrastructure, improving incentives to work by reforming *Ehegattensplitting*, and for managing immigration into the labor market in a targeted manner. At the same time, early retirement will continue to be supported, for example through offering a full retirement pension after 45 years of contributions or through tax and contribution-free top-ups for old-age part-time.²³ This is not in line with the goals of the active pension.

The financial incentives of the active pension could be made more attractive. For example, employers could pay the employee's pension and unemployment insurance contributions directly to the employees themselves. As no benefit entitlements are acquired in these cases, this could strengthen incentives to work while reducing free-rider effects among the self-employed. Although this would weaken the social security system financially, it could be compensated for by tax equalization.

When combining employment and retirement, potential increases in inequality should be kept in mind. Many people of retirement age are unable to work due to poor health or caretaking duties. Beyond that, their qualification must be in demand. Examples from other countries show that combining employment and retirement primarily benefits highly qualified, usually well-off people. The analyses in this Weekly Report also suggest this. The preferential treatment of passive business income reinforces these effects and results in pure free-rider effects, which can only be avoided with substantial bureaucratic effort. Moreover, the work climate can be negatively affected if well-off older workers pay little in taxes or social security contributions while younger employees with average incomes are taxed at a high rate, leaving them with significantly less net income from their gross income.

²² According to the most recently available income tax statistics for the 2021 assessment year (available online), there were 4.7 million taxpayers with income from a business, 2.1 million with income from self-employment, and 0.6 million from agriculture and forestry, resulting in a total of 7.4 million taxpayers (couples assessed jointly are counted as one taxpayer). According to the employment statistics in the national accounts, there were just under four million self-employed workers in 2021, who are classified according to the main focus of their work. This indicates that there are a considerable number of cases with passive corporate income.

²³ Top-ups for partial retirement are employer subsidies that increase the reduced salary to up to 70 percent of the previous net salary without any income tax or social security contributions being incurred.

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