

# How to optimise your tax declaration



## Article 111

*Which insurance premiums are deductible as special expenses? <sup>(1)</sup>*

### → Article 111 LIR for specific insurance products

Maximum deductible amounts

Taxpayer	Without a spouse	With a spouse
Without a child	EUR 672	EUR 1,344
With 1 child	EUR 1,344	EUR 2,016
With 2 children	EUR 2,016	EUR 2,688
With 3 children	EUR 2,688	EUR 3,360
With 4 children	EUR 3,360	EUR 4,032
+ for each additional child	+ EUR 672	+ EUR 672

### → Article 111 LIR for single premium “Outstanding Balance” insurance <sup>(2)</sup>

Maximum deductible amounts

Taxpayer	Up to the age of 30	Increase per completed year from 31 to 49 years	50 years and over
Without a child	EUR 6,000	EUR 480	EUR 15,600
With 1 child	EUR 7,200	EUR 576	EUR 18,720
With 2 children	EUR 8,400	EUR 672	EUR 21,840
With 3 children	EUR 9,600	EUR 768	EUR 24,960
With 4 children	EUR 10,800	EUR 864	EUR 28,080

In the case of taxpayers taxed collectively, each is entitled to the increases in the limit, provided that the increases for dependent children are charged to only one of the two taxpayers.

### → Article 111bis LIR for pension policies

**EUR 3,200**

Per taxpayer

#### At the following conditions :

- › the contract lasts for at least 10 years;
- › the contract ends after the insured’s 60th birthday and before his 75th birthday;
- › the insured, the policyholder and the beneficiary at term are the only and same person.

<sup>(1)</sup>All these deductions are accessible to residents and non-residents from the moment they submit a tax declaration in Luxembourg.

<sup>(2)</sup>To cover the acquisition of the main residence.



## Which Baloise products are eligible to tax deductions ?

Products	Article 111 LIR	Article 111bis LIR
Drive public liability	✓	✗
Private Life public liability	✓	✗
B Safe	✓	✗
Temporary death benefits	✓	✗
Outstanding Balance insurance	✓	✗
Life PLAN <sup>(3)</sup>	✓	✗
Kid's PLAN <sup>(3)</sup>	✓	✗
Pension PLAN	✗	✓

<sup>(3)</sup> Minimum term of 10 years and additional death cover required.

## Some examples of possible tax deductions

### › A single person without children

Annual income ..... EUR 60,000

#### ▶ Without taking advantage of existing benefits

Due tax ..... EUR 13,916

#### ▶ By taking advantage of insurance benefits

Article 111 ..... EUR 672

Article 111bis ..... EUR 3,200

Recalculated due tax ..... EUR 12,288

→ **Gain EUR 1,628**

A return on premiums paid of 42.05%

### › A married couple with two dependent children

Annual income ..... EUR 100,000

#### ▶ Without taking advantage of existing benefits

Impôt dû ..... 19,487 EUR

#### ▶ By taking advantage of insurance benefits

Article 111 ..... EUR 2,688

Article 111bis ..... EUR 6,400

Recalculated due tax ..... EUR 15,700

→ **Gain EUR 3,787**

A return on premiums paid of 41.67%

#### Disclaimer

This document has been prepared on the basis of the latest tax regulations in force in Luxembourg in November 2021.  
For more information, please contact your agent.

[www.baloise.lu](http://www.baloise.lu)

| Baloise Assurances Luxembourg S.A. | 23, rue du Puits Romain | L-8070 Bertrange |  
| Tél. +352 290 190-1 | Fax: +352 290 190 9001 | [www.baloise.lu](http://www.baloise.lu) |