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Calculate German Rente — pension formula, Entgeltpunkte and tips

How the German Rente is calculated, what Entgeltpunkte are, and how to check your pension entitlement.

Deutsche Begriffe: Rente | Rentenversicherung | Entgeltpunkte | Rentenformel | Rentenbescheid | Regelaltersgrenze

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How does the statutory pension (Rente) work?

Statutory pension insurance (GRV) is the most important pillar of retirement provision in Germany. It operates on a **pay-as-you-go system**: Today's employees' contributions finance today's retirees' pensions.

Who pays in?

Every **employee** in Germany automatically contributes to pension insurance:

- **Contribution rate (2026):** 18.6% of gross salary
- **Employer and employee** each pay half (9.3%)
- **Assessment ceiling (West):** €7,550/month — no contributions are collected on income above this

Who is mandatorily insured?

- **Employees** (salaried)
- **Apprentices**
- **Minijob workers** (can opt out, but: then lower pension entitlement!)
- **Mandatorily insured self-employed** (e.g., craftspeople, artists)

• **Child-rearing periods** — are automatically credited (approx. 1 Entgeltpunkt per child)

The Rente formula

Your monthly Rente is calculated using a **simple formula**:

> **Monthly Rente = Entgeltpunkte × Access factor × Pension type factor × current Rente value**

The four factors explained

1. Entgeltpunkte (EP)

For each contribution year you receive **Entgeltpunkte**:

• If you earn exactly the **average salary** (2026: approx. €45,358/year), you receive **1.0 Entgeltpunkte** for the year

• If you earn twice as much → **2.0 EP** (max. approx. 2.1 EP due to assessment ceiling)

• If you earn half → **0.5 EP**

• **Sum of all EP** over your entire working life = your total Entgeltpunkte

2. Access factor

• **1.0** upon reaching statutory retirement age (standard age limit)

• **0.997** per month for early pension (reduction: 0.3%/month, max. 14.4%)

• **1.005** per month for later pension (increase: 0.5%/month)

3. Pension type factor

• **Old-age pension:** 1.0

• **Disability pension (full):** 1.0

• **Disability pension (partial):** 0.5

• **Widow/widower's pension (large):** 0.55

4. Current Rente value

The value of one Entgeltpunkt in euros. Adjusted **annually**:

Year	Rente value (West)	Rente value (East)
2024	€39.32	€39.32 (equalized since 2024)
2025	approx. €40.00	approx. €40.00
2026	announced in July	announced in July

Example calculation

• **40 years** of work, always **average salary** → 40 Entgeltpunkte

• Pension start at **age 67** (standard retirement age) → Access factor 1.0

• **Old-age pension** → Pension type factor 1.0

• **Rente value 2025:** €39.32

• **Monthly Rente:** 40 × 1.0 × 1.0 × 39.32 = **€1,572.80 gross**

From this, **health and long-term care insurance** is deducted (approx. 11%) → **Net Rente: approx. €1,400**

Standard retirement age — when can I retire?

The standard retirement age rises gradually to **age 67**:

Birth year	Standard retirement age
1958	66 years
1959	66 years + 2 months
1960	66 years + 4 months
1961	66 years + 6 months
1962	66 years + 8 months
1963	66 years + 10 months
From 1964	**67 years**

Earlier Rente — with reductions

You can retire at **age 63** — but with **reductions** (0.3% per month earlier):

• 4 years earlier = **14.4% lower Rente** — for life!

Rente at 63 — without reduction

Possible with **45 years of insurance** (long-term insurance). Counted: mandatory contributions, child-rearing, care, unemployment benefits (not basic income).

Minimum insurance period (waiting period)

Pension type	Minimum waiting period
Old-age Rente	**5 years**
Disability Rente	**5 years** (of which 3 years mandatory contributions in last 5 years)
Rente for long-term insured	**35 years**
Rente for especially long-term insured	**45 years**

Pension notice and pension information

Pension information

From **age 27** and **5 contribution years** you receive an annual **pension information** by mail. It shows:

- Previously acquired **Entgeltpunkte**
- **Forecast** of your Rente if you continue contributing
- Current **disability Rente** (if you were unable to work now)

Check your pension account

Your **insurance record** (pension account) should contain **all periods**:

- Employment periods
- Apprenticeship, university (credited periods)
- Child-rearing (3 years per child)
- Unemployment, illness
- **Periods abroad** — if covered by social security agreements!

Account clarification: Check your pension account and report missing periods. Form V0100 at Deutsche Rentenversicherung.

Rente and foreigners

Entitlement for foreigners

- **Anyone** who pays pension insurance contributions in Germany acquires **pension entitlements** — regardless of nationality
- **Minijob workers:** If you don't opt out, you also pay in (3.6% personal contribution)

• **5-year waiting period** for old-age Rente

Rente when returning home

Situation	Pension entitlement
EU/EEA/Switzerland	Full entitlement, paid abroad
Social security agreement (e.g., Turkey, Morocco, Tunisia)	Benefits are offset, Rente is paid
No agreement	Rente is paid, but contributions before 1992 may not be considered

Contribution refund

If you **permanently leave Germany** and contributed for less than 5 years, you may apply for a **contribution refund** under certain conditions (after 24-month waiting period following departure). **Warning:** You lose all pension entitlements!

Recommendation: Carefully consider whether a refund makes sense — often it's better to retain your entitlements and receive a (small) Rente later.

Tips

1. Check your pension account — have missing periods added (account clarification)

2. Don't opt out of minijob contributions — better to pay small contributions than none

3. Have child-rearing periods credited — 3 years per child, apply with your pension insurance provider

4. Know about social security agreements — if your home country has one, periods are added together

5. Private provision — statutory Rente alone often isn't enough; also save via occupational pensions, ETFs, or Riester plans

6. Use consultation services — free advice from Deutsche Rentenversicherung (14,000 advisory offices, also by phone: 0800 1000 4800)