

Main characteristics of the Housing Savings Bonus under the German Housing Savings Bonus Act (Wohnungsbauprämiengesetz, WoPG)

The Housing Savings Bonus is a state bonus granted as tax free surplus to certain expenditures made for housing.

1. Beneficiary

Entitled to obtain this bonus are

- all natural persons aged 16 or more who are unlimited liable to income tax in Germany, or
- orphans,

if their taxable income does not exceed 35.000 € (single household) respectively 70.000 € (married couple) and the housing expenditures made by them do not fall under the category of savings products for which the payer is entitled to claim the employee savings bonus.

2. Requirements

As a rule, the Housing Savings Bonus will be granted only to the following expenditures made for housing:

- Payments to bauparkassen aimed at obtaining a housing loan and which at least amount up to 50 € per year;
- Payments for the first acquisition of shares of a cooperative housing association or a residential building cooperative;
- Payments in the context of a 3 to 6 years savings contract with a credit institute and the accumulated sum is used for the acquisition or construction of an owner-occupied home or of a permanent right of abode similar to home ownership;
- Payments in the context of a 3 to 8 years savings contract with a fixed savings rate and the savings contract is concluded with a housing firm or housing cooperative and the accumulated sum is used for the acquisition or construction of an owner-occupied home or of a permanent right of abode similar to home ownership.

3. Amount

The amount of the bonus to be granted per year adds up to 10 % of the (savings) expenditures made for housing. However, the ceiling for which the house premium can be claimed is fixed at 700 € for a single respectively 1400 € for a married couple. This means that the maximum Housing Savings Bonus which can be claimed per year amounts up to 70 € for singles and 140 € for married couples.