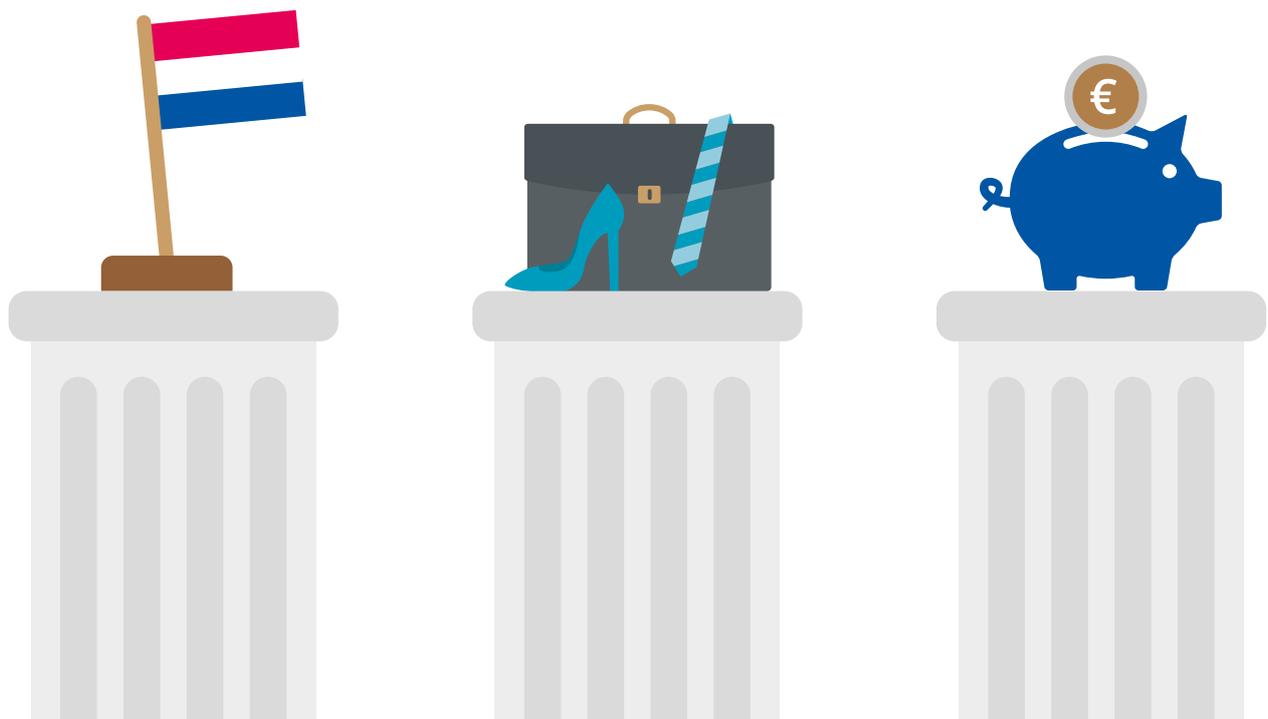


# The dutch pension system consists of 3 pillars



## **The first pillar: state pension**

The first pillar consists of the state pension, AOW. It provides a basic income which is linked to the minimum wage. (Married) couples each receive 50% of the minimum wage, where pensioners living alone receive 70%. You are insured for the state pension if you live in the Netherlands and for each year you are a resident you accrue 2% of the state pension. If you have been in the Netherlands for the full 50 years prior to your state pension age, you will receive the full 100%. For more information regarding your state pension please contact the SVB, Sociale Verzekeringsbank, who administrates the AOW on behalf of the government.

## **The second pillar: Occupational pension**

The second pillar consists of the Occupational Pension, a pension through employment. In your case an ABP Pension. ABP is a Collective pension fund for employers within the Educational and Civil service. Your pension scheme is a Defined Benefit scheme. This means your pension is based on a formula linked to average earnings over the accrual period and length of employment. The benefit is taken as point of departure. Monthly contributions are made towards your pension by you, 1/3 of the contributions, and by your employer, 2/3 of the contributions.

### The third pillar: Individual pension products

The third pillar is optional and consists of individual pension products such as insurances or bank savings. Which you can purchase to meet your own personal requirements.

### ABP Multi Option Pension applies to you

Your pension consists of two parts: a pension for yourself for when you decide to retire and a Surviving Dependants Pension that your partner and/or children will receive in case of your death. In the event of incapacity for work, your pension accrual will partial continue and you will no longer need to pay contributions for the part for which you are incapacitated. You may also be entitled to a supplementary pension in addition to you WIA benefits. This is the ABP Arbeidsongeschiedheids Pension, or AAOP. There is also partial pension accrual in the event you receive unemployment benefits. For which you also will no longer pay contributions for.

### How do we calculate your pension

Your gross annual salary (based on full-time employment) is taken in to account for your pension accrual. From this amount we deduct the state pension offset, or franchise. Accrual does not take place over this amount as you will receive a state pension (AOW) from the government when you reach your state pension age. This leaves us with the Pension base. This is the part of your salary over which pension accrual takes place. The next step is the accrual percentage which determines the annual pension accrual. If you work part-time, then your part-time percentage also plays a role in the calculation of your pension accrual.

### EXAMPLE

FULL TIME SALARY	€ 54.000,-
STATE PENSION OFFSET	€ 13.350,-
ACCRUAL PERCENTAGE	1,875%

$$€ 54.000,00 - € 13.350,00 \times 1,875\% =$$

€ 762,-



### **Conditional/provisional pension**

The full attainable pension is the amount of annual pension you will receive if you continue work until your state pension age and continue to accrue pension in your present pension scheme. In this case you may also be entitled to a conditional/provisional pension. This is a compensation for the termination of the ABP Flexible Early Retirement Option. The addition of the compensation will take place on 1 January 2023, provided that you remain in the employment of an employer who is affiliated with the ABP, or if you retire before 1 January 2023 and accrued a pension on 31 December 2005 and 1 January 2006.

### **ABP Surviving Dependants Pension**

In the event of your death, your (ex-) partner and/or children are entitled to a benefit. The point of departure for the Surviving Dependants Pension is the ABP Multi-Option Pension. In the event of death during your employment, we assume that you would have continued to work until the state pension age.

Leaving employment and no longer accruing pension may have consequences for your Surviving Dependants Pension.

Surviving dependants are your present partner, your children under the age of 25 and, if any, ex-partner(s). The Surviving Dependants Pension provides an orphans pension for a maximum of 5 children. If you have more children, take the total amount for 5 children and divide this over the number of children that you have.

The level of the Survivor's Pension depends on many factors. Like your age at the time of death, whether you are still accruing pension, or if you have been married before.

#### For your partner

In 2016, the accrual of ABP Surviving Dependants Pension for your partner was increased to 70% if you die on or after your 67th birthday. From 2018 you will always accrue 70% of the retirement pension for your next of kin regardless of the time of death.

#### For your child/children

The Surviving Dependants Pension for your child is 14% of the pension that you would have received if you had accrued pension at ABP until your state pension age. The pension is twice as high if both parents die. If you, your partner and your children live abroad, they must contact ABP in case of your death. We are automatically notified of your death when you live in the Netherlands. This is not the case if you live abroad.

The Surviving Dependants Pension is no longer reduced in case of (re) marriage, registered partnership, cohabitation and partner registration with ABP. Ex-partners are by law entitled to the Surviving Dependants pension accrued until your official divorce date.

### **AAOP, ABP Incapacity Pension**

ABP offers a supplement in case of occupational disability. If you have been ill for a period longer than 2 years and have been qualified as occupationally disabled for at least 35% you are eligible for disability benefit. You will receive this benefit from the UWV (Social Security Benefits Administration Agency) on behalf of the government. In addition to this benefit and salary (if any) you may receive a supplement from ABP. You will have to apply for this supplement yourself by completing the form you can find on our website. You are also entitled to partial pension accrual that you no longer will have to pay for. Both can be applied for with the same form as mentioned earlier.

### **How can I retire?**

Your Multi-Option Pension offers you many alternatives. You don't have to limit yourself to one choice; you can combine them all. All choices are to be made when you reach your chosen retirement age and apply for your pension.

Your retirement age can be between the ages of 60 to 72. The earlier you stop working, the lower your ABP pension will be – and the longer you continue to work, the higher your pension will be.

It is also possible to retire partially and continue to work part-time. The minimum percentage of pension you can apply for is 10%. The accrual of your pension will continue partially in relation to your part-time employment.

Another choice you can make is to vary the amount of pension you receive in a certain period. You could opt for a higher pension until your state pension age and a lower pension after your state pension age. It is also possible to opt for a lower pension for example until state pension age. You will receive a higher pension after state pension age. There is a maximum / minimum amount and period you can choose. The amount is maximized / minimalized by fiscal restrictions and the maximum age is 75.

You can also exchange the Surviving Dependents Pension. Your pension will be higher if you sacrifice (a part of) the Surviving Dependents Pension, or you can lower your pension and increase the Surviving Dependents Pension. The benefit your partner receives in case of your death will then be higher. All choices can only be made at retirement age and cannot be adjusted.

### International/national transfer

You may be able to take your pension abroad or transfer your international pension to ABP. It is only possible to transfer your ABP pension to a pension provider in or outside Europe. The first step is to check whether they are willing to participate in an international transfer. If so, they can send a request to ABP for an international value transfer in your name. After receiving the request, ABP will return a statement of the value of your accrued pension entitlements.

For foreign pension funds and some international organizations, they will have to fill in a so-called 'International Value Transfers Model Questionnaire' (in English). The foreign pension fund then sends it to ABP:

**ABP**  
**PO Box 4830**  
**6401 JM Heerlen**  
**the Netherlands**

We will check whether the requirements for international value transfer have been met. If transfer is not possible, your ABP pension stays with ABP until you apply for your pension.

If you leave the Netherlands, please keep us up to date with your whereabouts. We are not automatically notified when your address changes if you live abroad.

