

How is your pension being taken care of?

P.O. Box 4804, 6401 JL Heerlen,

Your client no. Heerlen,



Dear Sir or Madam,

Welcome to ABP. Your employer registered you with us. As of January 1, 2022, you have been accruing pension with us via your employer. Read on to find out what you receive in our pension scheme. We will also explain where you can read more about your pension accrual. On mijnpensioenoverzicht.nl, you will find a summary of your pension with ABP and other pension providers, plus your state pension (AOW) via the Social Insurance Bank (SVB). Read more about how we invest at abp.nl/duurzaam-beleggen.

Find out what you receive in our pension scheme

To make it easier for you, we have divided the information about our pension scheme into three layers. We call this "Pensioen 1-2-3":

- Layer 1: this layer contains a summary of the most important information about your pension scheme.
- Layer 2: this layer explains all the topics covered in layer 1.
- Layer 3: this layer has documents containing the rules of the pension scheme, such as the regulations.

See below for layer 1. You can find layers 1, 2, and 3 at abp.nl/pensioen123. If you would prefer to receive layers 2 and 3 by post, please call our Customer Services at +31 (0)45 579 60 70.

Direct access to your personal data in MijnABP

If you want to see what choices you have and how much pension you can expect later on, please go to your personal environment at abp.nl/start. You can log in safely and quickly with your DigiD.

We take great care with your data

We process your personal data because you are accruing pension with us. The data concerned and what they are used for are explained in our privacy policy. You can find this at abp.nl/privacy or on MijnABP.

What do you receive in our pension scheme?



If you are retiring, you will receive a retirement pension once you reach state pension age (AOW).



If you die, your partner will receive a surviving dependents' pension and your children will receive an orphan's pension.



If you become incapacitated for work, you may receive an ABP disability pension. If you receive an ABP disability pension and you are made redundant, you will continue to accrue part of your pension and you will no longer pay a contribution yourself.



You can find the full version of the pension regulations at abp.nl.

How do you accrue your pension?



You accrue pension in three ways:

- AOW (state pension): you receive this pension from the government if you live or work in the Netherlands. Visit www.svb.nl to read more about the AOW.
- Pension with ABP. You accrue pension via your employer. This is what "Pensioen 1-2-3" is about.
- Private pension arrangements, such as an annuity, tax-friendly bank savings scheme, or a conventional savings account.



Every year, you accrue a part of your pension. The pension you accrue in this way is the sum of all these parts. From your retirement date onwards, you will receive this pension for as long as you live. This is called an average pay scheme.



You accrue part of your final pension every year. You do not do this over your entire gross salary. In 2022, you do not accrue pension over €14 850. This 'threshold amount', also known as the deductible, is approximately equal to the AOW (state pension) payment you will receive from the government as of your state pension age. Over your gross salary minus the threshold amount, you accrue 1.875% in pension annually.



You and your employer both pay monthly contributions towards your pension. As a participant at ABP, you pay 31% of the contribution and your employer 69%. Ask your employer how much they pay. Your contribution is shown on your payslip.

Read more on the next page

What choices can you make?



If you are changing jobs, you can transfer your previously accrued pension to your new pension provider.



If you want to increase your retirement pension by adding a part of the surviving dependents' pension, you can do that when you retire.



If you would like to compare your pension scheme, you can use the pension comparison tool at abp.nl in layer 3 of Pensioen 1-2-3. You can also request a paper version of the pension comparison tool from ABP.



You accrue pension over your salary up to € 114 866. If you earn more, you can choose to join the net pension scheme.



There are also options to accrue extra pension: see layer 2 of the Pensioen 1-2-3 at abp.nl



If you would like to see all the choices you have in the event of dismissal and when you retire, have a look at layer 2 of your Pensioen 1-2-3 at abp.nl.

How certain is your pension?



The amount of your pension is not fixed

Your pension might not grow in line with prices. This is due to the following and other factors:

- People are living longer on average. As a result, pensions have to be paid out for longer.
- A low interest rate makes pensions more expensive. ABP therefore needs more money to pay out the same pension.
- Investment results might be disappointing.

Read more about ABP's financial situation and policy coverage ratio, both of which may affect your pension, at abp.nl.



Increases to your pension (indexation)

ABP's aim is to increase your pension every year in line with price increases. We call this indexation. Pensions were not increased on January 1, 2022. This is only possible if ABP has enough capital and if we are allowed to do so under the legal rules. In recent years, we have indexed participants' pensions accordingly:

	Indexatio n	Increase in prices*
2021	0%	2.7%
2020	0%	1.3%
2019	0%	2.6%

* Source: Statistics Netherlands (CBS).

ABP has made efforts in recent years to increase pensions sooner. The Dutch government wants to lower the minimum policy coverage ratio to 105% (it was 110%) for 2022, but this decision is not yet final. As ABP's policy coverage ratio will be below 105% by the end of 2021, we cannot increase pensions yet. As soon as we are allowed to increase pensions, it is our intention to do so.

More information about increases to your pension can be found at abp.nl/indexatie.



Reduction of pensions

In case of a shortfall, in the most extreme case, ABP will be required to reduce your pension.

Your pension will not be reduced in 2022. There is a likelihood that ABP will have to reduce your pension in the coming years. However, the Dutch government wants to avoid unnecessary cuts in the run-up to the new pension system.

What costs do we incur?



ABP incurs the following costs to implement the pension scheme:

- Administration costs.
- Costs of managing the assets.

When should you take action?



If you change jobs. You can transfer your previously accrued pension to your new pension provider.



If you move to another address abroad.



If you become fully or partially disabled.



If you become unemployed.



If you are going to co-habit, get married, or enter into a registered partnership.



Once a year, check how much pension you have accrued in total at www.mijnpensioenoverzicht.nl.



If you stop co-habiting or if you get divorced or end your registered partnership.



If you have any questions or wish to make use of the opportunities to make choices or take action, please contact us using the contact form at abp.nl.