

Pension accrual through ABP

All NWO-I employees, except those that are funded by a European grant, are insured with the National Civil Pension Fund ABP for both old-age pension, survivor's pension and disability. The premium due for this is mutually paid by NWO-I and the employee.

Although old-age pension seems to be a long way off for many employees, we consider it important to keep all employees well informed regarding retirement. Unfortunately, also young employees can be confronted with pension provisions in case of disability or death.

You can find elaborate but clear information on the ABP website www.abp.nl/pensioen-bij-abp/pensioen-1-2-3/. Unfortunately this information is only available in Dutch. It is certainly worth the effort to have a look at this site. We have summarized the information here. Your personnel officer or colleagues of the HR department, r.wemelsfelder@nwo.nl, are willing to inform you further or answer your questions (also in English!).

Disclaimer: The pension scheme regulations always take precedence.

1. What do our pension scheme regulations have to offer?

- You can choose to start your ABP old-age pension any time between your **sixtieth and the moment five years later than your 'AOW- entitlement- age'**, i.e. the age when you are entitled to the state pension fund AOW. <https://www.rijksoverheid.nl/onderwerpen/algemene-ouderdomswet-aow/inhoud/aow-leeftijd-berekenen>
On reaching the AOW entitlement age you will receive AOW in addition to your ABP pension.
- You can also opt to retire **part-time** between sixty and seventy years of age, and thus to combine part-time retirement and part-time work.
- You can **increase or decrease** the amount of your pension payment during a certain time interval. It is therefore possible, for example, to receive a higher pension payment in the years prior to your AOW payments and then to lower it when you start receiving them. This choice can be made only once.
- In the event of your death, your partner will receive **survivor's pension** provided you were still accruing pension with ABP. (i.e. as an employee, entitled to Unemployment Benefits (WW) or in a situation of disability).
(Note: if you no longer work for an employer affiliated to ABP and if you die before the age of 67, then your partner will only receive a limited survivor's pension through ABP unless you have chosen to convert part of the old-age pension into a survivor's pension in case of passing away before 67 years of age).
- In the event of your death on the age of 67 or later, your partner will receive survivor's pension. Your children will receive survivor's pension until the age of 25.
- If you become **occupationally disabled**, you may possibly be eligible for a disability pension in addition to the WIA benefit (benefit for work and income according to capacity for work) you receive from the UWV (Executive Institute for Employee's Insurances). Your pension accrual will then continue depending on the level of occupational disability, and you will no longer need to pay a premium. You can find more information on <https://www.abp.nl/uw-situatie-verandert/arbeidsongeschikt/default.aspx>

2. How do you accrue pension in the Netherlands?

In the Netherlands you can accrue pension in two or three ways: 1) AOW, 2) pension that you accrue with your employer (ABP in case of NWO-I) and 3) the possible pension that you arrange yourself by means of an **annuity or by 'banksparen'**.

1. **AOW**: this is a benefit you will receive from the government on reaching the AOW-age. On the site svb.nl (or in English <https://www.svb.nl/int/en/index.jsp>) you can find more information on AOW. Dutch residents and employees seconded abroad by NWO-I accrue an annual 2% (during a maximum of 50 years).

2. Pension. This pension is accrued via your employer. NWO-I is affiliated to the ABP, the contents of this flyer are aimed at the accrual of pension with ABP.
- You yearly accumulate a piece of your pension. The total that you accumulate in this way is the grand total of all these yearly pieces. As of your retirement date, you will receive this pension as long as you live, the so-called **average pay scheme** ('middelloonregeling')
 - You annually accrue part of your final pension. However, this is not build up with regard to your gross income. First of all, a so-called **franchise** amount is deducted because it is taken into account that you will also receive AOW from the government at a later date. The accrual percentage and franchise applicable to your situation can be found on your Uniform Pension overview (UPO), which can also be consulted on www.mijnabp.nl
 - You pay a monthly premium for your pension and your employer too. You can check the amount on <https://www.abp.nl/pensioen-bij-abp/pensioenpremie/>. The premium you contribute yourself can be found on your payslip.

3. What more option do you have?

- Did you already accumulate pension somewhere else before employment with NWO-I? It is possible to transfer your previously accrued pension to ABP. This is called **value transfer** ('**waardeoverdracht**').
- It is possible to accrue **extra pension** within certain fiscal limits.
- You build up pension over a salary up to circa € 100,000 (€ 1 05,075 in 2018). If you earn more, you can consider partaking in the net pension arrangement.
- In case you (no longer) have a partner or if your partner already has a comfortable pension provision of his/her own, you can opt (only once) to **convert the survivor's pension into old-age pension**.
- If you retire or leave ABP and there is no or too little survivor's pension, you can (only once) **exchange part of your old-age pension** into survivor's pension for your partner.

4. How secure is your pension?

The level of your pension is not fixed. There is a possibility that your pension does not increase with the prices. This is influenced by the increased life expectancy, the (low) interest rate and (disappointing) investment results.

5. When do you have to take action?

- On a **change of job**. You can transfer your previously accrued pension to your new pension provider. To that end file a request with your new pension provider
- On complete or partial **occupational disability**. Always complete the form <https://www.abp.nl/images/formulier-arbeidsongeschiktheidspensioen.pdf> and send it to ABP.
- On concluding a marriage or registered partnership abroad you are obliged to inform the ABP of this. The same holds for cohabitation in the Netherlands. Dutch marriages and registered partnerships are automatically reported to ABP.
- On the termination of the previously reported cohabitation, divorce or the termination of the registered partnership abroad you should inform ABP. Your ex-partner is entitled to half of the old-age pension accrued during your marriage or registered partnership. It is possible to make alternative arrangements with your ex-partner. These arrangements need to be recorded in the divorce/separation agreement.
- On **unemployment** you will still build up 50% pension. UWV reports this to ABP. If you want to accrue more pension you should apply to ABP for this.
- On **moving house abroad** you should inform ABP of your (future) changes of address.

6. Links to information in Dutch

- ABP offers clear information 'in 3 layers' on their website www.abp.nl/pensioen-bij-abp/pensioen-1-2-3/. On the indicated ABP page ('layer 1') the basic information is easily accessible through 6 dropdown menus. Within these dropdown menus, it is possible to click on to 2 levels ('layer 2' and 'layer 3') for more detailed information.
- The pension regulations in which all of the above is formally regulated, can be consulted here: <https://www.abp.nl/images/pensioenreglement.pdf>.
- In order to get a relatively simple understanding of the effects of the above mentioned options for your situation, you should go to www.mijnabp.nl. You can log into ABP with your DigiD. You can apply for a DigiD here: www.digid.nl/en/
- Check at least once a year the pension you have accrued thus far here: mijnpensioenoverzicht.nl.