

# Your employment in the Netherlands

## What about your pension?



2006

**Which pensions** are covered? Have you decided to have your pension **transferred** to ABP? Do you consider **leaving it** where it is now? What if you **leave the Netherlands**?

# Your pension in the Netherlands

“ Three months to Europe. That appealed to me, so, I gladly accepted the offer to lecture at the Erasmus University. At the time, it did not occur to me that pension accrual was obligatory. The upshot was that it made me reflect about days to come. ”



**Glenn**

You have chosen for a job with the Public Service in the Netherlands. Many things have to be taken care of. The necessary documents, lodgings for yourself and possibly members of the family, your financials. This brochure informs you of your pension you are going to build up with ABP. Moreover, about the various possibilities you have.

## **About ABP**

ABP is the pension fund for employers and employees in service of the Dutch government and the educational sector. All of our 2,4 million customers have the assurance of income security against the following events: disability, death and pension. All of it is based on solidarity and non-profit.

## **Pension eligibilities**

You have several pensions compulsory insured with ABP. All these are supplementary to the public benefits such as AOW, Anw or WIA.

You are eligible to ABP KeuzePensioen if you stop working between the age of 60 and 70. If you die your possible surviving partner and children may become eligible to ABP NabestaandenPensioen. If you become disabled you are entitled to a so-called WIA benefit. ABP may complement it with an invalidity pension. Go to the Internet site of the ‘Ministerie van Sociale Zaken en Werkgelegenheid’: [www.werkenaarvermogen.nl](http://www.werkenaarvermogen.nl) for more information about WIA (act Employment and Income in relation with Working capacity)

What if you are a serviceman/servicewoman? In that case you get ABP OuderdomsPensioen when you become 65, instead of ABP KeuzePensioen.

### The pension system in the Netherlands is based on three pillars

1 Public basic provisions	2 Additional provisions	3 Individual provisions
AOW	ABP KeuzePensioen/ ABP OuderdomsPensioen (Option pension/Old age pension)	For instance Levensloop (insurer)
Anw	ABP NabestaandenPensioen (Dependants pension)	Death insurance (insurer) PartnerPlusPensioen (ABP)
WIA		Working disability insurance (insurer)

#### AOW/Anw

AOW (Algemene Ouderdomswet) is the public basic pension for the old age. When you turn 65, you receive AOW from SVB (Sociale Verzekeringsbank). Anw (Algemene Nabestaandenwet) is the public provision for dependants in case of death. Your partner may be eligible when you die. There are conditions. Contact the SVB.

If you want more information on AOW, or Anw, surf to: [www.svb.nl](http://www.svb.nl). This site offers information in English, French, German, Spanish and Turkish.

### **ABP KeuzePensioen/ABP OuderdomsPensioen**

The amount of it depends on your personal circumstances. For instance, the number of years you accrued pension. Of course, your wages too.

### **ABP NabestaandenPensioen**

When you die, your partner receives ABP NabestaandenPensioen, assuming you were immediately before your death accruing pension, or receiving pension. Other conditions are that you are married, or had your partner registered with the municipality or with ABP, before your 65th anniversary. If these conditions are met, your partner may be eligible for a dependants pension. In addition to our pension, your partner may be eligible to Anw from SVB.

In case you want to register your partner, surf to [www.abp.nl](http://www.abp.nl) to download an application form. Or call our Customers Service and have them sent the form to your home address.

Besides your partner, children under age 21 may be eligible for dependants pension.

### **WIA**

If you become disabled, the UWV (Uitvoeringsinstituut Werknemersverzekeringen) will take care of your income. UWV particularly works for the governmental and the educational sectors. Do you want more information? Surf to [www.uwv.nl](http://www.uwv.nl).

## How much are the costs for ABP Pension?

You pay for your ABP Pension, as does your employer for the time you are in his employment.

You contribute to ABP KeuzePensioen/ABP OuderdomsPensioen and ABP NabestaandenPensioen. Your employer deducts your share of the contribution from your salary. This happens before tax calculation takes place. This way you pay less tax. Your salary-slip shows you in detail how much you pay. You also pay premiums for disability pension and Anw compensation (the latter is compensation from ABP to the dependants pension if your partner does not receive the public Anw, or only part of it).

## How much pension will you get later?

ABP sends you a pension statement every year. It shows you how much pension you have accrued so far. And how much you will get when you stop working. How much your income will be if you become disabled. It also shows what your dependants will get when you die. The pension statement not only represents all current eligibilities but also gives a prognosis of future eligibilities. If something changes in your personal circumstances, your earnings for instance, it will affect the figures in your pension statement.

ABP maintains the so-called average wage plan from January 2004. It means that you accrue bits of pension year by year. When you retire, ABP puts together all the pension bits you have accrued.

For servicemen and servicewomen, the final pay plan is applicable. This is a scheme where pension is based on the final salary. To be exact: the salary in January of the year that precedes the year of retirement.

### **Indexation of your pension accrual: (not unconditional)**

ABP aims at keeping pensions in line with wages. The process to keep ABP pensions in line with wages is called indexation. ABP realises the financing of indexation through future premium contributions and/or capital growth in contrast with liabilities. Indexation is conditional and as such not an automatic practice. Every year the ABP Board decides whether your pension is to follow the wage developments within the governmental and educational sectors. Indexation is only justifiable if the Board is of the opinion that the financial position of the pension fund allows them to do so. As a matter of fact, the Board may decide to repair skipped indexations, if the financial situation is favourable.

At present, ABP lacks sufficient capital to index your pension to the full. ABP is striving at increasing its capital to such a level that full indexation is possible. It is part of the so-called recovery plan approved by its supervisor 'De Nederlandsche Bank' (DNB).

### **Quitting work earlier with Levensloop**

The later you want your ABP KeuzePensioen to come into effect, the higher it gets. If you decide to stop working earlier you can do

so with Levensloop. From January 2006 the Levensloop scheme allows you to put money aside for leave, in a tax-friendly manner. You may take up leave during or at the end of your career. You are free to lay aside a maximum of twelve percent of your gross salary per year. The limit is 210 percent of your gross annual salary. Do you contribute to Spaarloon? In that case you have to make a choice: Levensloop or Spaarloon. Every year you may choose between those tax-friendly schemes. Ask your employer about the possibilities that Levensloop offer you.



## Is the care for your dependants in order?

What happens with the income for your dependants if you die? It is not easy to explain what the income then will be. From the government they may get an Anw benefit (General dependants act) that is paid by the SVB. Depending on the personal circumstances of your partner, income in his or her own right for instance, it may turn out that he or she gets no Anw at all, or only a part of it. Under certain conditions ABP then provides Anw compensation. In addition to the Anw benefit, ABP pays a dependants pension. The age at which you will die also decides how much pension your partner is going to receive.

If you die before the age of 65 your partner will receive about 70 percent of your ABP KeuzePensioen/ABP OuderdomsPensioen. If you die when 65 or older, the pension is less. If there was no transfer of pension from another pension insurer to ABP, and you have only now begun to start accruing pension, your dependants pension will be about 35 percent of your ABP KeuzePensioen/ABP OuderdomsPensioen later.

## You may choose for additional saving

Only once you have the opportunity to supplement the dependants pension that your dependants are entitled to if you die on or past the age of 65. You may do so with PartnerPlusPensioen up to 70 percent of your ABP KeuzePensioen/ABP Ouderdomspensioen. This is complementary to the pension. It is not a commercial product. You have a one-time opportunity to participate. It is not compulsory. You may participate until six months after which you received the letter (in Dutch) "Welkom bij ABP". You do not have a partner? You should take PartnerPlusPensioen into consideration. For you may have a partner in the future. And if it should turn out that the dependants pension is not important to you later on, you may decide to use it together with PartnerPlusPensioen to enhance your ABP Keuzepensioen/ABP OuderdomsPensioen.

## **This is how additional saving for your PartnerPlusPensioen works**

If you want to save additionally, tell your employer. He will deduct your contribution from your salary.

## **Charateristics of PartnerPlusPensioen**

- PartnerPlusPensioen is complementary to your collective pension.
- PartnerPlusPensioen is indexed under the same conditions as your ABP KeuzePensioen/ABP OuderdomsPensioen and ABP NabestaandenPensioen.
- You do not have to answer medical questions. Everyone is allowed to participate.
- Your participation to PartnerPlusPensioen always begins when you start working for the governmental or the educational sector. When participating at a later stage you will have to pay premiums retrospectively.
- Premiums are deducted from your gross salary. Pension is taxed later on.
- If you participate you can always decide to stop at any given moment. However, it is not possible to resume PartnerPlusPensioen thereafter.
- Every year, starting in 2006, your pension statement will show you the details.

### **Please note**

You may choose to participate in PartnerPlusPensioen no later than six months after you received the letter “Welkom bij ABP”.

It is no longer possible once that period is past.

### **Exchanging your dependants pension for more ABP KeuzePensioen/ABP OuderdomsPensioen**

If you have no partner later on, there is no need for a dependants pension. And in the case your partner has income of his or her own it may also be that he or she has no need for a dependants pension. You may choose to change the accrued dependants pension into more ABP KeuzePensioen/ABP OuderdomsPensioen. You do not have to make the decision now. We will approach you for that at the appropriate time.

### **Do you wish additional certainly for your dependants?**

If so, you may arrange for complementary insurance with an insurer of your choice. Many employers with the governmental and educational sectors have made arrangements with an insurer. If that is the case, individual insurances are offered at reduced premiums. Ask your employer about your possibilities.



# Do you choose to have your pension transferred to ABP?

‘ I have accrued some pension in England. Is it wise to have my pension transferred to ABP? Or should I leave it there? ’



**Kevin**

Now that you have been appointed in the Netherlands and continue to accrue pension here, you may question whether it complements the pension you accrued elsewhere.

## **You can have your pension transferred to the Netherlands**

You may have accrued pension with a pension insurer elsewhere. Now you are going to do so with ABP. In most cases, the following applies. If you do not take action, you will receive two pensions separately. You may avoid this if you have your pension transferred to ABP. We call this procedure ‘value transfer’. It is only possible if your former pension insurer cooperates. Most likely, you need the approval of a supervising institution abroad.

## **All under the same roof**

An advantage of value transfer is that if pension matters are concerned, ABP is the only party to deal with. It implies: one contact, one pension statement, and in the future one payment.

## **Differences between your former pension scheme and the ABP pension scheme**

Pensions may differ significantly. The differences may be considerably. For this reason it is useful to compare the old pension scheme with the ABP scheme. You may do so in picking the most important items from it. You could ask yourself the following questions.

- At what age can I stop working? When I am 65? Before that age?
- How is your pension adjusted? Is it in accordance with the consumer price index and wage developments?
- Do I have a personal choice?
- What about the dependants pension?
- Does it involve investment risks for me?
- Do future salary increases, after the value transfer took place, influence my 'old' pension?

## **How do pension transfers take place?**

### **1 Ask your new employer for the application form 'aanvraag-formulier waardeoverdracht'**

You may also download it from [www.abp.nl](http://www.abp.nl). Fill in the form and send it to ABP. We will contact your former pension insurer. It may take some months before we dispose of all the necessary papers.

### **2 You decide whether a transfer is in the best of your interest**

In dealing with value transfers, we convert the value of the accrued pension with your former insurer into ABP pension eligibilities. By comparing their outcome with ours, you will be able to see the consequences of the transfer. Whether it is wise to have your pension transferred is for you to decide. In your judgment, please mind the items that are most important to you.

### 3 You let us know as soon as possible whether you choose to have your pension transferred

Do you choose to have your pension transferred? Sign the option form that goes with the statement. Send it back as soon as possible. ABP takes care of the rest. The moment your former pension insurer has deposited the cash equivalent of your pension benefits on our account, we will notify you.



# What **if you leave** the Netherlands?



**Glenn**

“ My contract expires after three months. It is certain for me that I return to the States. Can I have the accrued pension moved to the States? What if I leave it here? ”

When you leave the Netherlands to carry on your career in another country, your ABP pension offers several possibilities. Sometimes you may take your pension with you. If your pension is small, you may opt for a lump sum payment. Of course, you may also leave it with ABP.

## **You have your pension transferred to a pension insurer abroad**

Sometimes it is possible to have your pension transferred to a pension insurer abroad. This process is called ‘value transfer’. To do so, the insurer abroad, De Nederlandsche Bank (DNB) (exercising supervision of Dutch pension funds) as well as the Tax authorities must all agree. DNB verifies whether the transfer of pension leads to pension eligibilities from the next pension insurer. The Tax authorities may give their approval to smoothly deal with the fiscal aspects of the value transfer. That is, without withholding taxes.

Having your pension transferred is convenient. There is only one pension insurer involved. You will only have one contact, only one pension statement and later, one payment. Moreover, you may avoid a break in your pension accrual. Whether a value transfer is in the best of your interest also depends on the pension scheme of the next pension insurer.

### International institutions

There are exceptions for a number of specific appointed international institutions. For instance: the Europe Council, the European Central Bank, NATO and the United Nations. Transfers of pension accrued in the Netherlands to the pension schemes of these organisations are possible without the consent of DNB. Under certain conditions, transfers of pension accrual to one of the appointed international organizations or the EU are tax-free.

#### Please note

If you intend an international pension transfer, you will have to get in touch with DNB and the Dutch Tax authorities. We wish to point out that, since ABP is the transferring pension insurer, we require an unconditional fiscal statement of tax exemption.

## How to have your pension transferred?

### 1 Ask your new pension insurer to transfer your pension

Ask your new pension insurer if a pension transfer is possible and be advised how to do it.

### 2 You decide whether pension transfer is in the best of your interest

When value transfers take place, the value of accrued ABP pension is converted into pension eligibilities you will get from your new pension insurer. You have to request ABP for a provisional statement of your accrued pension eligibilities. Comparing the figures in the provisional statement and the statement of your next pension insurer will show you the effects of it all.

Whether the transfer is in your interest or not is for you to decide. You will have to take the most important aspects for your situation into account.

### 3 Ask DNB and the Tax authorities for their consent to value transfer

- *De Nederlandsche Bank (DNB)*

Postbus 929

7301 BD Apeldoorn

telephone: 055 357 65 30

[www.dnb.nl](http://www.dnb.nl)

- *Belastingdienst Limburg/Kantoor Buitenland*

Postbus 286

6401 DJ Heerlen

telephone: 045 560 10 91 or 045 560 10 89

### 4 Tell your next pension insurer as soon as possible of your intentions to have your ABP-pension transferred

As soon as we have the approval of DNB and the Tax authorities, we will send you and your next pension insurer an offer. Tell your next pension insurer as soon as possible, if you agree with the offer. They will take care of further proceedings.

## Lump sum payment

When your contract expires and you leave the Netherlands, you may be eligible to a one-time lump sum payment.

Four conditions have to be met with when applying for a lump sum. We will sum them up for you.

### 1 You intend to leave the Netherlands permanently

You will receive the lump sum payment when you have actually settled and registered in your (new) country. You are obliged to register out from your last local registry office in the Netherlands.

### 2 Your annual gross pension eligibilities are less than € 722

This limit is relevant to your ABP KeuzePensioen/  
ABP OuderdomsPensioen in 2006.

### 3 No more pension accrual with ABP

You receive a lump sum payment if there is no more pension accrual with ABP. It is not possible if your next employer is an ABP affiliate, or if you receive a (military) disability pension or a severance payment.

### 4 If you did not divide your pension at the time of separation

A lump sum payment is only possible if you and your ex-partner agreed not to divide your pension, at the time of separation.

## What is included in the lump sum?

The lump sum includes the pension you have accrued for yourself and your dependants.

Do you have an ex-partner eligible to part of the dependants pension? His or her eligibility remains unchanged. You receive no lump sum payment for that part of pension. You may apply for a lump sum of the remaining part of the dependants pension.

### **How is it processed?**

It is quite easy. First, we calculate the exact amount of pension to which you are entitled. We convert it to one amount: the value of eligibilities up to the moment your lump sum is calculated. Your age is the predominant factor.

The outcome is a gross amount. We withhold taxes. We remit the net result to you. For tax purposes we will send you an annual statement.

### **What happens next?**

After payment of the lump sum, neither you nor your dependant is any longer entitled to pension payments from ABP.



## How do I apply for a lump sum?

It takes four steps.

- 1 You apply in writing for a lump sum payment.
- 2 We will verify whether you are eligible and make a calculation. We will send you the outcome and some forms to fill in.
- 3 If you do decide for a lump sum payment, you fill in the forms, sign them and send them back to us.
- 4 We remit the money to you.

## Your pension remains with ABP

In case you cannot opt for a lump sum payment, nor for a transfer, or whenever you do not choose for these options, your accrued rights stay with us.

## What to expect from us?

At the appropriate time you receive your ABP KeuzePensioen/ ABP OuderdomsPensioen. As to the ABP KeuzePensioen you have to let us know some months in advance about the date you wish to have it started. The ABP OuderdomsPensioen invariably commences at the age of 65.

What happens when you die? Your dependants may be entitled to ABP NabestaandenPensioen.

## Personal changes, please let us know them

Inform ABP when you migrate, adding details of your new address. This also applies to other changes in your personal circumstances. They may be:

- When you marry, or start living together
- When you are separated, or divorced
- When you move to another place outside the Netherlands
- When your partner passes away.

Report changes as soon as possible. It will enable us to adjust your pension immediately to the new situation. When you die, your dependants are to inform us immediately.

# Additional information

Pension is not as easy as ABC. We have no problem in admitting that. Do you have further questions, or do you want more information? Do not hesitate to contact us. We will explain the various ways.

## Surf to: [www.abp.nl](http://www.abp.nl)

Our site [www.abp.nl](http://www.abp.nl) is there for you. 24 hours a day. It gives you news and explanation of your pension scheme. It also generates our brochures on every subject. You may either look into them, or print them out.

We also have MijnABP. It provides information of your personal pension. The amounts in your pension statement are net amounts illustrated in a number of graphics. They relate to your present income and your pension in the future. At a glance, you can see the status of your pension. It shows whether your pension is sufficient. As soon as you have your pension statement you can surf to MijnABP and see the graphics.

However, you do need a password.

To apply for it, see the Internet.

## Call ABP Customers Care desk

Questions? Our colleagues at Customers Care will gladly help you. You may call us from 8 AM until 7 PM. Monday to Friday. Dial 045 579 60 70.

This way you stay informed about pension matters and your pension fund.



## **ABP Nieuws**

Our digital newsletter (in Dutch). Would you like to keep in touch with the latest developments about your pension, Levensloop and WIA? If you do, subscribe to our newsletter through Internet: [www.abp.nl](http://www.abp.nl).

## **ABP Magazine**

You will receive ABP Magazine twice a year.

## **If we disagree**

You may make a written complaint to ABP. If we cannot find a solution to your complaint, you may make an appeal to the 'Commissie van Beroep' (Appeal Commission).

## **If you disagree with the way we administer the arrangement**

Please contact us first. What if we cannot convince you? Then you may contact the 'Ombudsman Pensioenen'. The address: Postbus 93560, AN Den Haag. The telephone number 070 333 89 65, or surf to: [www.ombudsmanpensioenen.nl](http://www.ombudsmanpensioenen.nl).

## **Who is looking after your personal interests at ABP?**

ABP is a foundation governed by representatives of the Trade Unions and the Employer organisations for government and the Educational sectors. Besides the Board, there is also a Board of Contributors and a Board of Employers. Collectively, they are the most important advisory bodies of the ABP Board. Jointly, or separately they may advise on the policy of the pension fund.



## Board of Contributors

The Board of Contributors represents the organisations that look after the interests of employees and pensioners in the Government and Educational sectors. They consist of a body of proportional representation of employers (24) and pensioners (12). The four Boards of Government employees ACOP, CCOOP, CMHF, AC and the ‘Nederlandse Vereniging van Organisaties van Gepensioneerden’ (NVOG) (Dutch Society of Organisations of Pensioners) appoint its members.

The Board of Contributors meet about three times a year. If you have access to the Internet, you can read the reports at [www.abp.nl](http://www.abp.nl).

Being a member of one of these organisations, you may voice your opinions. You may contact the organisation of your choice:

Algemene Centrale van Overheidspersoneel (ACOP)  
Boerhaavelaan 1  
2713 HA Zoetermeer  
Telephone: 079 321 01 71

Ambtenarencentrum (AC)  
Amethisthorst 20  
2592 HN Den Haag  
Telephone: 070 315 51 37  
Internet: [www.ambtenarencentrum.nl](http://www.ambtenarencentrum.nl)

Christelijke Centrale voor Overheids- en Onderwijspersoneel (CCOOP)  
Carnegielaan 1  
2517 KH Den Haag  
Telephone: 070 416 06 00

Centrale van middelbare en hogere functionarissen (CMHF)

Overgoo 15

2266 JZ Leidschendam

Telephone: 070 419 19 19

Internet: [www.cmhf.nl](http://www.cmhf.nl)

Nederlandse Bond voor Pensioenbelangen (NBP)

Scheveningseweg 7

2517 KS Den Haag

Telephone: 070 360 19 21

Internet: [www.pensioenbelangen.nl](http://www.pensioenbelangen.nl)



## More information needed?

Our Internet site offers a great deal of information. Surf to [www.abp.nl](http://www.abp.nl) regularly, to remain informed about all the actual issues concerning your pension. You may also call our Customers Care desk on workdays from 8 AM until 7 PM. Their number is 045 579 60 70.

In our striving to be as clear as possible, this brochure only sums up the most essential items of the schemes. As such, you cannot derive any rights from it. The ABP Pension regulations contain all details. The amounts mentioned in this brochure refer to the year 2006 and are apt to changes.

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