

In this Pension 1-2-3, you can see what you do and do not get in our pension scheme. Pension 1-2-3 does not contain any personal information about your pension. You can find that information at www.mijnpensioenoverzicht.nl.

What can you find in layers 1, 2 and 3?

Pension 1-2-3 has three layers. In this second layer, you will find more information about all the subjects in layer 1. Finally, in layer 3, you will find the legal and policy information on VLEP. You can find layers 1 and 3 at www.vlep.nl or request a copy from us.

What do you get in our pension scheme?



Old Age Pension

Through your employer, you participate in the VLEP pension scheme and accrue old-age pension. You receive this old-age pension when you reach the age of 68. Your old age pension is a supplement to the general old-age pension, that is, the state-provided pension (under the Dutch General Old Age Pensions Act, hereinafter AOW). The AOW benefit is the pension that you receive from the government when you reach the official retirement age.

How much pension you will ultimately receive from VLEP depends primarily on the salary that you earned, the content of the pension scheme in which you participate, and the number of years you participate in it. From the time you reach age 68, the old age pension is paid to you monthly as long as you live. You can find the amount of your old age pension on your Uniform Pension Overview (UPO) or on www.mijnpensioenoverzicht.nl.

The pension scheme you participate in is a benefit agreement. Every year, you accrue pension on a portion of the gross salary that you earned in that year. You do not accrue pension on your full gross salary. This is because your pension administrator has already taken the AOW benefit, which you receive upon reaching retirement age, into account. The portion of your salary on which you do not accrue pension is called the "deductible". The amount of pension you accrue annually on your gross salary minus the deductible depends on the industry in which you work.

Meat 1.38%

Cold meat 1.56%

Convenience food 1.52%

Poultry 1.37%

Example: you earn €22,000 per year. The deductible is €12,985.00. This means you are accruing pension on €9,015.00 per year. This is your pension base. You work in the cold meats industry. This means that you accrue 1.56% in old-age pension. That is €140.63 in a year. The old-age pension that you will receive upon retirement is the sum of all years plus any annual indexation of your pension.



Partner and orphan's pension

Alongside your old-age pension, you also accrue partner pension and orphan's pension. If you die, your partner will be entitled to a partner pension and your children will receive an orphan's pension. Your partner may also receive a temporary partner pension. If you die while you are still working for your employer, your partner will also receive a pension up until his or her general old-age pension begins. Your partner will probably pay higher premiums and social insurance contributions until reaching the retirement age. After that, he or she will temporarily receive extra pension. This is 30% of the old-age pension that you would have accrued with us up until your retirement date. If you die after your pension begins, then the temporary partner pension is 30% of your old-age pension in payment.

Note: if your partner became your partner after the start of your pension, then he or she is not entitled to this extra pension.

The partner pension is 70% of the old-age pension that you would have received if you had continued to accrue pension with VLEP until your retirement. In the event of your death after retirement, your partner will also receive 70% of the accrued old-age pension. The amount of the orphan's pension is 14% of the partner's pension. Each of your children will receive this until reaching the age of 18. If your child continues to be in school or university, he or she will receive the orphan's pension up until reaching the age of 27.

The amount of the partner pension and orphan's pension is stated on your UPO and can be found at www.mijnpensioenoverzicht.nl. For more information on this, see www.vlep.nl.

What do you get in our pension scheme?

Your partner may also be entitled to a statutory surviving dependant's benefit from the government (the ANW scheme). This is subject to certain conditions. Your partner has lived or worked in the Netherlands and has not yet reached retirement age, and your partner is caring for a child younger than 18 or your partner is occupationally disabled at a rate of over 45%. For more information, see the website of the Social Insurance Bank (SVB) at www.svb.nl.



Premium-free continuation of pension accrual during occupational disability

If you are occupationally disabled at a rate of over 35%, you may be entitled to a partial or full continuation of your pension accrual without having to pay a premium. This premium-free pension accrual is based on the level of your occupational disability. For information on this, see www.vlep.nl.



Pension Scheme Rules

To find out exactly what our pension scheme offers you, visit www.vlep.nl or request the pension regulations from us.

What does our pension scheme not include?



There is no occupational disability pension

Your pension scheme does not include an occupational disability pension. This means that if you become disabled and incapable of working, you are not entitled to any occupational disability pension beyond the statutory occupational disability benefit under the WIA (Work and Income (Capacity for Work) Act).

How do you accrue pension?



A. AOW: this is the pension you receive from the government

The general old-age pension, or AOW, is the statutory pension from the government. You accrue AOW over 50 years. You only accrue AOW if you live and/or work in the Netherlands. The age at which you start receiving the AOW benefit depends on your date of birth. This is because the retirement age for the AOW has been going up over the years. Likewise, the amount of AOW is not the same for everyone.

The AOW amounts are adjusted annually. For these amounts, and further information about the AOW, see www.svb.nl.

Note: If there were years in which you did not live or work in the Netherlands, then your AOW may be lower.

B. The pension that you accrue through your work

The amount of pension you accrue under your employer's pension scheme is shown on your UPO. You receive the UPO once per year as long as you are accruing pension with VLEP. The UPO shows the amount of old-age pension you have currently accrued. The UPO also shows you the amounts of the partner and orphan's pension. This is the pension that your partner and children will receive in the event of your death. For a total overview of the pension that you have accrued with all your current and previous employers, see www.mijnpensioenoverzicht.nl.

C. The additional pension that you arrange yourself

You can make your own arrangements for additional pension to supplement your AOW and the pension that you accrue through your employer. There are number of ways to do this, for example, with bank savings or by contracting various forms of pension insurance (such as an annuity).



You are accruing pension in an average earnings scheme

Every year, you accrue pension on a portion of the gross salary that you earned in that year. You do not accrue pension on your full gross salary. This is because our pension fund already takes the AOW benefit, which you receive from the government upon reaching retirement age, into account. The portion of your salary on which you do not accrue pension is called the "deductible".

You accrue pension annually on your gross salary minus the deductible. The amount of pension you accrue annually on your gross salary minus the deductible depends on the industry in which you work. The total pension that you accrue in this way is the sum of all these years plus any indexation. As from your retirement date, you receive this pension sum in monthly instalments paid out as long as you live. This is referred to as an average earnings scheme.

How do you accrue pension?



Accrual rate

Every year, you accrue pension on a portion of the gross salary that you earned in that year. The portion of your salary on which you do not accrue pension is called the "deductible". You accrue old-age pension on the gross salary minus the deductible; the accrual percentage depends on the industry you are in. There is a threshold amount for the annual salary on which you can accrue pension in the VLEP pension scheme. In 2020, that was €68,807.00.

Example: you earn €22,000 per year. The deductible is €12,985.00. This means you are accruing pension on €9,015.00 per year. This is your pension base. You work in the cold meats industry. This means that you accrue 1.56% in old-age pension. That is €140.63 in a year. The old-age pension that you will receive upon retirement is the sum of a 11 years plus any annual indexation of your pension.



You and your employer both pay for your pension

Every month, you pay a premium for your pension. Your employer does, too. To see how the premiums are allocated, see our website under the "Downloads" section. Ask your employer about the amount of the employer contribution to your pension. The premium that you pay yourself is shown on your salary statement.

What are the choices that you have?



Value transfer

If you are changing jobs, and as a result you are moving to a new pension scheme, then you can take your pension with you to your new pension fund or pension insurer. The amount of your accrued pension per year determines what happens with your pension.

If your accrued pension is higher than €497.27 per year, then you can decide for yourself whether to take your pension with you to your new pension fund or pension insurer. This can be useful in certain situations, like if your new employer has a better pension scheme, or if you would prefer to have all your pensions under one pension administrator. If this is what you want, then contact your new pension fund or pension insurer and ask about a value transfer. If you do not want to take your pension with you, then you do not need to do anything. Your pension will remain with VLEP. If you need help making your choice, please feel free to contact us or your own financial advisor. We will be happy to help you.

If your pension accrual is lower than €497.27 per year and higher than €2 per year, and you left your job after 1 January 2019, then VLEP will automatically make sure that your pension gets transferred to your new pension fund or pension insurer. This is why VLEP checks annually on www.mijnpensioenoverzicht.nl whether you are accruing pension with a new pension fund or insurer. If you do not have a new pension fund or insurer, then your pension remains with VLEP.

If you changed jobs after 1 January 2019 and your accrued pension is €2 or less per year, then you do not receive this pension. Instead, it reverts to the fund. This is determined by law.



Pension comparison tool

Not all pension schemes are created equal. The pension comparison tool can show you, with just a few clicks, where the difference between any given other pension scheme and our pension scheme lie. The result can help you decide how important these points are for you and whether to take any action. This can be especially handy, for example, when changing jobs. You can find the pension comparison tool on our website.



Exchanging old-age pension for partner pension.

If you retire or leave your employer before retirement, and there is no partner pension or the partner pension in the event of your death will not be adequate, you can exchange a portion of your old-age pension for partner pension. This will reduce your old-age pension, but in the event of your death your partner will receive a higher pension from VLEP.

Note: you can exchange a portion of the old-age pension for a higher partner pension at certain moments, which are:

- upon termination of participation, and
- on the retirement date.



Exchanging partner pension for old-age pension

Alongside your old-age pension, you also accrue partner pension. There may be reasons why you would wish to exchange partner pension for a higher old-age pension. Your partner may have a very good pension elsewhere, you may have lost your partner, or you may simply not have any partner.

What are the choices that you have?

Note: this is a one-time choice! Once you have chosen to exchange partner pension for old-age pension, you cannot reverse it. If you do have a partner, he/she must consent to this choice. For more information about exchanging partner pension for a higher old-age pension, see www.vlep.nl.



If you take partial retirement

Instead of suddenly retiring when you reach the retirement age, you can also choose to have some of your pension start early. You can do this at any time after reaching the age of 58. You will then start working less, and you will also start receiving a partial pension from VLEP. Taking part-time pension has financial consequences. The part of your old-age pension that commences at that time will go down. For the proportion that you continue to work, you will still accrue pension.



Early retirement or deferred retirement

Instead of retiring at age 68, you can choose to continue to work past it. If you choose to, you can have payment of your old-age pension postponed until you actually stop working. If you retire later, your accrued old age pension will be increased. For more information about increasing your accrued pension, see www.vlep.nl. The pension accrual also continues if you continue to work. For the conditions on taking deferred or early retirement, see the pension scheme regulations.

You can also choose to have your pension start earlier than at age 68. This does mean that your old-age pension will be lower. Starting retirement earlier therefore does have financial consequences. Your pension accrual stops earlier, and your old-age pension will be reduced. You also need to be aware that the AOW may start later than payment of your early retirement pension. To see when your AOW benefit starts, visit www.svb.nl.



Starting with a higher or lower pension

You can make the choice to first start receiving a higher old-age pension for a certain period of time and then receive a lower old-age pension.

You can also make the choice to start by receiving a lower old-age pension for a few years and then a higher old-age pension thereafter. As from that second moment, you have the choice to receive a higher old-age pension than what is stated on your UPO.

Note: this is a one-time choice! Once you have made this choice, it cannot be undone.

How secure is your pension?



The accrual and payment of pension takes place over a very long period of time. In some cases, it may be a total of 80 years from the start of pension accrual to the last pension payment. Over that long of a time, the world can change, and new threats to your pension may emerge. Risks can lead to a pension shortfall.

Our fund tries to be prepared for the risks that can threaten your pension. History has shown that we do not always succeed. One example is the rapid rise in life expectancy, which far outstripped the level that we expected. As participants live longer on average, their pensions must be paid out over a longer period of time. That means that the pension fund needs to have more money than initially calculated.

The interest rate influences the value of the pensions. At the start, pension administrators make an estimate of the money they will need to be able to pay the pensions. The lower the interest rate is, the more money VLEP needs to have "in the bank" to later be able to pay all the pensions. If the interest rate stays low over an extended period, this makes the pensions more expensive.

Investment results can also be disappointing. This is why VLEP makes sure to spread the investments across different investment types. Profit on one investment can make up for losses on another. A pension fund or pension insurer can also hedge investment risks, but doing so involves costs.

These are just a few of the risks that VLEP have to take into account in order to protect your pension as best it can. This means that VLEP literally has to "manage" a wide range of risks. For more information about VLEP's risk management, see www.vlep.nl.

How secure is your pension?

Decisions of the fund management about the policy concerning the amount of the premium and the indexation are largely based on the pension fund's policy funding ratio. As from 2015, pension administrators must make all policy decisions based on the "policy funding ratio", which is a twelve-month average. For more information about our financial situation and the policy funding ratio, see www.vlep.nl.



Index-linked pension

Under normal circumstances, money loses value as years go by; the same amount of money will buy less in 2019 than it did in 2018. This is why VLEP endeavours to increase the accrued pension each year by a certain percentage. This is meant to allow the accrued pension to grow annually along with the general increase in the cost of living. This is known as an "index-linked" pension. But we are not always able to allow the pension to grow as fast as prices rise. When economic conditions are unfavourable, it can happen that VLEP cannot grant the full index, or any index at all. This means that your pension is effectively losing value. Later, when the economy improves, VLEP endeavours to compensate for this by granting extra indexation.

In recent years, we have increased the pensions for participants as follows*:

	Indexation	Increase of wages	Increase of prices
2019	0,00%	Not applicable	1,7%
2018	0,00%	Not applicable	1,7%
2017	0,00%	Not applicable	1,34%
2016	0,00%	Not applicable	0,36%
2015	0,00%	2,45%	0,41%
2014	0,00%	1,39%	0,75%
2013	0,00%	2,01%	0,90%
2012	0,00%	1,44%	1,98%
2011	0,00%	1,10%	2,33%
2010	0,00%	1,32%	1,38%

* The figures for the increase in prices are based on figures from Statistics Netherlands (CBS).



When there is a shortfall

It can happen that, despite our best efforts, VLEP does not have enough money to pay all pensions in the long term. When this happens, something must be done. The pension fund has the responsibility to consider as carefully as possible what the best solution is – whether that is increasing the premium, not indexing the pensions, or lowering the rate of pension accrual. The board may also opt for a combination of measures or make other choices. In the worst-case scenario, VLEP may resolve to reduce your accrued pension capital or pension payments.

In recent years, VLEP has lowered the pensions as follows:

	Reduction
2019	0,00%
2018	0,00%
2017	0,00%
2016	0,00%
2015	0,00%

For more information on VLEP's financial situation, see www.vlep.nl.

What costs do we incur?



The pension administrator incurs a number of different expenses in administering the pension scheme. These include, for example, costs of administration, which include the costs of paying the pensions and collecting the premiums. We also incur costs of communication, for example, producing and sending this Pension 1-2-3 and the UPO.

Then, there are the costs of asset management. Investing money costs money. We pay, for example, the parties we ask to invest the assets. We also incur transaction costs, like the costs that the stock exchange charges for the purchase of shares or bonds.

Visit www.vlep.nl for a complete list of the costs we incur.

When do you need to do something?



When you change employers

If you are changing jobs, and as a result you are moving to a new pension scheme, then you can take your pension with you to your new pension fund or pension insurer. The amount of your accrued pension per year determines what happens with your pension.

When do you need to do something?

If your accrued pension is higher than €497.27 per year, then you can decide for yourself whether to take your pension with you to your new pension fund or pension insurer. This can be useful in certain situations, like if your new employer has a better pension scheme, or if you would prefer to have all your pensions under one pension administrator. If this is what you want, then contact your new pension fund or pension insurer and ask about a value transfer. If you do not want to take your pension with you, then you do not need to do anything. Your pension will remain with VLEP. If you need help making your choice, please feel free to contact us or your own financial advisor. We will be happy to help you.

If your pension accrual is lower than €497.27 per year and higher than €2 per year, and you left your job after 1 January 2019, then VLEP will automatically make sure that your pension gets transferred to your new pension fund or pension insurer. This is why VLEP checks annually on www.mijnpensioenoverzicht.nl whether you are accruing pension with a new pension fund or insurer. If you do not have a new pension fund or insurer, then your pension remains with VLEP.

If you changed jobs after 1 January 2019 and your accrued pension is €2 or less per year, then you do not receive this pension. Instead, it reverts to the fund. This is determined by law.



If you become occupationally disabled

If you become occupationally disabled at a rate of over 35%, you may be entitled to a partial or full continuation of your pension accrual without having to pay a premium. This premium-free pension accrual is based on the level of your occupational disability. It is important for you to look into the consequences of your disability on your pension. You do not need to inform us of your disability. We will be informed automatically by the Dutch Employee Insurance Agency, UWV.



If you get married or enter into a registered partnership

Your pension scheme treats getting married and entering into a registered partnership the same. We are informed of the relevant information by the municipality automatically, including your partner's information. So you do not need to inform us of any of this yourself. In the event of your death, your partner may be entitled to partner pensions from our fund. If you think that your partner pension is not arranged as well as it could be, be sure to make extra arrangements.

Note: if you cohabit and are not married, then your partner is not automatically entitled to partner pension upon your death. For your partner to be eligible for this pension, you must meet certain conditions. For example, you must have a cohabitation contract executed before a civil-law notary. You must then send a copy of this contract to VLEP. For more information about this, see www.vlep.nl.



If you divorce or end your registered partnership

Your former partner is entitled to half the old-age pension that you accrued during the marriage or the period of registered partnership. You may make different arrangements with your former partner. If you do, they must be set out in writing in a divorce agreement. To ensure that the ex-partner receives a portion of the old age pension directly from the fund, you or your former partner must inform our fund of the arrangements you have made within two years. If you do not do this within this period, then later you will have to pay your former partner's portion of the old-age pension to your former partner yourself.

Note: the right to a portion of the old-age pension does not apply for unmarried cohabitants. Unmarried cohabitants must make their own arrangements on the division of the pension.

Your former partner is also entitled to the partner pension that you accrued up to the date of divorce or termination of the registered partnership. You do not need to do anything for the entitlement to the partner pension. Unless your former partner waives the entitlement, then you do have to inform the pension fund.

Note: unmarried cohabitants can also be entitled to the partner pension. For more information, see www.vlep.nl.



If you move abroad

Report this to your pension fund. Information about the consequences of your move on your old-age pension can be obtained from the Social Insurance Bank (Sociale Verzekeringsbank), or by visiting www.svb.nl.

Note: you must inform VLEP even if you are moving within the Netherlands.



If you become unemployed

If you become unemployed, pension accrual stops. You do, however, retain the pension claims that you have accrued up to the moment of dismissal. It is important for you to look into the consequences of your unemployment on your old-age pension and the partner pension and orphan's pension.

When do you need to do something?



If you increase or decrease your working hours.

If you increase or decrease your working hours.



If you take leave

If you stop work to take parental leave.



Mijnpensioenoverzicht.nl

Once a year, take a look at how much pension you have accrued at www.mijnpensioenoverzicht.nl.



If you have questions

For any questions about your pension scheme, you can telephone VLEP on +31 88 116 3072 or visit www.vlep.nl.