

Welcome to Pension 1-2-3 of ABN AMRO Pension Fund. You are saving for a pension with us through your employer. In Pension 1-2-3, we set out what our pension plan provides as well as what it does not provide. This is important to know, especially when you come to change jobs. Pension 1-2-3 provides general information about your pension plan. Personal information can be found at [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl) and [www.abnamropensioenfonds.nl/pensioenplanner](http://www.abnamropensioenfonds.nl/pensioenplanner).

## WHAT DOES OUR PENSION PLAN GIVE YOU?



### Retirement pension

Through your employer, you are participating in the pension plan of ABN AMRO Pension Fund and you are saving towards your retirement pension. The retirement age in your pension plan is 68 years. You will receive your retirement pension in addition to your state pension (Dutch abbreviation: AOW). The state pension is paid by the state.

How much pension you will get from ABN AMRO Pension Fund depends primarily on the size of your salary, the provisions of the pension plan and the number of years you have been a member of the plan. From your chosen retirement date, the pension will be paid to you in monthly instalments for the rest of your life. The amount of the retirement pension is set out in the Uniform Pension Statement (Dutch abbreviation: UPO) and on [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl).

The pension plan that you are a member of is a defined benefit scheme. Each year, you save part of the gross salary you earn in that year towards your pension. Your pension savings are not based on your entire gross salary. Pension providers have to take account of the state pension you will receive once you reach state retirement age. You can work out your state retirement age at [www.svb.nl](http://www.svb.nl).

The portion of your pay for which no pension savings are made is called the state pension offset. The size of this offset is decided annually (2019: € 13,785). In principle, your annual retirement pension contributions will be 1.875% of your gross salary up to the legally permitted tax limit (2019: € 107,593) less the state pension offset.



### Partner pension and orphan's pension

Apart from a retirement pension, you are also contributing to a partner pension and an orphan's pension. Your partner will be entitled to a partner pension and your children will be entitled to an orphan's pension from the moment of your death.

The partner pension is 70% of the retirement pension that you would have received if you had stayed with the ABN AMRO Pension Fund until the age of 68 years. Even if you die after retirement, your partner will normally receive 70% of the accrued retirement pension. It may be the case that you made different choices before you took retirement.

The size of the orphan's pension is 20% of the partner pension. If both parents have died, the orphan's pension is doubled. Each child will receive the orphan's pension until they reach

the age of 21. In certain situations, the orphan's pension may end at an alternative age. See the pension plan rules for more on this.

The size of the partner pension and the orphan's pension are shown on the Uniform Pension Statement (Dutch abbreviation: 'UPO') and on [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl).

In the event of your death, your partner may also be entitled to a statutory surviving dependant's benefit from the state under the General Surviving Dependant's Benefit Act. Eligibility criteria apply. The Social Security Bank (Sociale Verzekeringsbank) is responsible for implementing the Surviving Dependants scheme (Anw).



### Occupational disability and waiver of premiums

If you fall ill during your employment, you continue to accrue pension during the first two years of your illness as if you were not ill. If you receive a WIA disability benefit from the Employee Insurance Agency (Dutch abbreviation: UWV) after these two years, you also continue to accrue pension even though you will not be required to make contributions. This contributionfree pension accrual is dependent on the severity of your occupational disability. If you are partially unfit for work,

the contributionfree accruals will only apply in respect of the percentage that you can no longer work.

If you are unfit for work for longer than two years, the contribution-free accruals will be reduced. For the percentage of your disability, we will base the accruals on 75% of the pensionable earnings immediately prior to the day on which your WIA benefit starts.



### Pension plan rules

The pension plan rules set out precisely all aspects of the pension plan. They set out what arrangements have and have not been made within the pension plan of ABN AMRO Pension Fund. Read the [rules](#).

## WHAT DOES OUR PENSION PLAN NOT OFFER



### No occupational disability pension

The pension plan offered by ABN AMRO Pension Fund does not provide an occupational disability pension. If you become unfit for work (in full or in part), you will not be entitled to a supplement to your statutory occupational disability benefit

(Dutch abbreviations: 'IVA/WIA') from ABN AMRO Pension Fund. Ask your employer for more information about an occupational disability insurance.

## HOW DO YOU ACCRUE PENSION?



### Three types of pension

#### A. State pension

The AOW state pension is the statutory pension provision made by the state for everyone who has lived or worked in the Netherlands. The state retirement age is not the same for everyone.

The amount of the state pension is adjusted each year. The actual amounts and further information on the state pension can be found at [www.svb.nl/aow](http://www.svb.nl/aow).

Important: have you spent time living or working outside the Netherlands? If so, your state pension may be lower.

#### B. Occupational pension offered by employers

Through your employer, you are saving towards a pension based on your gross salary up to the legally permitted tax limit (2019: € 107,593) with ABN AMRO Pension Fund. The size of this pension can be found on your Uniform Pension Statement (Dutch abbreviation: UPO). You are sent a UPO once a year

as long as you contribute to your pension with ABN AMRO Pension Fund. The UPO shows the pension that you have currently accrued, as well as the pension expected if you remain with ABN AMRO Pension Fund until the age of 68 years. The UPO also shows information about the partner pension and the orphan's pension. These are pensions for your partner and your children in the event of your death.

See also [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl). This provides you with an overall summary of your state pension and all other pensions that you have contributed too, including those through other employers.

#### C. Additional pension arrangements you have made

You can make your own arrangements to top up your state pension and your occupational pension. You can do this in the form of bank savings or by taking out an insurance product, such as a life annuity.



### Average pay scheme based on CDC

Each year, you contribute part of the gross salary you earn in that year towards your pension. Your pension contributions are not based on your full gross earnings. ABN AMRO Pension Fund also takes account of the state pension that you will receive from the state on retirement. The portion of your pay for which no pension savings are made is called the state pension offset. In principle, your annual pension contributions will be 1.875% of your gross salary up to the legally permitted tax limit (2019: € 107,593) less the state pension offset.

The overall pension that you ultimately accrue is the total of each yearly contribution plus indexation, where applicable. The annual pension contributions are based on your salary in that year. Salary increases only count for pension accrual purposes for future years.

Your final pension is therefore based on the average of your salary over the course of your working life.

This is therefore known as an average pay scheme. Your pension is paid in monthly instalments from your retirement date for the rest of your life.

Important: In a CDC scheme, the employer's contribution to the funding of pension accruals is capped. The employer will never pay contributions in excess of 35% of all pensionable salaries combined. Under normal circumstances, the contributions will be sufficient, but there is no guarantee. If interest rates are very low or if life expectancy suddenly rises, ABN AMRO Pension Fund would decide to lower the annual accruals. Your pension contributions would then drop below 1.875%. If the pension fund is in a bad financial position, we can reduce the accrued pensions as a last resort.



### Accrual rate

Each year, you contribute part of the gross salary you earn in that year towards your pension. The contributions are not based on your full gross salary, because we also take account of the state pension that you will also receive. The portion of your pay for which no pension savings are made is called the

state pension offset. In 2019, the state pension offset amounted to € 13,785. In principle, your annual retirement pension contributions will be 1.875% of your gross salary up to the legally permitted tax limit (2019: € 107,593) less the state pension offset.

Example: you earn € 50,000 a year. The state pension offset is € 13,785. In that year, the accrual of your retirement pension is 1.875% of the pensionable amount of € 50,000 - € 13,785= € 36,215. Your retirement pension contributions in that year would therefore be € 679,03. The retirement pension that you receive on retirement is the sum total of all annual accruals plus indexation, where applicable.

Important: the employer's contribution to the funding of pension accruals is capped. The employer will never pay contributions in excess of 35% of all pensionable salaries. Under normal circumstances, the contributions will be sufficient, but there is no guarantee. If interest rates are very low or if life expectancy suddenly rises, ABN AMRO Pension Fund may have to decide to lower the annual accruals. The accrual of your retirement pension would then drop below 1.875%.



### Contributions towards your pension

The maximum annual pension contribution is 35% of the sum of all pensionable salaries. Every month your employer pays one twelfth of the annual pension contribution to the pension fund. And you pay 5.5% of your monthly pension amount.

Your employer will deduct this amount each month from your gross salary. The exact amount is stated on your payslip. The contributions the employer pays are not shown on your payslip.

## WHAT CHOICES DO YOU HAVE?



### Transfer of pension rights

When you start working at ABN AMRO or one of the affiliated businesses, you will start contributing to a pension with ABN AMRO Pension Fund. You may have been contributing to a pension with a previous employer. If so, you may choose to transfer your previously accrued pensions to ABN AMRO Pension Fund. We refer to this as a 'transfer of pension rights'. You can apply for a transfer of pension rights using the 'Transfer of Pension Rights' form, which you will find in layer 3.

Whether a transfer of pension rights is the right choice for you depends on a number of factors.

These include the financial situation of your former pension provider and that of ABN AMRO Pension Fund.

If you decide against transferring the pension rights, your pension will continue to be held by your former pension provider, and the pension will be paid to you by that provider on retirement. You will no longer pay any contributions to your former pension provider, but will now pay contributions to ABN AMRO Pension Fund.

Is the amount that you would receive from your former pension provider lower than € 484.10 per year? Then your former pension provider can transfer your pension to us without your consent.



### Accruals over € 107,593

You contribute to a pension in respect of the full-time gross salary up to € 107,593. If you earn more than this, you can make pension contributions from your salary in excess of this limit at ABN AMRO Pension Fund. ABN AMRO Bank offers a net pension plan at ABN AMRO Pensioenen for the pensionable

salary above this limit. As a new member, you will not be automatically registered for this plan. If you work for an affiliated company, ask your employer about the compensation arrangements that are in place.



### Exchanging retirement pension for an additional partner pension

If you leave employment or take retirement, you can opt to exchange part of your retirement pension for an additional partner pension. This will reduce your retirement pension. However, your partner will have a higher pension from ABN AMRO Pension Fund in the event of your death.

Important: this choice can only be made once. Once you have opted for this, you cannot change your mind.



### Exchanging a partner pension for additional retirement pension

Apart from a retirement pension, you are also contributing to a partner pension. There may be reasons why you want to exchange the partner pension for a higher retirement pension. Perhaps your partner already has a good pension of their own, or maybe you no longer have a partner. You can opt to

exchange the partner pension for an additional retirement pension. Your partner will have to give their consent for this.

Important: this choice can only be made once. Once you have opted for this, you cannot change your mind.



### Earlier or later retirement date

You can choose to take your pension before you reach state retirement age. Your pension can start at any time from the age of 57 years. This would result in a lower pension. Pension accruals would stop earlier and you will receive a pension for longer. Taking earlier retirement therefore has financial consequences. You should also bear in mind that your state pension will start later than your early retirement.

You may also choose to take retirement at a later date. In that case, you will need permission from your employer to work longer. If you obtain permission, payment of your pension will

be deferred until you actually retire. Your pension can be deferred for up to five years beyond your state retirement age. As a result, your pension will be higher because of the later start date. However, you will not accrue any additional pension after the age of 68 years.

You can also choose to take part-time early retirement. For instance, you could take your pension for two days a week and continue working for three days a week until you take retirement full-time. We refer to this as a 'part-time retirement'.



### Vary the amount of your pension payments

You can choose to have a higher pension for the first five or ten years, followed by a lower pension. After the five or ten-year period, the lower pension would be paid for the rest of your life.

You could alternatively choose to have a lower pension for the first five or ten years, followed by a higher pension. After the

five or ten-year period, the higher pension would be paid for the rest of your life.

Important: this is a one-off choice that you make at the time of your retirement. Once you have opted for this, you cannot change your mind.

## HOW CERTAIN IS YOUR PENSION?



### What are the risks?

The accrual and payment of pensions cover a very long period. The period from the start of accruals to the final pension payment can span up to 80 years. In such a long period, the world changes and risks may arise that have an impact on your pension. Risks can lead to funding shortfalls. ABN AMRO Pension Fund endeavours to prepare for risks that might have a detrimental impact on your pension.

An example of a risk in the past is the rapid increase in life expectancy. This increase proved to be greater than Dutch pension funds had expected in their calculations. If members live longer on average, pensions will have to be paid for longer. The pension fund then needs more money than it originally anticipated.

The interest rate affects the value of pensions. Pension administrators prepare estimates of the money they will need to enable them to pay pensions. The lower the interest rate, the more money ABN AMRO Pension Fund has to have

in order to be able to pay future pensions. If the interest rate falls, pensions become more expensive.

Investment performance can be disappointing. Because of this, ABN AMRO Pension Fund ensures that investments are diversified across multiple investment types. Profits from one investment can off-set losses on another investment. A pension administrator may also hedge its investment risks, but this comes at a cost.

Decisions of the fund's management on the size of the contributions and on indexation are to a large extent based on the policy funding ratio of the pension fund. From 2015, pension administrators must take account of the 'policy funding ratio' when taking policy decisions. The policy funding ratio is the average funding ratio over a twelve-month period.



### A stable pension

Money loses value each year because of price increases. The same amount of money will buy you a little less next year than it does this year. This is called 'inflation'. ABN AMRO Pension Fund tries to ensure that your pension keeps pace with annual price increases. This is called 'indexation'. The accrued pensions grow each year (in part) in line with inflation. By doing this, we endeavour to secure the value of pensions. However,

it is not always possible to award increases. This is because we can only award indexation increases if the financial situation of the pension fund allows it. If the financial situation is not good, it may be that ABN AMRO Pension Fund can only award a partial increase or is unable to award any increase at all. Your pension then loses some of its value.

In past years, ABN AMRO Pension Fund has awarded the following indexation increases to pensions:

	<b>Indexation</b>	<b>Increase in prices*</b>	<b>Missed indexation</b>
2018	1.5% + rest of the missed indexation in 2011 and 2012	1.5%	--
2017	1.7%	1.7%	--
2016	0.6%	0.6%	--
2015	0.0%	0.0%	--
2014	1.4% + 91% of the missed indexation in 2011 and 2012	1.4%	--
2013	3%	3%	--
2012	0%	2.5%	2,5%
2011	0.96%	2%	1,04%
2010	0.8%	0.8%	--
2009	1.9%	1.9%	--

\* The increase in prices is based on the consumer prices (all households) index of Statistics Netherlands (CBS) from January to January.



### If there is a funding shortfall

It may be the case that, despite all the precautions taken, ABN AMRO Pension Fund has insufficient funds to pay all pensions in the long term. Intervention would then be needed. The pension fund management is responsible for carefully considering the best solution: either to make no indexation award to pensions or, as a last resort, to reduce pensions. The management may also opt for a combination of measures.

So far, there has been no need at ABN AMRO Pension Fund to reduce pensions thanks to capital injections by the employer. In the current pension plan, which came into effect on 12 June 2014, the duty of the employer to make capital injections has been removed. The employer's contribution has been capped, and the employer will therefore not pay in additional contributions if the pension fund is in a bad financial position.

## WHAT ARE OUR COSTS?



### Costs

ABN AMRO Pension Fund incurs various costs for its administration of the pension plan. These include the costs for administration, salaries of the people employed by ABN AMRO Pension Fund, pension payments and the collection of contributions. Costs are also incurred for communication, such as building the website, this Pension 1-2-3 guide and the Uniform Pension Statement.

There are also the costs for managing the fund's assets. ABN AMRO Pension Fund pays the parties that manage the assets. The fund also incurs transaction fees. These include fees charged by the stock exchange for buying and selling equities or bonds.

We endeavour to be as transparent as possible about the costs that we incur. A breakdown is provided in our Annual Report.

## WHEN DO YOU NEED TO TAKE ACTION?



### Transfer of pension rights

If you are a new employee, you will start contributing to your pension with ABN AMRO Pension Fund. You may have been contributing to a pension with a previous employer. If so, you may choose to transfer your previously accrued pensions to ABN AMRO Pension Fund. We refer to this as a 'transfer of pension rights'. You can apply for a transfer of pension rights using the form, which you will find in layer 3.

Whether a transfer of pension rights is the right choice for you depends on a number of factors. These include the financial situation of your former pension provider and that of ABN AMRO

Pension Fund. See the checklist in layer 3 to discover whether a transfer of pension rights would be a wise choice for you.

If you decide against transferring the pension rights, your pension will continue to be held by your former pension provider, and the pension will be paid to you by that provider on retirement. You will no longer pay any contributions to your former pension provider, but will now pay contributions to ABN AMRO Pension Fund.

If you leave employment, you can apply to have your pension rights transferred to your new pension fund.



### Occupational disability and waiver of premiums

If you become unfit for work (either in full or in part), you may qualify for the continuation of your pension accruals without having to pay the contribution yourself. This contribution-free pension accrual is dependent on the severity of your occupational disability. If you are partially unfit for work, the contribution-free accruals will only apply in respect of the percentage that you can no longer work.

If you are unfit for work for longer than two years, the contribution-free accruals will be reduced. For the percentage of your disability, we will no longer base the accruals on your full salary, but instead on 75% of the salary that you would have received if you were not unfit for work.

It is important that you are aware of the consequences of occupational disability on your pension. You must also report any changes in the percentage of your occupational disability made by UWV to us within one month.



### Cohabitation agreement marriage, registered partnership

If you get married, start living together or enter into a registered partnership, your partner will be entitled to a partner pension in the event of your death.

Important: if you live together unmarried, your partner will not automatically be entitled to a partner pension on your death. If you want to make sure that your partner is entitled to a partner pension, you must register your partner with the pension fund

using the form that can be found in layer 3. Make sure you send a copy of your cohabitation agreement.

If you are married or have entered a registered partnership in The Netherlands, you do not need to register your partner. We automatically receive this information from the government. If you get married or enter into a registered partnership abroad, you must register your partner with the pension fund.



### Divorce or termination of the cohabitation agreement

Your ex-partner is entitled to the partner pension that has accrued up to the date of the split. Your partner may choose to waive this right, in which case you must inform the pension fund of this.

If your marriage or registered partnership ends, your ex-partner will be entitled to half of the pension that you accrued during your marriage or the period of registered partnership. It is possible to agree alternative arrangements with your ex-partner. These arrangements must be set out in the divorce

settlement. Do you want the pension fund to arrange the payment to your ex-partner? If so, send a copy of the settlement agreement and **Notification of divorce in relation to the division of retirement pension form** to the pension fund within two years.

Were you living together with your partner unmarried (with or without a cohabitation agreement)? In that case, your ex-partner is not entitled to half of your pension. You may make alternative arrangements on the division of the pension in a cohabitation agreement.



### Moving abroad

If you decide to move abroad, inform ABN AMRO Pension Fund of your new address and discuss the consequences for your pension. A move abroad also has consequences for your AOW state pension.

Important: you should inform ABN AMRO Pension Fund of any change of address while abroad, because these address changes will not be automatically provided to us.



### Unemployed

If you become unemployed, your pension accruals will stop. Accruals of the partner pension and the orphan's pension will also stop. It is important that you are aware of the consequences of unemployment on your pension. You do not need to inform us if you become unemployed. We are automatically informed by UWV.



### Options

The available options can be found in this Pension 1-2-3 guide in the 'What choices do I have?' section.

Important: once you have made a choice, you cannot change your mind later. It is up to you to make sure your choice is well informed.



### Mijnpensioenoverzicht.nl

Take a look at [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl) to check your total pension accruals. This provides you with an overall summary of your state pension and all other pensions that you have contributed too, including those through other employers.



### Questions

More information on your pension is available on the website. If you can't find what you're looking for, please contact the Pensions Desk at [pensioendesk@abnamropensioenfonds.nl](mailto:pensioendesk@abnamropensioenfonds.nl) or by phone on weekdays from 08.30 to 15.00 hours on +31 (0)20 237 57 77.

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