



The pension scheme is an average salary scheme. You will receive a pension which is based on your average salary earned. The regular retirement date is the first day of the month in which you turn 65 years.

**The pension scheme provides:**

- an old-age pension with an annual accrual amounting to 1.75% on your pension basis. \*)
- to incapacity for work a non-contributory pension and a disability pension up to 70% of the gross salary \*\*) above the maximum salary for the legal disability benefits (€ 50,065);
- a partner's pension amounting to 70% of the old-age pension for spouses, registered partners, and cohabiting partners with a cohabitation contract and an orphan's pension to 16% up to the age of 21.

\*) annual salary including holiday allowance and thirteenth month salary, less a deductible of €13,614). Inhabitants of the Netherlands do not accrue pension on the deductible because they will receive a General Old-Age Pension (AOW) from the Dutch government when you reach the age of 65.  
\*\*) the Social Insurance wage according to the WIA.

**Options**

- to convert the partner's pension into an additional old-age pension;
- building up an Extra Pension by voluntarily paying an extra contribution for building up at your own risk an additional pension capital;
- earlier, postponement, part time or variation in height of the old-age pension;
- transfer of pension value in the event of a change of employer. Only when the coverage ratio of the relevant Pension Funds are more than 100%.

**Pension contribution**

As from 1 January 2012, the employer contributes 20% of the gross salary into the pension fund. You pay nothing on the first € 28,572 of your annual salary (in the case of full-time employment). Above that amount, 11.41% of the annual salary will be withheld as a pension contribution.

**Registering a relationship**

Are you cohabiting, and have you drawn up an official cohabitation contract? You need to register this with the Pension Fund TNO. If you do not, you will not be able to claim partner's pension. The fund automatically receives information about spouses and registered partners from the GBA (Gemeentelijke Basisadministratie, municipal personal records database).

**Conditional statement (indexing)**

Indexing the pension is conditional and depends on the coverage ratio of the Pension Fund. No reserves have been formed for this increase and no contributions are paid (see reverse).

**Information**

For more information, please refer to the regulations and the special brochures. You can also contact us by telephone or e-mail, or visit our website.

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TNO Pension Fund is responsible for the pension scheme for employees of TNO and other subscribing employers.

You automatically become a participant in the fund's pension scheme when you commence employment.

**Disclaimer**

This overview is a brief summary of the pension scheme. Ultimately, the pension regulations are decisive. You can request a copy of these regulations or download them from our website.

TNO Pension Fund reserves the right to amend these regulations.

## Conditionality statement for the TNO Pension Fund increase policy

The pensions were not increased on 1 January 2012 in connection with a reserve shortfall. The coverage is too low to increase the pensions (indexing).

Each year, the Pension Fund TNO endeavours to increase your pension in line with the general structural salary at TNO. This year the general structural salary rule at TNO will be established at 1 april 2012.

The Pension Fund TNO has not reserved any money or demanded an extra contribution in order to be able to increase your pension in the future. The Pension Fund TNO uses the investment return to pay for future increases of your pension. The increases in the past and expectations for the coming years do not automatically result in an entitlement to future increases.

During the past three years, the pension has not been increased. Prices rose:

- for the year 2009 – 1.2%
- for the year 2010 – 1.3%
- for the year 2011 – approximately 2.0%

### **Explanation**

The increase is conditional. No reserves have been formed for these increases and no contributions are paid. Whether the financial means are sufficient to implement the increase in any given year is decided by the Board on an annual basis. One of the decisive factors in this process is the coverage ratio of the Pension Fund. The Board uses a graduated policy scale as a guide in that respect. This can be viewed on the website: [www.pensioenfondstno.nl](http://www.pensioenfondstno.nl) (in Dutch). If the Board has the opinion that the coverage ratio of the Pension Fund is insufficient, the increase will be reduced or will be nil.

### **Reserve shortfall**

At the Pension Fund TNO, a coverage ratio of around 116% offers sufficient reserves to be able to cushion against fluctuations in assets. According to preliminary figures, the pension fund had a coverage ratio of 99,6% at the end of 2011. With this coverage ratio in mind, this means that there is a shortfall in reserves. It is also in accordance with the standards of The Nederlandsche Bank a minimum coverage of 105% is required. It is therefore also a shortfall. The deficits have not yet results for your nominal gross entitlement or pension payment

### **Which steps has the Pension Fund taken?**

In connection with the deficits in the Pension Fund TNO there is a short-and long term recovery plan. The total contribution is increased to 18% of the annual salary. This is the maximum premium pursuant to the policy staffel. In addition, the employer is paying an additional premium of 2%. When the employer no longer can fulfil its obligations he will consultate the Board for a financing arrangement or adaptation of future obligations.

Further information on developments is always available on our website and in the Pensioenkrant newspaper.

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