

Pension Scheme of Stichting Pensioenfonds TNO

The basic scheme (for old-age pension, partner's pension, orphan's pension and disability pension) applies to all employees employed by the employer(s) admitted to this fund. The characteristics of the scheme are as follows:

Type of scheme	Defined Benefit (average salary scheme).
Participation	As from date entering the employment with the employer until the end of the period in which pension is accrued.
Partner	<ul style="list-style-type: none">• spouse;• registered partner; cohabiting partner running a joint household according to a notarial deed, provided there is no lineal consanguinity or in-law affinity between the partners.
Pensionable salary	The fixed annual salary including the system allowance, holiday allowance and 13th month salary which qualify for inclusion in the pension calculation.
Deductable	That part of the pensionable salary for which no pension is accrued. As from 1 January 2010, the deductible is €13,446. This amount is adjusted in accordance with the conditional surcharge rule. The Board is entitled to depart from this.
Pension basis	The pensionable salary less the deductible in euros, rounded up.
Retirement date	The first day of the month in which an individual reaches the age of 65. The first payment is transferred into the beneficiary's account around the 24rd of that month.
Membership period	The period in which the employee is or has been a participant by virtue of the pension regulations. The membership period is calculated to a degree of accuracy of years, month and days. In the event of part-time employment, the membership period is calculated on a pro-rata basis.
Old-age pension	The annual accrual amounts to 1.75% of the pension basis in the relevant calendar year.
Additional old-age pension	The annual accrual amounts to 0.50% of the pension basis in the relevant calendar year.
Lifelong partner's pension	As long as the participant is in active employment, the scheme provides for a lifelong partner's pension in the event of the death of the participant, until the participant retires, to the extent of 70% of the attainable old-age pension and based on an accrual percentage of 1.75%. Any lifelong partner's pension entitlements accrued prior to 1 January 2002 remain unchanged. However, these entitlements are subject to the conditional indexation policy.
Temporary partner's pension	As long as the participant is in active employment, the scheme provides for a temporary partner's pension until the participant retires, to the extent of 10% of the attainable old-age pension and based on an accrual percentage of 1.75%, provided the partner has not yet reached the age of 65. Payments are made until the first day of the month in which the partner reaches the age of 65. Any temporary partner's pension entitlements accrued prior to 1 January 2002 remain unchanged. However, these entitlements are subject to the conditional indexation policy.

Death benefit to partner	Applies in the event of the death of a retiree or a participant entitled to a disability pension. The benefit is a tax-free lump sum equal to twice the monthly old-age pension or disability pension last received.
Conversion	The additional old-age pension is converted into a lifelong partner's pension at the end of the participation period due to termination of the employment contract and upon commencement of the old-age pension, unless no partner is present at that time or the partner has waived the conversion option. Conversion further takes place upon termination of the marriage due to divorce or legal separation and/or termination of the registered partnership.
Orphan's pension	The orphan's pension amounts to 16% of the old-age pension to be attained based on an accrual percentage of 1.75 and is paid until the orphan reaches the age of 21; this amount doubles for full orphans.
Disability pension	This is 70% of the applicable pensionable salary exceeding the statutory maximum daily wage. Incepts upon termination of the employment contract when receiving or entitled to benefits within the framework of the Work and Income (Capacity for Work) Act / General Disability Insurance Act (WIA and WAO respectively) immediately thereafter. In the event of partial incapacity for work, benefits will be paid on a pro-rata basis.
Continuation of pension accrual in the event of incapacity for work	Non-contributory continuation of pension accrual during the period of disability pension benefits on a pro-rata basis, depending on the level of incapacity for work.
Conditional surcharge (indexation)	Participants' entitlements as well as live pensions and non-contributory pension entitlements of former participants are subject to a conditional surcharge in accordance with the TNO general salary rule, with a graduated scale linked to a coverage ratio as guideline. The Board is entitled to depart from this.
Pension contribution	Set by the Board on an annual basis in accordance with a graduated scale. The Board is entitled to depart from this.
Total contribution	This amounts to 17% (2010) of the basis of the premium calculation = pensionable salary. This is set by the Board on the basis of a graduated scale linked to a coverage ratio. The employer recovers part of the total contribution from the participants (membership contribution).
Membership contribution	This is set by the employer. In 2010: 10.06% of the pensionable salary exceeding a non-contributory amount of €28,572.
Scheme options	See conversion. Further options include: voluntary supplementary continuation during leave, demotion and pre-pension; high/low pension within tax bandwidth; deferment of pension to a maximum age of 70, provided there is still a valid employment contract.
Rights in the event of dismissal	Pro rata rights.
Transitional provisions	See pension regulations.
Value transfer	In accordance with the Value Transfer Decree (Calculation and Procedural Rules), including cases predating 1-7-1994.