

Frequently asked questions about variable or fixed pension

We are sure that there are some questions you want to ask before making a choice. Some of these are answered below. If your question is not among them, please call our Service Desk (+31 50-582 7997). Or you can mail us at: spin@tkppensioen.nl.

Why have I been offered this new choice option?

Until recently, when you retired you used your DC capital to buy a fixed pension from the insurer of your choice. Now you can also choose a variable pension. This means that you continue to invest some of your DC capital after your retirement. This means that you take a longer risk, giving you the chance of a higher pension. Your pension is then determined every year and the insurer continues to invest the remaining capital.

What are the advantages and disadvantages of a variable and fixed pension?

A variable pension gives you the chance of a higher pension due to higher returns on the investments. However, you do run more risk. Your pension could also be lower.

A fixed pension gives you the certainty of a fixed payment every month. The disadvantage is that you are dependent on the interest rate on the date you retire. The lower the interest rate, the less pension you receive.

Variable pension	Fixed pension
Every year, more or less pension.	The same pension for the rest of your life.
If the interest rate is low on the date of your retirement, this will not affect the level of your pension.	If the interest rate is low on the date of your retirement, this will affect the level of your pension.
Your pension rises if the stock exchange does well. But it falls if share prices drop.	Your pension does not increase if the stock exchange is doing well. But it does not fall if share prices drop.
Every year, your pension can be higher or lower than the price increases. So your purchasing power may increase one year and decrease a year later.	Your pension does not increase if prices rise. Every price rise means that you can buy less (decreased purchasing power). The longer you live, the greater this effect.
It does matter how old the average Dutch resident gets. Is the average age going up? Then you may receive less pension.	It doesn't matter how old the average Dutch resident gets. You will receive the same payment throughout your retirement.
This is expected to be higher than a fixed pension.	This is expected to be lower than a variable pension.

Where can I see how the (variable) investments are doing?

As long as you are still accruing DC capital, you can see that in My IBM pension under 'My investments'. After your pension, you can view that information at the insurer or pension administrator managing your pension.

Can I change my choice of a variable or fixed pension after I have retired?

No, on the date you retire, you must make a final choice for variable or fixed. You may not subsequently change your mind. This is laid down by law.

I want to stop work before I reach retirement age. Can I still do that?

Yes, you can still take early retirement. If you choose a variable pension, you will remain in the Continued Investment Profile for a variable pension. There is not much difference between this profile on your 62nd birthday and at your state retirement age.

Can I make a different choice for the partner pension than for the old age pension?

No, as long as you live, the partner pension follows the old age pension. If you choose a variable pension, the partner pension is also 'variable'. And if you choose a fixed pension, the partner pension is also 'fixed'.

Does my partner need to give consent if I choose a variable pension?

No, that is not necessary. Your partner must give consent if you exchange (some of) the partner pension for a higher old age pension.

Can I choose partially for a fixed pension and partially for a variable pension?

That is not possible during the accrual phase. You invest your total DC capital from the available contribution scheme in 1 investment profile. When you retire, you can often choose a partially variable and a partially fixed pension from the insurer.

What happens if I don't choose?

Then you accrue DC capital according to the Basic Profile. Do you have a Defensive Profile? Then you will continue to invest defensively.

Can I choose fixed during the accrual period, and then variable on the date of my retirement?

Yes you can. But if you choose fixed during the accrual period, it is logical that you do the same on the date of your retirement. The same applies to choosing a variable pension.

But in the accrual phase, you may change your mind. You only make a definitive choice when you actually retire and that decision may then no longer be reversed.

I am still accruing pension and I want to adjust my investments. How do I do that?

You adjust your investments using the [Profielwijzer](#).

Do you expect to choose a variable pension on the date that you retire? If so, invest according to the Continued Investment Profile.

Why is 20 years before retirement age an important moment?

From that moment, there is a clear difference in the profiles (Life Cycles) and thus the investments for variable and fixed. If you choose fixed, we will reduce your investment risk faster than in the Continued Investment Profile that suits a variable pension.

You make a definitive choice when you retire and that decision may then no longer be reversed.

Does my choice affect SPIN in any way?

No. Our main priority is that you make a *conscious* choice which is appropriate to your situation. A choice which you are still happy with in 5, 10 or more years.

Am I right in thinking that I now have three choices: Life Cycle (LC) Fixed Defensive profile, LC Fixed Basic Profile and LC Continued Investment (for a variable pension) Profile?

Yes, that's right. The main distinction between these three options is the degree of risk in the investment mix. The main difference between these profiles is the speed with which the risks are reduced as the retirement date approaches.

For example, the LC Continued Investment Profile reduces the risks much less quickly than the other profiles. This gives you longer in which to possibly enjoy high(er) returns.

If I choose a fixed pension, the pension that I receive until after my death is more or less fixed. With a variable pension, the pension that I receive every year is different. Is it possible to use up my pension capital with a variable pension? In other words: can my pension payment be € 0 at a given moment?

No, that is not possible.

What is the best choice for me?

That is not something we can advise you on. Whether you choose a variable or fixed pension is a personal decision. However, we do feel it is important that you consider your options carefully and make a *conscious* choice. A choice that is appropriate to your situation.

I'm not sure whether my choice has been recorded. How can I check this?

You receive confirmation in 'Mijn Post'. Are you unsure? If so, you can always call our Service Desk on: +31 50-582 7997.