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Welcome to SPIN, IBM's Pension Fund. This Pension123 explains your DC pension.

## What are you entitled to under the pension scheme?



### Retirement pension

Effective from your state pension (AOW) age, you will receive a retirement pension for as long as you live.

If you are a participant in IBM's pension scheme, you will receive a retirement pension when you retire. This retirement pension, together with your AOW state pension, represents your monthly income when you stop working because you retire. You will receive this pension for the rest of your life.

You accrue pension capital under your pension scheme. Your capital grows due to the contributions paid and the returns on your investments. You determine how we should invest your capital, however, the investment is at your risk. When you retire, your pension capital has a certain value. We are unable to determine in advance how much pension you can purchase from an insurer for this amount. The Pension Planner ([spin.nl/planner](http://spin.nl/planner)) and your annual pension statement provide an approximate indication of the pension you can purchase on retirement. Both are in Dutch.

The pension scheme in which you are a participant is referred to as a defined contribution scheme. The contribution we use to accrue your pension capital is fixed, however the amount of pension capital you will have accrued when you retire is uncertain. For additional information about investing for your pension, see '[How do you accrue pension?](#)'.



### Partner's and orphan's pension

In the event of your death while you are still employed, your partner and children, if any, will receive a benefit.

In the event of your death while you are employed by IBM, your partner and children, if any, are entitled to a pension. Your annual pension statement and [mijnpensioenoverzicht.nl](http://mijnpensioenoverzicht.nl) reflect the amounts of these pensions. Your pension regulations ([spin.nl/reglement](http://spin.nl/reglement)) show how we calculate the surviving dependants' pension.

If you leave IBM or when you retire, this insurance for your family is terminated. Go to '[What are you not entitled to under the pension scheme?](#)' to find out what you can do about this.

You do not have to pay a contribution for the partner's and orphans' pension; this is paid by IBM.

Surviving dependants sometimes are entitled to receive a surviving dependants' benefit from the government under the Surviving Dependants Act (Anw benefit). The surviving dependants in that case must meet the applicable conditions. You can find more information about the Anw at [www.svb.nl](http://www.svb.nl).



## Occupational Disability Pension

If you become occupationally disabled, you may receive a supplementary payment from us. In addition, you will continue to accrue pension. You then no longer pay a personal contribution for this.

If you have a long-term illness, you will continue to accrue pension on the portion of the salary for which you no longer work. You do not need to pay a pension contribution on this portion. We pay this on your behalf. You may also be receiving a supplement to your salary.

Are you receiving a Work and Income (Capacity for Work) Act (WIA) benefit from the Employee Insurance Agency (UWV)? If so, you may receive an additional occupational disability pension (ODP) from us. You qualify for this pension after two years of uninterrupted illness and provided that you earn more than 52,766 euro (the so-called social insurance wage; 2016 amount). This benefit is 70% of the salary for which you no longer work and for which you do not receive a WIA benefit. The occupational disability pension regulations ([spin.nl/arbeidsongeslacht](http://spin.nl/arbeidsongeslacht)) show how we calculate this benefit.

The ODP stops when you reach the 'ODP end-date' (in 2016 this is your 65th birthday), in the event of your death or when you no longer receive a WIA benefit. Consult your annual pension statement or your correspondence about your occupational disability for your precise retirement age or your ODP end-date. This date may differ from one person to the next. Your annual pension statement also shows the amount of your ODP, whether you qualify for it and when.

IBM does not cover the Work and Income (Capacity for Work) Act (WIA) shortfall. Go to '[When is action required on my part?](#)' to find out what you can do about this.



## Pension regulations

The [pension regulations](#) contain the details of your pension scheme. The pension regulations describe what is provided by our pension scheme. The most recent version of these regulations is available in Dutch.

## What are you not entitled to under the pension scheme?



### Partner's and orphan's pension

In the event of your death after you have left IBM, your partner and children, if any, will not receive a benefit from us.

However, your partner can use your accrued pension capital to purchase a benefit from an insurer.

The partner's and orphan's pension are only insured as long as you work at IBM.

What you or your partner can do

If you die after you leave IBM, you will not be covered for a surviving dependants' pension. However, your partner can use your pension capital to purchase a partner's pension from an insurer. Naturally, this is only possible provided that you did not transfer your pension capital to another employer. An alternative is for you to take out a separate insurance policy from an insurer to cover you in the event of your death. On retirement, you can purchase a pension for your partner from your pension capital. Your partner will then continue to receive a monthly payment after your death. The consequence is that this reduces the amount of pension you can purchase for yourself.

At this time, we are unable to specify the amount of your partner's pension after your departure or retirement. An indication of these amounts is shown on your annual pension statement and on '[mijnpensioenoverzicht.nl](#)').



### Work and Income (Capacity For Work) Act (WIA) Shortfall

If you are occupationally disabled for longer than two years, your salary stops. In that case, you may potentially receive a disability benefit (WIA). After a period of time, the WIA benefit can drop significantly. This creates a WIA shortfall. The IBM Basic Pension does not provide for a benefit to offset this loss in income.

## How do you accrue pension?



There are three ways to accrue pension in the Netherlands:

### A. AOW: government state pension

The AOW is the government's statutory pension. You accrue AOW over a period of 50 years. You only accrue AOW over the years that you live and/or work in the Netherlands. The age at which you are entitled to an AOW pension depends on your date of birth. This is because the AOW age will be rising over the coming years. In addition, the AOW amount is not the same for everyone. The AOW amounts are adjusted yearly. The website [www.svb.nl](http://www.svb.nl) contains information about the AOW and the AOW age. Note: when you did not always live or work in the Netherlands, your AOW entitlement is lower.

### B. The pension that you accrue while working

The amount of pension you accrue on the basis of your employer's pension scheme is shown on your annual pension statement. To view a summary of the pensions you have accrued with other employers in the Netherlands, visit [mijnpensioenoverzicht.nl](http://mijnpensioenoverzicht.nl).

### C. Additional pension that you arrange yourself

You can make arrangements for a supplementary pension to your AOW state pension and the pension you accrue at work. There are different ways in which to supplement your pension. For example, through means of a tax-efficient blocked bank savings account, or if you have a mortgage - its early redemption. Whether you consider this necessary depends on your financial and personal situation. A financial advisor can assist you in this regard. You can also consult the five sources of retirement income chart [[pensioenschijf-van-vijf](#)] on Nibud's website ([nibud.nl](http://nibud.nl)).



At IBM, pension is accrued as follows:

### Defined contribution

You accrue your own pension capital that grows due to the contributions paid and the returns on your investments. On retirement, you approach an insurer to purchase a retirement and partner's pension (if needed) with your capital. This is referred to as a defined contribution scheme. How does this work?

#### 1. You work at IBM.

IBM pays a pension contribution each month. You also pay a pension contribution.

#### 2. Investing

We invest the contributions in equities, and in bonds and debentures. You decide how we invest your capital. The results of the investments can be better than expected or disappointing. This is at your own risk.

#### 3. Result

When you retire, we sell the investments. The proceeds are turned over to you. We have no way of knowing the amount of these proceeds. This is because investments can increase, as well as decrease in value.

#### 4. Your pension

You use the proceeds to purchase a pension from an insurer in the Netherlands. We have no way of knowing the amount of the pension you can purchase. This depends on several factors; for example the interest rate at that point in time, the rates used by the insurer and the average projected future age of the Dutch population.

At that point in time, you must also decide as to whether or not to purchase a partner's pension for your partner.



## Who pays what?

IBM and you both pay a contribution for your pension. The amount of this contribution depends on your age and salary. We determine your defined contribution on the basis of a part of your annual gross salary. The contribution you pay is indicated on your payslip. You do not pay for the surviving dependants' pension and the occupational disability pension; this is paid for by IBM.



## How do we calculate your defined contribution?

The salary that counts for your pension accrual is called the pensionable earnings. The pension regulations ([spin.nl/reglement](http://spin.nl/reglement)) indicate which portion of your salary is included.

First, we calculate the size of your pensionable earnings, up to a maximum of 102,094 euro (amount 2018) in the event of fulltime employment.

The threshold amount (franchise) is deducted from this amount. You cannot accrue pension on the franchise. This way, we take the fact that you will later receive an AOW state pension into account. In 2018, the franchise amounts to 17,247 euro for fulltime employment.

On the remaining amount, your pension base, you and IBM pay a percentage pension contribution. The contributions increase as your earnings increase. In addition, IBM pays a higher contribution as you grow older.

The pension contribution paid by IBM depends on the amount of your pensionable earnings and your age. You pay 5% of the salary portion remaining after deducting the franchise. The following is an example of the distribution of the contributions and the contribution paid by IBM.

Your age	You pay...	IBM pays...	In total this is...	Suppose your pension base per year is..	Your annual defined contribution to
20 – 24 years	5%	0,00%	5,00%	20.000	1.000
25 – 29 jaar	5%	1,00%	6,00%	20.000	1.200
30 – 34 jaar	5%	2,40%	7,40%	20.000	1.480
35 – 39 jaar	5%	4,00%	9,00%	20.000	1.800
40 – 44 jaar	5%	6,00%	11,00%	20.000	2.200
45 – 49 jaar	5%	8,40%	13,40%	20.000	2.680
50 – 54 jaar	5%	11,40%	16,40%	20.000	3.280
55 – 59 jaar	5%	15,30%	20,30%	20.000	4.060
60 – 64 jaar	5%	20,30%	25,30%	20.000	5.060
65 – AOW date	5%	24,70%	29,70%	20.000	5.940

## What are my options?



### Transfer of value

If you decide to leave IBM, you can transfer your accrued pension to your new pension administrator.

If you change employers you can transfer your pension. This could be beneficial, for example, if your new employer has a pension scheme that better matches your needs. If you prefer not to transfer your pension, your pension administrator will then continue to manage your pension. In our case, we will continue to invest your pension capital. On retirement, you use this capital to purchase a pension for yourself and your partner, if any, in the event of your death.

To assist you in making your decisions, go to '[When is action required on my part?](#)'.



### Compare your pension scheme

To compare your pension scheme, click [here](#). Only available in Dutch.



## Investments options

You have the option of investing your pension capital in accordance with three profiles: the Defensief, Basis or Doorbeleggen profile. They differ from each other in terms of the level of risk and the expected return.

We invest your pension capital. We do this in accordance with one of three so-called investment profiles. In all three profiles we invest such that you incur less risk as you grow older. If you are younger, we invest a higher percentage in equities. Equities are expected to yield greater returns but they also entail higher risks. As you grow older, we increase the investment in debentures and bonds. Debentures and bonds are expected to yield lower returns, but they are also safer.

You decide on the profile you want us to use to invest your capital: the Defensief Profile, the Basis Profile or the Doorbeleggen Profile. These profiles differ from each other in terms of the extent to which you incur investment risks. You carry these risks yourself; it is therefore important for you to carefully consider how much risk you are prepared to take. On our website ([spin.nl/Profielwijzer](https://spin.nl/Profielwijzer)), you can answer a number of questions that can help you decide on the profile you wish to use. The Profielwijzer is available in Dutch only. It is recommended you seek some help from a Dutch native speaker for translation.

For the ins and outs about investing, profiles and risks, visit [spin.nl/dc](https://spin.nl/dc).



## Voluntary additional partner's pension insurance policy

Pension capital is accrued on your gross salary up to 102,094 euro (2018 amount). The pension base for your partner's pension has also been maximized to this amount. If you earn more than this, you can voluntarily participate in a supplementary IBM insurance for the partner's pension. IBM automatically registers you for this insurance. However, you can also opt out. IBM deducts the premium for this insurance from your salary. You will automatically be provided with information about the supplementary partner's pension when your earnings exceed the above-referenced salary limit.



## Purchasing a pension payment

At the time of your retirement, you purchase a monthly payment with your pension capital. It is up to you to choose the provider from which you purchase your pension.

Your pension capital is released on the date of your retirement. You then take this capital to an insurer or another provider to purchase a pension. You are obliged to do so by law. A pension payment is a regular payment that you receive as long as you live. You can select the provider from which to purchase your pension payment. At that point, you have several choices that allow you to tailor your pension to your own wishes:

### *Early retirement*

You can retire somewhere between your 55th birthday and your AOW age. Of course, earlier retirement reduces your monthly pension payment.

You must retire on your AOW age. However, you can also opt for early retirement; this is possible from age 55. Note: if you retire early, your pension will be lower. Check out the Pension Planner ([spin.nl/planner](https://spin.nl/planner)) to assess the impact of this.

### *Part-time retirement*

If you would like to gradually reduce your working hours, you can ask for a part of your pension to already go into effect. In that case, you retire for part of the week and continue working for IBM for the other part of the week. You can do this starting at age 55 as well, and up to one year prior to the start of your AOW state pension. In that case, you must continue to work at least 20 hours per week. Furthermore, IBM must approve this.

### *First a higher, then a lower pension*

You can start with a higher pension first, followed by a lower pension later (or vice versa). You can choose to receive the same pension payments for the rest of your life, but you can also choose a different option.

For example, you can start with a higher pension first, followed by a lower pension later. For example, because you want to use the additional money for travel while you are still healthy. Or to bridge the period of time until you will be receiving your AOW state pension.



However, you can also start with a lower pension first, followed by a higher pension later. For example, because your partner continues to work during the first years of your retirement. Check out the Pension Planner ([spin.nl/planner](https://spin.nl/planner)) to assess the impact of a high/low or low/high option.

#### *Fixed or variable*

At the time of your retirement you choose a fixed or a variable pension.

If you purchase a variable pension the insurer will continue to invest part of your capital after retirement. This causes your pension to fluctuate every year. There are more risks involved but you increase your chances for a higher pension payment. The upside is that a variable pension probably keeps up with the increase of prices. The downside is, a possible lower pension payment in a disappointing year.

If you purchase a fixed pension, you will receive the same pension payment from your insurer for the rest of your life. You then know in advance how much money you will receive. A fixed pension however doesn't keep up with the increase of prices. In time you can buy less for the same amount of money.

Whether you choose a fixed or a variable pension is very personal. It all depends on how much risk you are willing to take. You can find more information [here](#).

#### *You can purchase a pension for your partner*

If you have a partner who is financially dependent on your income, you can also purchase a partner's pension from an insurer, in addition to your retirement pension. This partner's pension is a payment made to your partner in the event of your death after retirement. Note: if you purchase a partner's pension, your own retirement pension will then be lower.

**Be advised** The partner's pension follows the retirement pension. If you choose a fixed pension, the partner's pension is also fixed. And if you choose a variable pension, the partner's pension is also automatically variable.

## How certain is your pension?



### **Risks**

The amount of your pension is not fixed ahead of time. You will only have certainty about the amount of your pension payment on your retirement date. This is because the pension payment is dependent on the level of your defined contribution, the rate used by insurers when you purchase your pension and the returns on your investments. Insurers base their rate on a number of factors as follows:

- The interest rate;
- People's life expectancy;
- Whether your pension is indexed or not;
- Reimbursement of their costs.

For additional information about the ultimate amount of your pension, visit [spin.nl/dc](https://spin.nl/dc). The Pension Planner ([spin.nl/planner](https://spin.nl/planner)) provides you with an overview of the various investment scenarios and the associated outcomes. The amount of your ultimate pension is not fixed. You will only know the exact amount of your pension payment on your retirement date. This is because your payment is dependent on:

- The contribution made by you and IBM
- The returns on your investments
- The rate used by insurers on the date you purchase your pension.

#### *Variable pension*

If you choose a variable pension, only the amount for the first year is guaranteed. After this year your pension payment can vary each year.

Then insurer recalculates your payment each year. With the remainder of your capital he keeps investing Your pension payment varies each year because the return on your investments varies. Moreover, interest may rise or fall, just as the life expectancy of Dutch residents. This all affects the amount of your pension payment.

### Fixed pension

If you choose a fixed pension the size of your pension is more or less guaranteed for the rest of your life.

**Be advised:** on average the size of a variable pension is expected to be higher than that of a fixed pension. That is because you take a greater risk with a variable pension. Because of that higher risk however, you enhance your chances on higher returns on investments and therefore on a higher pension payment.

For an estimate of the size of your pension please visit the [PensioenPlanner](#). The planner only reflects the size of a fixed pension, not of a variable one.

## Our costs



We incur costs for administering and investing your pension capital. BM pays almost all costs. You pay the investment costs. The investment costs are partially deducted from your pension capital and partially from your returns. You pay two types of costs; fixed and variable.

### Estimated annual fixed costs

The fixed costs depend on your age and your chosen investment profile. You annually pay between 0.13% and 0.19% of the value of your investments for the management of your pension capital. We evaluate the costs every year and will make adjustments if necessary. We do not expect to see any major changes in this area.

### Variable costs

In addition, you pay variable costs. We expect these to be between approximately 0.05% and 0.25% per year. These costs can vary significantly from year to year.

### Switching to another investment profile

If you wish, you can switch to another profile at no cost.

Visit [spin.nl/dc](http://spin.nl/dc) for elaborate information about your investment costs.



### Inflation

Your pension capital is not indexed. Instead, the returns on your investments must keep your capital indexed.

## When is action required on my part?



### When you join IBM

You can choose your own investment profile for your DC pension; Doorbeleggen, Basis or Defensief. Do you expect to choose a variable pension on your retirement date? Then the Doorbeleggen profile is the best fit. The Basis and Defensief profile cater to a fixed pension. On our website [spin.nl](http://spin.nl) there is a [special page](#) with more information and example calculations.

With the [Profielwijzer](#) you can find out which profile fits you best and directly submit your choice to us. In a way your investments then anticipate your final choice at retirement. Until your retirement you are always able to change your profile.



### When you change jobs

If you leave IBM, you can transfer your accrued IBM pension capital to your new pension administrator. If you become unemployed, we will continue to manage your pension. Even after a period of time, you can still transfer your IBM pension capital to another pension administrator.

When you change jobs, you may want to transfer your pension. This could be beneficial, for example, if your new employer has a pension scheme that better matches your needs. But how do you find out whether you need to make a value transfer or not?

Compare your old and new pension scheme. To that end, you can use the Pension comparison tool. All Dutch pension administrators provide access to this tool, usually on their website. You can use this tool to



compare pension types, accrual rates, the surviving dependants' pension and a great deal more. These tools are usually in Dutch.  
Check out the website [pensioenkijsker.nl](https://pensioenkijsker.nl) (keyword: nieuwe baan). This website contains information that can be useful in your considerations. This is also in Dutch.  
See a financial advisor. He/she can discuss all of the ins and outs of a transfer of value with you.

If you become unemployed, we will continue to manage your pension. Even after a period of time, you can still transfer your IBM pension capital to another pension administrator



### **Marriage, cohabitation or registered partnership**

If you decide to cohabit, register your partner for the partner's pension.

If you are married or in a registered partnership, your partner normally co-owns your pension. This has implications if you divorce (see topic below). You should therefore give careful thought to the arrangements you make about your pension when you formalize your relationship. Be aware that if you divorce, the standard provision is that your partner also owns half of the pension capital you have accrued during marriage. You can make different arrangements about this in your marriage contract or in your partner's contract.

#### *Cohabitation agreement? Register your partner*

If you are married or you have a registered partnership, you don't need to inform us, because your municipality will provide us with this information. If you are cohabiting and you have a cohabitation agreement, you must register your partner to receive a pension in the event of your death. Use the 'Partner registration form' on our website for this purpose: [spin.nl/formulieren](https://spin.nl/formulieren). Also send us a copy of the contract that you signed with your civil-law notary and an extract from the Municipal Personal Records Database.



### **Divorce, termination of registered partnership or termination of cohabitation**

If you terminate your cohabitation arrangement or if you divorce, we can register the division of your pension on your behalf.

Separating can have significant financial consequences, including for your pension. If you divorce, then the standard provision is that your partner owns half of your pension capital, accrued during marriage. You can make different arrangements about this in your marriage contract or in your partner's contract or in your divorce agreement.

This does not apply to a cohabitation agreement. In that case, half of the value of your investments does not automatically belong to your partner. This is only the case if this is set out as such in the cohabitation agreement and you have informed us of this accordingly. If your cohabitation agreement is terminated, let us know as soon as possible.

#### *Divorce and termination of registered partnership*

If you are living in the Netherlands and you divorce or terminate your partnership, the municipality will inform us of this. You do not need to notify us separately. If you are living abroad, you must report your separation to us.

If you divorce or terminate your partnership, your partner will normally be entitled to half of the pension you accrued during your marriage or registered partnership. It is possible that you have made different agreements about this. If you would like us to look after the division, you must fill out the government's '[Notification of divorce re Division of retirement pension](#)' in order to record the division of your pension capital in our administrative records. In that case, you must send us this form within two years following your divorce.

#### *Termination of cohabitation agreement*

If you have a cohabitation agreement and you are separating, you must notify us. Your cohabitation agreement can be terminated on the basis of a formal termination agreement or on the basis of a statement signed by both partners. Your civil-law notary can assist you in this regard. You must then send us a copy of this agreement/statement.

You must make your own agreements concerning the division of the pension. This is because the right to a part of the retirement pension does not apply to unmarried cohabitants. Formulate proper agreements on separation and record this in an agreement or a notarial deed. Send us a copy of this agreement/deed.

It is therefore possible that you will later receive a lower pension because you are separated. Consult your financial advisor about this. He/she can make the necessary calculations to show you what is best for you.





## Making a change to your investment

If you wish to make a change to your investments, contact us online with your choice(s).

As we indicated earlier, your pension regulations allow you to choose the level of risk that is acceptable to you for your investments. You can choose from three investment profiles with different expected returns and risks. You can always adjust the choice of a certain profile. When you are hired, as well as during your employment with IBM, or after your departure, you can always inform us of your choice. In the latter instance, you will then have left your capital with us and we continue to invest it on your behalf. Let us know about your choice using the online SPIN Investment Tool ([spin.nl/login](https://spin.nl/login)). This tool is only available in Dutch. It is recommended you seek some help from a Dutch native speaker for translation.



## Leave

If you take a leave of absence, your pension accrual will be temporarily halted. You can correct this after you return from leave. You will then receive a letter about this.



## Moving abroad

If you move abroad, let us know.

- You do not normally need to send us a change of address, except in the following instances:
- If you live at an address that is different from that recorded in the Municipal Personal Records Database.
- If you would like to receive your mail at a different correspondence address than your home address.
- If you are living abroad.

Let us know in writing. It is also possible to do this via e-mail ([spin@tkppensioen.nl](mailto:spin@tkppensioen.nl)) but then you also need to send us a scan of your passport so we can check your identity.



## Occupational disability

If you would like to secure your income in case of occupational disability, consider taking out a Work and Income (Capacity for Work) Act (WIA) shortfall insurance policy.

Consider insuring the Work and Income (Capacity for Work) Act (WIA) shortfall. Many insurers have online tools you can use to calculate the amount of your personal WIA shortfall. You can also start saving or investing. Consult your partner, if any, about what he or she can do if your income is reduced. If you don't know what to do, consult a financial advisor.



## Retirement

When you retire, you have several options. Discuss this with the insurer from which you purchase your pension.

The section '[What are my options?](#)' explains the options provided by your pension scheme when you retire. As soon as your retirement approaches, you can consider the various options. Contact us to discuss your options and to request provisional statements for this. Discuss the timing of your retirement with your manager and let us know six months in advance whether you intend to retire early or with a part-time pension.



## Information about the status of your pension

If you would like to know the status of your pension, review your pension once a year to see how much pension capital you have accrued.

How do you know whether you will have sufficient income when you retire? Prepare a financial picture for yourself that is as detailed as possible. We offer you various ways of staying informed: an annual pension statement, the [Pension Planner](#) and [Mijn IBM-pensioen](#). The government also provides useful tools, such as [mijnpensioenoverzicht.nl](https://mijnpensioenoverzicht.nl). We also recommend Nibud's five sources of retirement income chart ([pensioenschijf-van-vijf](https://pensioenschijf-van-vijf)). All information is in Dutch.



## Questions about your pension scheme

We are pleased to help you with any questions about your IBM pension. You can e-mail us at [spin@tkppensioen.nl](mailto:spin@tkppensioen.nl) or call us at 050-582 7997.

If you want personal contact, you can schedule an appointment about your IBM pension with Hanny Broere of the pension fund. We also regularly organise information sessions at IBM sites. We announce these session via the IBM intranet and Link.Me. You are more than welcome to attend.