

**Date**

**Our reference**

**Pension scheme**

**Subject**

Introductory letter

**Handled by**

Pension Management

**Direct line**

030 - 277 56 40

Please quote date and our reference in all correspondence.

Dear,

You recently started work at Philips or Signify. As an employee of Philips or Signify you accrue pension benefits with Philips Pensioenfond. From the the start date of your employment contract you participate in the Philips Pensioenfond flex pension plan. This letter is to welcome you to Philips Pensioenfond and to inform you about a number of important pension matters and action you have to take.

#### **For Dutch speakers**

Besides welcoming you to Philips Pensioenfond, this letter also contains some important information about your pension. If you would like to read this information in Dutch, please contact the Philips Pensioenfond Service Desk. If you prefer to receive future information from Philips Pensioenfond in Dutch, visit [www.philipspensioenfond.nl/profiel](http://www.philipspensioenfond.nl/profiel) and change your language preference to Dutch. All further information will then be sent to you in Dutch.

#### **MijnPPF: your personal pension environment**

MijnPPF is your personal online environment that contains everything you need to know about your pension. With just a few clicks of your mouse you can see what your situation is under the flex pension plan, based on your personal preferences. You can also use MijnPPF to view your pension details and inform us of any changes. To do so, go to [www.philipspensioenfond.nl/mijnppf](http://www.philipspensioenfond.nl/mijnppf)

#### **CHECKLIST! What action do you have to take?**

It is important for you to take action to deal with a few matters which are outlined below. More information about these matters can be found at [www.philipspensioenfond.nl/pension123](http://www.philipspensioenfond.nl/pension123)

Transfer of your old pension

If you have worked previously you will probably have accrued pension benefits with your former employer. These pension benefits can be transferred to Philips Pensioenfond. To find out the differences between your old pension plan and your new one, use the Pension Comparison at [www.philipspensioenfond.nl/pensioncomparison](http://www.philipspensioenfond.nl/pensioncomparison)

For your partner: survivor's pension

If you are cohabiting but unmarried, make sure that we know about your partner. Only then will your partner receive a survivor's pension in the event of your death. If you are married or if you have a registered partnership, you do not have to register your partner, as we shall already have the details. We will receive this information from the municipal authorities.

□ For your partner: ANW shortfall insurance

In the event of your death your partner automatically receives a survivor's pension from Philips Pensioenfond. In addition, he or she may be entitled to ANW benefit from the Dutch government under the Surviving Dependents Benefits Act (ANW). If your partner is not entitled to these benefits, or only has a partial entitlement, you can take out ANW shortfall insurance, which will give your partner an additional monthly income from Philips Pensioenfond in the event of your death. Within two months after receiving this letter you can take out ANW shortfall insurance with us for your partner. The form for applying for this insurance is enclosed with this letter.

□ How do you wish to receive information?

We prefer to send your annual Uniform Pension Overview digitally, and so we need your email address for this. Go to [www.philipspensioenfond.nl/profiel](http://www.philipspensioenfond.nl/profiel), and let us know your email address and your preference. If you prefer, we can also send you your Uniform Pension Overview by post.

**Important if your income is above € 107,593**

Under the flex pension plan you accrue a pension on the portion of your salary up to € 107,593 (in 2019). If your income is more than € 107,593, your employer takes out insurance for you for the survivor's and orphan's pension and for the continuation of pension accrual on the amount above € 107,593 in the event of you becoming unfit for work. In addition, you can save for extra pension via the voluntary net pension plan with ABN AMRO Pensions. You will receive further information from your employer if this is relevant to you.

**Pension 1-2-3: information about your pension plan**

Our website contains everything that you need to know about your pension. To find out the main points of your pension plan in a few minutes, read the enclosed document Pension 1-2-3. For more information about your pension plan, go to [www.philipspensioenfond.nl/pension123](http://www.philipspensioenfond.nl/pension123)

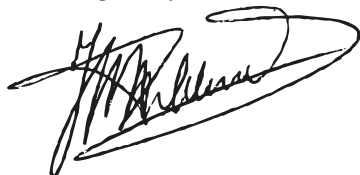
**Your personal data are safe with us**

We use personal data, for example information that we obtain from your employer, to manage your pension. Philips Pensioenfond has a firm policy of handling your personal data carefully and confidentially. Read our privacy statement at [www.philipspensioenfond.nl/privacy](http://www.philipspensioenfond.nl/privacy) to find out what personal data we process, how we handle them and how to exercise key rights. The privacy statement also contains information about security and confidentiality.

**Any questions?**

If you have questions about this letter, please call the Service Desk of Philips Pensioenfond on telephone number +31 30 277 56 40. We are available on working days between 9 a.m. and 5 p.m. You can also get in touch with us by using the contact form at [www.philipspensioenfond.nl/contact](http://www.philipspensioenfond.nl/contact) or by letter.

With kind regards,  
Stichting Philips Pensioenfond



Henry Dikkema  
Director Pension Management

**Encl.:**

- Pension 1-2-3
- ANW shortfall insurance application form

## Welcome to Philips Pensioenfond

You accrue pension in the flex pension scheme of Philips Pensioenfond. In this Pension 1-2-3 you can find out what you receive and what you do not receive in our pension scheme. Pension 1-2-3 does not contain any personal information about your pension. Your personal information can be found at [www.philipspensioenfond.nl/mijnppf](http://www.philipspensioenfond.nl/mijnppf) (in Dutch) and on your annual Uniform Pension Overview.

To find out more about responsible investment at Philips Pensioenfond, visit our website [www.philipspensioenfond.nl/beleggingsbeleid](http://www.philipspensioenfond.nl/beleggingsbeleid) (in Dutch).

## What can you find in layers 1, 2 and 3?

Pension 1-2-3 consists of three layers. This first layer gives you in brief the most important information about the flex pension. Layer 2 contains more information about all the subjects dealt with in layer 1. Finally, in layer 3, you will find documents containing detailed information about the pension scheme and the Fund. All the information can be found on our website [www.philipspensioenfond.nl/pension123](http://www.philipspensioenfond.nl/pension123)

## What do you receive under our pension scheme?



When you retire, you receive a retirement pension.



In the event of your death, your partner receives a survivor's pension and your children get an orphan's pension.



If you stop working because of disability, you continue to (partly) accrue pension. You no longer have to pay a pension premium. You will also be entitled to disability pension.



If you want to know exactly what our pension scheme offers you, go to [www.philipspensioenfond.nl/pension123](http://www.philipspensioenfond.nl/pension123). There you will also find our pension scheme rules.

## What do you not receive under our pension scheme?

This section is not applicable to your pension scheme, as you accrue retirement pension and survivor's pension. In addition, an orphan's pension is insured for any children that you might have. Your pension scheme also provides for a supplement to the statutory disability benefit if you stop work because of disability. Furthermore, in that case you no longer have to pay a pension premium, while accrual of pension (partly) continues. You do not accrue these pensions on your income above € 107,593.

## How do you accrue pension?



You accrue pension in three ways:

- A. AOW benefit: you receive this pension from the state. You can read more about this at [www.svb.nl/int/en](http://www.svb.nl/int/en)
- B. Retirement pension with Philips Pensioenfond. You accrue this pension via your employer. This Pension 1-2-3 deals with this.
- C. Pension that you arrange yourself. For example with an annuity or bank savings.



You accrue part of your pension each year. The pension that you receive on retirement is the sum of all these parts. From the date of your retirement you receive this pension for as long as you live. How much pension you accrue depends on the available pension premium. This is called a collective defined-contribution scheme (CDC).



You accrue part of your pension each year, though not on the basis of your whole gross salary. Because you do not accrue pension benefits on € 14,064 (2018), the reason for this 'threshold amount' being that you already receive a basic pension, the AOW benefit, from the state. Each year you accrue 1.85% pension on the gross salary (up to a maximum of € 107,593) minus the threshold amount. The accrual percentage of 1.85% is not fixed. The accrual percentage can be lowered under certain circumstances.



Each month you pay a contribution to your employer for your pension. Your employer then pays your pension premium to Philips Pensioenfond, in the form of a fixed percentage of the amount on which you accrue pension rights. This premium includes the employee contribution. The gross level of your contribution can be seen on your salary statement.

**Do you want to know what your total pension will be?** Log on to [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl) (in Dutch)

**Do you want to find out more about your pension?** Look at layers 2 and 3 of Pension 1-2-3 at [www.philipspensioenfond.nl/pension123](http://www.philipspensioenfond.nl/pension123)

## What options are available to you?



If you accrued a pension with a previous employer, you may generally choose to carry it over to Philips Pensioenfond's.



You can compare your pension plan with other pension plans by means of the Pension Comparison. Go to [www.philipspensioenfond's.nl/pensioncomparison](http://www.philipspensioenfond's.nl/pensioncomparison)



Do you have a partner who is not entitled to a (full) ANW benefit from the Dutch state in the event of your death? In that case, on certain conditions you can take out ANW shortfall insurance with Philips Pensioenfond's.



You accrue pension on your income up to € 107,593. If your income is more than € 107,593, you can save for an additional pension through your employer's voluntary net pension scheme at ABN AMRO Pensioenen (+31 (0)20 – 583 11 11).



Do you want to exchange (part of) your partner's survivor's pension for retirement pension for yourself? You can do so when you retire.



Do you wish to retire earlier or later than at the standard retirement age? That is possible, though your retirement age has to be between 60 and 70. Are you retiring before the AOW pension age? This means that you do not yet receive an AOW pension from the state. In that case you can purchase a bridging pension until your AOW pension age.



Do you want to start with a higher pension and receive a lower pension later? That is also possible. This is known as the high-low scheme.

## How secure is your pension?



The level of your pension is not fixed. This is because Philips Pensioenfond's has to deal with, among others, the following risks:

- Low interest rates make pensions more expensive. They mean that Philips Pensioenfond's needs more money to be able to pay the same pension.
- On average, people are living ever longer. This means that we have to pay pensions for longer.
- The accrual percentage of 1.85% is not fixed. Under certain circumstances it can be lowered.
- The results of our investments may be worse than expected.
- For more information about our financial situation and the policy funding ratio, go to [www.philipspensioenfond's.nl/english](http://www.philipspensioenfond's.nl/english)



Each year Philips Pensioenfond's seeks to increase your accrued pension by the level of the collective scale adjustment within Philips (this also applies if you work for Signify). This is known as 'indexation'. It cannot simply be assumed, however, that indexation will take place. Whether and, if so, to what extent pensions will be increased by indexation depends on

the financial situation of Philips Pensioenfond's. In the past three years Philips Pensioenfond's increased the accrued pensions as follows:

	Increase as of 1 April	Our ambition	Price inflation
2018	0.22%	1.5%	1.5%
	0.38%*	1.5%	1.5%
2017	0%	2.1%	1.7%
2016	0%	1.6%	0.6%

\* Extra increase as of 1 November 2018.



If we have insufficient financial buffers, we take – if necessary – one or more of the following measures:

- We do not (fully) increase your pension by means of indexation.
- In the most extreme case we reduce your accrued pension.

The premium available for your pension may be insufficient in a given year. If the premium is insufficient, you may accrue less pension.

## What costs do we incur?



Philips Pensioenfond's incurs the following costs in administering the pension scheme:

- Pension administration costs
- Asset management costs
- Transaction costs

## When do you have to take action?



When you change jobs. You may generally choose to carry over previously accrued pension rights to your new pension administrator.



If you become disabled.



If you marry, start cohabiting or enter into a registered partnership.



If you get a divorce or your cohabitation or registered partnership is terminated.



If you move abroad.



A complete overview of your pensions can be found at [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl) (in Dutch).



If you wish to exercise an option.



If you have any questions, go to [www.philipspensioenfond's.nl/contact](http://www.philipspensioenfond's.nl/contact) or call the Service Desk on telephone number +31 (0)30 – 277 56 40. You can call us on working days between 9 a.m. and 5 p.m.

## Form 'ANW shortfall insurance'

### Reason application/modification

- Start of employment
- Marriage, registered partnership, unmarried cohabiting
- Birth/adoption child (enclose copy of birth-certificate)
- Reduction/termination of insurance

As of (dd-mm-yyyy) \_\_\_\_\_

### Data member Philips Pensioenfonds

Client number \_\_\_\_\_

Initial(s) \_\_\_\_\_ Name \_\_\_\_\_

Telephone (work) \_\_\_\_\_ Telephone (private) \_\_\_\_\_

Date of birth (dd-mm-yyyy) \_\_\_\_\_

Marital state:

- Married/legally registered
- Unmarried cohabiting since (dd-mm-yyyy) \_\_\_\_\_

I would like to effect my (adjusted) ANW shortfall from (dd-mm-yyyy) \_\_\_\_\_

I apply to be insured against the ANW shortfall:

- Completely
- For 2/3
- For 1/3
- Not to be insured

### Data partner

Attention! Your partner is obliged to sign at the bottom of this form too.

Initial(s) \_\_\_\_\_ Sex  Male  Female

Name \_\_\_\_\_

Date of birth (dd-mm-yyyy)\* \_\_\_\_\_

\* Insurance is not possible if partner receives a state pension under the AOW.

Citizen service number \_\_\_\_\_

If you would like to take out insurance or if you wish to increase the insured amount, this form has to be received by Philips Pensioenfond's within two months after one of the above mentioned occasions has arisen.

Requests received after this period will not be dealt with. A reduction of the insured amount or a termination of the insurance commences directly from the moment of receipt by Philips Pensioenfond's, unless a later date is stated on the form. The contribution will be reduced/terminated as from the first of the month following the date of receipt of the form or as from the first of the month following the later date stated on the form.

If the date stated on the form is the first of any month and Philips Pensioenfond's received the form before or on that date, then the contribution will be reduced/terminated as from the date stated on the form.

The undersigned participant authorizes the employer/the Pension Fund to deduct the premium for the ANW shortfall insurance from the salary/pension with effect from the commencement date given above until further notice given in writing.

Signature participant

Signature partner

Place

Date (dd-mm-yyyy)

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**Please return the completed form to:**

**Philips Pensioenfond's, Postbus 716, 3700 AS Zeist**