

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 (in Dutch) and on your annual Uniform Pension Overview.

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

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. 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 € 105,075.

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
- 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 € 105,075) 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 a fixed percentage of the salaries up to € 105,075 as pension premium to Philips Pensioenfond. 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 (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

What options are available to you?



Have you accrued pension with a previous employer? If so, this pension can be transferred to Philips Pensioenfond.



You can compare your pension plan with other pension plans by means of the Pension Comparison. Go to www.philipspensioenfond.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.



You accrue pension on your income up to € 105,075. If your income is more than € 105,075, you can save for an additional pension through your employer's voluntary net pension scheme at ABN AMRO Pensioen (+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 your employment ends or 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 has to deal with, among others, the following risks:

- Low interest rates make pensions more expensive. They mean that Philips Pensioenfond 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.nl/pension123



Each year Philips Pensioenfond seeks to increase your accrued pension by the level of the collective scale adjustment within Philips. 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. In the past three years Philips Pensioenfond increased the accrued pensions as follows:

	Increase as of 1 April	Our ambition	Price inflation
2018	0.22% 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 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. Previously accrued pension benefits can be transferred 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 (in Dutch).



If you wish to exercise an option.



If you have any questions, go to www.philipspensioenfond.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.