

Welcome to Philips Pensioenfonds

Newly employed



PHILIPS PENSIOENFONDS

Checklist

- Explore MijnPPF**
Visit MijnPPF to view your personal information and your current pension situation. You can also arrange your affairs directly.
Go to www.philipspensioenfonds.nl/en/mijnppf to log in to MijnPPF.
- Review your personal information**
Click on 'Profiel' in MijnPPF to view and if necessary change your personal information. For example, you may choose between Dutch and English as your preferred language. If you select English as your preferred language, we will send information about your pension in English, where available. If the information about your partner is incorrect, fill out the 'Partner registration' form and send it to us.
Go to www.philipspensioenfonds.nl/en/downloads to download the form.
- Pass on your preferences**
Decide whether you wish to carry over your pension to Philips Pensioenfonds.
Use the 'Value transfer' form if you decide to carry over your existing pension rights from your previous pension administrator to Philips Pensioenfonds. This option is available for as long as you work for Philips or Signify.

Let us know if you wish to take out ANW shortfall insurance.
Fill out the 'ANW shortfall insurance' form if you wish to take out ANW shortfall insurance, and return it to us within two months after you start working for Philips or Signify.
- If your personal situation changes**
Let us know if your partner's personal information changes or if you decide to move to another country.

Two separate pension plans

Read on to find out more about flex pension of Philips Pensioenfonds. This pension plan covers all Philips and Signify employees: everyone who falls under a Collective Employment Agreement (CAO) accrues pension rights under the flex pension plan. Executives and Senior Directors accrue pension rights under the flex pension for Executives and Senior Directors: the flex pension ES. These pension plans are identical except for the arrangements that are in place with the employer about contributions. In this brochure 'flex pension' can also be read as 'flex ES pension', except in the contributions part.



Important information if you earn more than € 114,866

The flex pension plan provides for pension right accrual on income up to € 114,866. If your income is more than € 114,866, you can save separately toward a higher pension under the optional net pension plan offered by Centraal Beheer PPI. The present brochure only deals with the pension rights that you accrue with Philips Pensioenfonds under the flex pension plan.

To find out more about the net pension plan, visit the website www.centraalbeheerppi.nl. Or contact Centraal Beheer PPI at centraalbeheerppi@achmea.nl or by calling +31 (0)20 – 591 42 42 (business days).



Welcome to Philips Pensioenfond

Like all your other new colleagues who have welcomed you to Philips or Signify, we would also like to introduce ourselves. Everyone working for Philips or Signify is automatically enrolled with the flex (ES) pension: the pension plan of Philips Pensioenfond.

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Basic information about your pension plan

When you retire you will receive an income under the flex pension plan. What you need to know first of all is that you can view your personal pension information by accessing the MijnPPF web environment. You can use the same environment to report any changes in your situation to us. Visit MijnPPF at www.philipspensioenfonds.nl/en/mijnppf.

You receive your pension information by e-mail. Do you want to receive informatie by mail? Register this in MijnPPF.

Go to www.philipspensioenfonds.nl/en/mijnppf.

You can also use the Pension 1-2-3 at www.philipspensioenfonds.nl/en/pension123 to find out more about your pension plan.

This chapter explains the most important basic information about your pension plan and about pensions in general.

Arrangements for your retirement pension

Every year, you accrue pension rights on your gross annual salary (up to € 114,866). Your pension plan is a benefits agreement that is financed using a fixed contribution percentage. This is called a collective defined-contribution plan. The value of the pension that you accrue is not prearranged. The pension rights that you accrue are financed from the contributions that your employer pays. If those contributions ever fall below the required level, you will accrue less pension during that period.

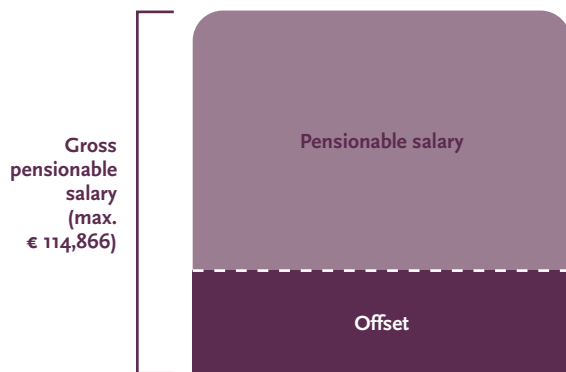
Value of your retirement pension

The value of your pension depends on:

1. your salary
2. how long you worked for Philips and/or Signify
3. the accrual percentage
4. indexation (i.e. how your pension increases in value).

Your retirement pension is based on your pension base: your pensionable salary less a threshold value (offset). Our ambition is for you to accrue 1.85% of your pension base every year. Unfortunately, this will not be possible at the moment. In 2022 and 2023 you accrue 1.65% of the pension base. These concepts are explained below.

Pensionable salary



If you fall under the Collective Employment Agreement (CAO), your pensionable salary is made up of:

- Your gross annual salary (12 times gross monthly salary) including any structural allowances such as shift work, regular overtime, and holiday bonus
- Extras such as incidental overtime payments
- Possibly with reduction of the value for purchase of leave

If you are an Executive or Senior Director, your pensionable salary is 12 times your gross monthly salary.

Threshold value

Every year you accrue part of your pension. However, the amount on which the accrual is based is not on your entire pensionable salary: you do not accrue pension on a sum of € 15,518 (in 2022). This 'threshold value' (or 'offset') is deducted to allow for your basic state pension under the Dutch Old-Age Pensions Act (Algemene Ouderdomswet, or 'AOW'). This threshold value is subject to change.

Accrual percentage

Each year you save 1.85% toward your pension from your gross wages, less the threshold value. This accrual percentage is not fixed: it may be reduced if circumstances dictate, meaning that you will accrue less pension during a particular period.

Tip! To find out how much pension you can accrue under flex pension plan, go to MijnPPF at www.philipspensioenfondsen.nl/en/mijnppf and access the Pension Planner.

The accrual percentage of 1.85% is not fixed. In 2022 and 2023 you accrue 1.65% of the pension base. The way your pension accrual is arranged from 1 January 2024 and beyond, is subject of discussion between your employer and the unions. It is possible that a pension scheme will come into effect on that date that fits within the new pension system. If the present pension plan is still in place in 2024, the accrual rate is uncertain. If interest rates do not change during the years ahead, the pension accrual rate in 2024 is likely to be lower than the 1.65% for 2022 and 2023.

Employee contribution

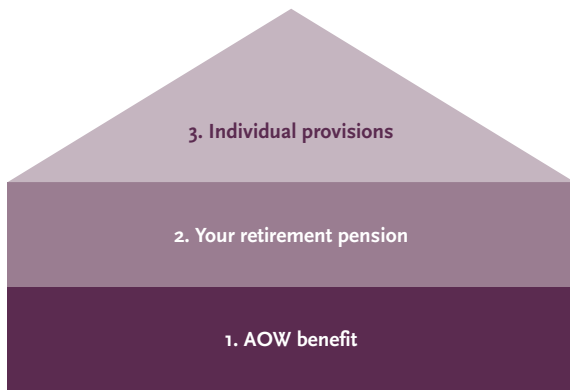
Every month you pay your employer a contribution toward your pension. This employee contribution is calculated on your pension base, and where applicable is adjusted for your part-time percentage. Philips employees pay 2% for their pension accrual. Signify employees pay 5%. Your pay slip shows the gross value of your employee contribution.

How your pension is funded

Your employer pays Philips Pensioenfondsen fixed percentages of the pension bases in pension contributions. The total fixed percentages contributed are for the flex pension (under the collective labour agreement) 29.4% and for the flex ES pension 30.3%. These premiums will remain unchanged through 2024. They include the employee's own contributions. The pension fund then uses the total pension contribution to pay for the 1.85% pension right accrual. If the pension contributions are ever not enough to cover the 1.85% pension right accrual, that year's accrual percentage will be lower. In 2022 and 2023 you therefore accrue 1.65% of the pension base. You will save less toward your pension during that year.

Extraordinary situations

In some situations it is possible that your employer will pay a smaller contribution toward your pension, or none at all – for example if your employer is experiencing financial difficulties. If this happens we will notify you immediately. The pension rights that you have accrued will remain intact, though your future pension accrual or pension contributions might change.



A higher pension

We seek to raise your accrued pension rights annually to reflect the collective scale adjustments at Philips (this also applies if you work for Signify) under the Collective Employment Agreement (CAO). This is known as 'indexation'. Indexation is not granted automatically: whether this indexation is possible, and if so by how much, depends on the financial resources of Philips Pensioenfondsen (expressed in its 'policy funding ratio'). To find out more, visit www.philipspensioenfondsen.nl/en/indexationpolicy.

Tip! Visit www.svb.nl/AOW to find out more about your state pension. You can see at what age you are eligible at www.checkuwaowleeftijd.nl.

Your pension when you retire

When you retire, your pension will be made up of three components: a state pension (AOW), your retirement pension and any individual arrangements that you have made.

State pension (AOW)

The state pension is the basic pension that the government pays you under the Dutch Old-Age Pensions Act (Algemene Ouderdomswet, or 'AOW'). The value of your state pension and the age at which you are eligible for it depend on your personal situation.

Retirement pension

To supplement your state pension, Philips Pensioenfondsen will pay you a retirement pension. This is the pension that you accrued with Philips and/or Signify under the flex pension plan, as well as any separate savings with Centaal Beheer PPI. In addition, you may have accrued pension rights with other employers.

Individual arrangements

If you have made separate arrangements for additional income, for example using an annuity or a single-premium policy or with bank savings, you will receive an additional value on top of your state pension and your retirement pension.

Personal preferences for the future

Choosing your retirement date

The default retirement age – when you first receive your retirement pension – is 68. However, if you prefer, you may choose to retire at another age, as long as it is between 60 and 70. The Pension Planner shows how various retirement ages will impact your pension. If you decide to retire before you turn 68, you will receive less retirement pension: you will work fewer years and so have less time to accrue pension rights, and since you will be paid your pension sooner the same amount needs to cover a longer period of time. Retiring later, conversely, means a higher pension. Retiring after you turn 68 is subject to your employer's consent. You may only start drawing your pension more than 5 years before you reach state retirement age if you stop working entirely.

Exchanging survivor's pension for retirement pension

You automatically accrue a survivor's pension: a pension that is paid to your partner in the event of your death. Every year, you accrue 70% of your annual retirement pension accrual for that year. Everyone accrues a survivor's pension, even if you do not have a partner. When you retire, you may decide what to do with the survivor's pension rights that you have accrued.





When you retire, you may trade some of the survivor's pension for additional retirement pension rights for yourself. In exchange, you will receive a higher retirement pension. This option is useful if your partner already has a pension of his or her own, for example. You may also decide to exchange the survivor's pension entirely if you do not have a partner or if his or her own pension is already high enough. If you choose this option, your partner will not be entitled to any survivor's pension at all in the event of your death.

You cease to accrue survivor's pension rights when your employment contract with Philips ends. The survivor's pension that you had accrued to date will remain in place for your partner.

Tip! To find out how much retirement pension you will have if you bring your retirement forward, or how much pension you will receive if you exchange a portion of the survivor's pension for retirement pension on your retirement date, log into your account at MijnPPF and access the Pension Planner.

Retiring on a part-time basis

You may retire on a part-time basis before you turn 68. In this scenario, you continue to accrue retirement and survivor's pension rights as usual on the hours that you are still working.

Using variations with a bridging pension

If you retire before you turn 68, you might not yet be eligible for a state pension. In this scenario, you can purchase a bridging pension to cover the lack of state pension until your retirement age under the AOW. You may adjust the value of this bridging pension.

Beginning with a higher retirement pension and subsequently lowering it

You can use the high-low arrangement to adjust the value of your retirement pension to suit your personal preferences. This will give you a higher pension until a particular date, followed by a lower pension. Access the Pension Planner to specify the age until which you wish to receive more pension under the high-low arrangement: the options are your state retirement age under the AOW (if you retire before then) and the age of 72. You can also select the preferred value for your pension during that time.

2 For yourself: value transfer, yes or no?

If you also worked for other employers, you probably built up a pension there too. If you wish, you may transfer these rights to Philips Pensioenfonds. This is known as a value transfer. Read on to find out more.

How to decide whether or not to transfer you pension rights

Whether or not it is a good idea to transfer your pension rights depends on the differences between the pension plan at your previous employer and the flex pension of Philips Pensioenfonds. You need to understand those differences before you can make a properly considered choice. We recommend that you compare the two plans, and if necessary seek professional advice. You should consider the following questions when you compare the pension plans:

- Retirement age: is it the same for both plans?
- What arrangements do the plans make for a survivor's pension?
- Do the plans have different rules for pension indexation (annual increases)?
- Do you want to have a pension income from one pension administrator or from multiple different administrators?
- What is the financial position of each of the funds (i.e. is the possibility of indexation or cuts greater or smaller)?

Tip! Use the Pension Comparison Tool at www.philipspensioenfonds.nl/en/downloads under 'Pension 123' to help you decide whether or not to transfer the value of your pension rights.

How a value transfer works

The procedure for transferring your pension rights is as follows:

1. Request the value transfer via www.mijnwaardeoverdracht.nl.
2. After logging in, you will see whether you can arrange your value transfer here. Is the financial position of both pension funds sufficient? You can then directly compare the pension schemes and see what the value transfer means financially. Do you agree with the offer? Then you can sign it directly with your DigiD. The value transfer is fully completed within ten working days.

3. Is your previous pension fund not a member of www.mijnwaardeoverdracht.nl? Then request the value transfer with us. We prepare an offer for you. If you agree and wish to transfer your rights to Philips Pensioenfonds, sign the offer.

Important! Please allow at least six months, and in some cases even a year, for the value transfer procedure. This has no effect on the transfer value.

Tip! To find out more about transferring the value of your pension rights, visit www.philipspensioenfonds.nl/en/newlyemployed

Value transfer: not always possible

Value transfers are only possible if both pension administrators have a policy funding ratio of at least 100%. However, if either has insufficient funding, this does not mean that you should not submit your request. It only means that we will only be able to process your request once both your previous pension administrator's policy funding ratio and our own are high enough. It is possible that you only spent a short time working for your previous employer. If your pension does not exceed the legal threshold (in 2022: between € 2 and € 520.35 per year), your previous pension administrator might automatically transfer your pension to Philips Pensioenfonds. However, this is only possible if your previous pension administrator has opted for automatic value transfer.



Action required

Do you wish to transfer your pension rights to Philips Pensioenfonds? First check www.mijnwaardeoverdracht.nl if it is possible to arrange this digitally. Or fill out the 'Value transfer' form. You can download the form from www.philipspensioenfonds.nl/en/downloads



3 For your partner: survivor's pension

Everyone who participates in the flex pension plan automatically accrues a survivor's pension. The survivor's pension provides income for your partner in the event of your death.

If you are still working for Philips or Signify at the time of your death, your partner will be paid the value of the survivor's pension that you accrued before you died, plus the amount that you could have accrued if you had continued to participate in the pension plan on the same terms until you reached the pension reference age.



The flex pension plan provides for accrual of survivor's pension rights on income up to € 114,866. Your employer takes out risk insurance with Centraal Beheer PPI for survivor's pensions for incomes over € 114,866.

This insurance provides coverage for as long as you work for Philips or Signify. It is also important to register your partner with Centraal Beheer PPI.

Important: register your partner

One thing that is very important for the survivor's pension is that your partner must be registered with Philips Pensioenfond.

If you are married or have a registered partnership

No action is required on your part in these situations. The authorities of the municipality where you live will automatically forward your information to us.

If you are living together without being married, or if you live outside the Netherlands

In these situations you need to register your partner with Philips Pensioenfond. Your partner is only entitled to a survivor's pension after your death if he or she is registered with us.



Action required

Register your partner with Philips Pensioenfond using the 'Partner registration' form. You can download the form from www.philipspensioenfond.nl/en/downloads

Remember that you do not need to register your partner with us unless you are living together without being married or if you live outside the Netherlands. If you are married or have a registered partnership, Philips Pensioenfond is automatically informed of your marital status via the Municipal Personal Records Database.

In the event of your death: orphan's pension

If you die, Philips Pensioenfond will pay your children an orphan's pension. Each child that has not yet reached the age of 21 automatically receives an orphan's pension until he or she turns 21. The orphan's pension is 14% – for each year that you participated in the pension plan, or could have participated until reaching the pension reference age – of the retirement pension that you accrued or could have accrued during that year. These values are based a scenario where your data (such as salary and part-time factor) would not have changed between the time of your death and your pension reference age. Children aged 21 and over do not receive an orphan's pension.

4 For your partner: ANW shortfall insurance

If you die and your partner is registered with us, Philips Pensioenfond's will automatically pay him or her a survivor's pension. He or she might also be entitled to state benefits under the Dutch Surviving Dependents Act (Algemene Nabestaandenwet, 'ANW'). You may wish to take out ANW shortfall insurance with us if your partner does not have an entitlement, or not a full entitlement to ANW benefits. Read on to find out how this works.

Do you need ANW shortfall insurance?

If you die and your partner does not meet the conditions set out in the ANW for receiving state benefits, or at least the full value, he or she will have less income: an ANW shortfall. You can make up the difference by taking out ANW shortfall insurance.

Is your partner entitled to ANW benefits?

If you lived or worked in the Netherlands your partner will be entitled to ANW state benefits, regardless of whether you were married or lived together. However, your partner must also satisfy at least one of these conditions:

- your partner is pregnant
- your partner is caring for a child below the age of 18
- your partner has an occupational disability rating of more than 45%.

If your partner satisfies any of these conditions, but has an income of his or her own, the entitlement to ANW benefits will be reduced or even eliminated entirely.

Your partner's ANW benefits will stop if and when:

- your partner first receives a state pension under the AOW
- your partner marries or starts living together with a new partner
- your partner no longer has a child below the age of 18 living with him or her
- your partner's occupational disability rating ceases to be more than 45%.

Tip! You can find out more about ANW benefits at www.svb.nl/anw.

The advantages of ANW shortfall insurance

If you take out ANW shortfall insurance, after you die Philips Pensioenfond's will pay your partner an additional amount every month. These payments serve to make up the shortfall in ANW benefits.

How to take out ANW shortfall insurance

You can only take out ANW shortfall insurance within two months after:

- you come to work for Philips or Signify
- your new relationship starts
- you have a new child.

Amount of the ANW shortfall insurance

The maximum value that you may insure is € 18,516 per year (value for April 2022). You may also specify an alternative value: € 12,344 or € 6,172 per year. You may lower the insured value whenever you wish. You may only raise it if you have a new child, in which case you must inform us of the new value within two months after the child's birth.

Premiums

How much the insurance costs depends on your age and the value that you have insured. Your employer will deduct the premiums from your gross monthly salary.

Tip! To find out the current premiums and the ANW shortfall insurance values, visit www.philipspensioenfond's.nl/en/anwshortfall

When does the ANW shortfall insurance end?

Your insurance will end automatically if and when any of the following situations occurs:

- your relationship ends
- your employment with Philips or Signify ends
- your partner reaches state retirement age
- your partner dies.

Of course you may cancel the insurance yourself whenever you wish. If you do, we will make sure that you no longer pay the premiums.



Action required

If you decide to take out ANW shortfall insurance, fill out the 'ANW shortfall insurance' form within two months after your employment starts. You can download the form from www.philipspensioenfond's.nl/en/downloads



Further information

This brochure explains the minimum that you need to know about your pension with Philips Pensioenfonds. Read on to find out what to do if your personal situation changes and where to find further information.

If you relocate

If you relocate within the Netherlands

If you relocate within the Netherlands, your new address will be passed on to us automatically by the municipal authorities. No action is required on your part.

If you relocate to or within another country

If you relocate to or within another country, you must report your change of address to us yourself. Go to MijnPPF www.philipspensioenfonds.nl/en/mijnppf and enter your new address under 'Profiel'.

If you start a new relationship

- If you marry or form a registered partnership, we will be notified automatically by the municipal authorities – unless you are living abroad, in which case you must pass on your new partner's details to us.
- If you start living together with a new partner, you must register him or her with Philips Pensioenfonds using the 'Partner registration' form. You can download the form from www.philipspensioenfonds.nl/en/downloads.

You can take out ANW shortfall insurance at the same time.

If you and your partner split up

Implications for the survivor's pension

If you and your partner split up, your former partner will be entitled to a survivor's pension after you die. This is called an extraordinary survivor's pension. If you were living together without being married but you had registered your partner with Philips Pensioenfond, your former partner has the same entitlement if you split up.

Implications for your retirement pension

Your former partner is entitled to half the retirement pension that you had accrued at the moment the relationship ended. This only applies automatically if you were married or had a registered partnership. If you were living together without being married before you split up, the implications for your retirement pension are not automatic.

Tip! If you are living together without being married, or if you live outside the Netherlands, we will not be informed automatically if you split up. Use the 'Partner registration' form to deregister your partner with Philips Pensioenfond. Visit www.philipspensioenfond.nl/en/downloads to download the form.

Details about the end of a marriage or registered partnership in the Netherlands will be passed on automatically.

Tip! To find out more about how the end of your relationship will impact your pension, visit www.philipspensioenfond.nl/en/endrelationship.

If you have a new child

If you wish, you may take out ANW shortfall insurance or increase the insured value.

If you decide to work part-time

A part-time salary is less than a full-time salary, and as a result you will accrue less pension on your lower part-time salary. If you wish, you may arrange an additional pension with an insurance company.

If you suffer an occupational disability

You will receive an income to supplement your state benefits under the Dutch Work and Income (Capacity for Labour) Act (*Wet werk en inkomen naar arbeidsvermogen*). You will receive this benefit if you meet the set conditions.

If you are completely disabled

If your employment contract is terminated on grounds of disability, Philips Pensioenfond will pay you an occupational disability pension. This disability pension is a percentage of your fixed pensionable salary. You will continue to accrue retirement and survivor's pension rights on your income up to € 114,866 under the flex pension plan, without paying any contributions.

If you are partially disabled

If you are rated more than 35% disabled and your employment contract is terminated on grounds of that disability, you will be entitled to a partial disability pension from Philips Pensioenfond. You will continue to accrue pension rights on your income up to € 114,866 under the flex pension plan.

If you leave Philips or Signify

If your employment ends, you will cease to accrue retirement pension and survivor's pension rights with Philips Pensioenfond. You will receive a statement within a few months that shows how much retirement and survivor's pension you accrued with us. You may carry over your accrued pension rights to a new pension plan. If you leave them with Philips Pensioenfond, you will be paid a pension by multiple different pension administrators when you retire. Philips Pensioenfond seeks to increase the pension rights that you have accrued to reflect annual inflation of prices. However, we apply a different method of raising pensions to reflect price increases for inactive participants.

Automatic value transfer for small pensions

If you only spent a short time working for Philips or Signify, and accrued less pension than the statutory commutation limit (for 2022: between € 2 and € 520.35 per year), we will automatically transfer your pension to your new pension administrator when you switch jobs. No action on your part is required. Your new pension administrator will inform you as soon as the value transfer has been completed. If you do not have a new pension administrator after five years, we will make you a proposal for commuting your small pension. You will be notified automatically. If your pension is less than €2 per year, it will lapse. You will then not be entitled to a pension from Philips Pensioenfond, and your partner will not be entitled to a survivor's pension in the event of your death. The reason for this rule is that the costs of administrating these very small pensions are disproportionately high.

If you die

Your retirement pension is intended for you personally, not for your surviving dependants. When you die, therefore, this pension (and its accrual) will cease. However, you will have automatically accrued a survivor's pension for your partner. If you are still working for Philips or Signify at the time of your death, your partner will be paid the value of the survivor's pension that you accrued before you died, plus the amount that you could have accrued if you have continued to participate in the pension plan on the same terms until you reached the pension reference age. If you have children below the age of 21, they will receive an orphan's pension.

If you live in the Netherlands

The municipal authorities will report your death to us within a few business days. Philips Pensioenfonds will automatically contact your surviving dependants with information.

If you live outside the Netherlands

Your surviving dependants must report your death to us in writing, and enclose a photocopy of your death certificate.

Visit our website to find out more

You can find more detailed information about your flex pension at www.philipspensioenfonds.nl/en.

You can also download brochures, forms, our annual report and information about the investments and funding ratio of Philips Pensioenfonds from the same website.

To find out more about responsible investment at Philips Pensioenfonds, visit our website at www.philipspensioenfonds.nl/en/investmentpolicy.

You can view your personal pension information by logging in to MijnPPF at www.philipspensioenfonds.nl/en/mijnppf.

Complaints

If you feel that Philips Pensioenfonds is not administering the pension plan rules properly, please write to our Managing Director at the following address:

Mr J. Kemme, Managing Director
c/o Philips Pensioenfonds
Postbus 80031
5600 JZ Eindhoven
The Netherlands

Your letter should explain the reason for your complaint as clearly as possible. Please date the letter and include your name and address, as well as your signature or the signature of someone whom you have authorized to handle the complaint on your behalf. If you have authorised someone to act on your behalf, please provide us with a copy of the relevant document.

Tip! To find out more about our complaints regulations, visit www.philipspensioenfonds.nl/en/downloads.

Contact details

If you have any questions about this booklet, do not hesitate to contact our Service Desk.
The contact details are as follows:

Philips Pensioenfond
P.O. Box 123
1180 AC Amstelveen
The Netherlands

Tel.: +31 88 – 015 79 00 (open on working days from 9 a.m. to 5 p.m.)

Internet: www.philipspensioenfond.nl/en

E-mail: info@philipspensioenfond.nl

This booklet has been prepared with all due care. The information which it contains is an abbreviated and simplified version of the pension plan rules. The pension plan rules are authoritative. They can be downloaded from www.philipspensioenfond.nl/en/downloads