

# Partner pension and orphan pension

A surviving dependant's pension insurance for your partner and children

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# Introduction

What happens financially to your partner and/or children if you pass away? Most likely, they will lose income. Is your partner still able to pay for all living costs? Can your kids still go to college? Important questions.

## **The solution: partner and orphan pension**

Your employer has arranged a Surviving Dependant's Pension Insurance for you. This gives your partner and/or children more financial security if you pass away. Your partner and/or children will receive a monthly benefit from this insurance. We call this partner and orphan pension. Together with your employer we have agreed about how much benefit your partner and/or children receive. You can find this in your pension plan.

## **The answers to the 12 most important questions**

In this brochure, you will read the answers to the 12 most important questions about the partner and orphan pension. This information covers not all, but the most important details of this insurance.

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# 12 important questions about your Surviving Dependant's Pension Insurance

## Question 1

### When is a partner pension insured for my partner?

Your partner receives a partner pension is you pass away. There are 2 conditions:

- Your partner is a partner according to the description in the pension plan. Your partner is the man or women you are in a relationship with:
  - You are married.
  - You are registered partners (at the civil registry).
  - You live together and comply with the description in the pension plan.
- At the time of your death, you participate in this insurance. This insurance is risk based. Therefore, you are not insured if you quit your job, for example. Do you pass away while working for another employer? Then this insurance does not apply anymore. You might be insured with that employer, if he has taken out his own insurance.

#### **Exception: If you receive an unemployment benefit from the state (WW) at the time of your death**

Do you receive a WW benefit from the moment you stop working? And do you pass away while you receive this WW benefit? Your partner will then still receive a partner pension. Regardless the fact you no longer participate in the insurance. This benefit will be lower though, because we only look at the years in service according to the insurance's contract.

## Question 2

### When is an orphan pension insured for my children?

Each child receives an orphan pension from the first day following the day you pass away. The main conditions are:

- Your child is younger than 21. Or your child is younger than 27 and is still studying or is incapable of working.
- At the time of your death, you participate in this insurance. This insurance is risk based. Therefore, you are not insured if you quit your job, for example. Do you pass away while working for another employer? Then this insurance does not apply anymore. You might be insured with that employer, if he has taken out his own insurance.

## Question 3

### Do I pay for the Surviving Dependant's Pension Insurance myself?

Your employer decides whether or not you pay (part of the) premium. This is listed in the terms and conditions of your pension plan. Your employer pays the premium to us. He is entitled to deduct (part of) the premium from your salary.

#### **Important: in special cases your employer can pay less premium**

Or your employer does not have to pay premium anymore at all. For example, if he has financial difficulties. In that case, we will always let you know.

## Question 4

### What happens if I get a divorce?

Then your ex-partner will not receive a benefit. Because he or she no longer fulfils the conditions of being a partner according to the terms and conditions. There is no value to divide either. Because the Surviving Dependant's Pension Insurance is risk based.

## Question 5

If you are unable to work (full time) following an accident or illness, you still participate in the Surviving Dependant's Pension Insurance. The first 2 years your employer pays us the full premium. Are you incapable for work after being sick for 2 years? You then might be still insured. This depends on 2 questions:

- Are you still employed by your employer? For example, for the hours that you can work.
- Did your employer choose to insure a waiver of the premium in the event of occupational disability? This is listed in layer 1 of Pension 1-2-3 and the terms and conditions of your pension plan.

### ***Situation 1: You are not employed anymore and your employer has insured waiver of the premium***

Your Surviving Dependant's Pension Insurance continues if you are insured during the first day of your illness. The insured sum of the partner and orphan pension changes though. You are insured for the percentage of your occupational disability. Your employer does not pay premium anymore. But, as soon as you are able to work again, your insurance ends. This means that your partner and children do not receive a benefit if you pass away.

### ***Situation 2: You are not employed anymore and your employer has not insured waiver of the premium***

The Surviving Dependant's Pension Insurance ends. This means that your partner and children do not receive a benefit if you pass away.

### ***Situation 3: You remain employed and your employer has insured waiver of the premium***

Your Surviving Dependant's Pension Insurance still applies. Are you working to your full capacity according to the UWV? Then the insured sum of the partner and orphan pension stays the same. Your employer pays premium (with you) for the amount of hours you can still work. Your employer does not pay premium for the percentage of your occupational disability if you are insured during the first day of your illness.

### ***Situation 4: You remain partly employed and your employer has not insured waiver of the premium***

Your Surviving Dependant's Pension Insurance continues. The insured sum of the partner and orphan pension changes though. You are only insured for the percentage you work. Your employer pays premium (with you) for the insurance. You are not insured anymore for the percentage of your occupational disability.

### **The percentage of your occupational disability decides how much premium has to be paid**

The UWV (social security benefits administration agency) determines the percentage of your occupational disability. We use this percentage to decide the amount of pension that is exempt from paying premium.

Occupational disability percentage according to the UWV	Percentage of pension that is exempt from paying premium
Less than 35%	0%
35 - 45%	40%
45 - 55%	50%
55 - 65%	60%
65 - 80%	72.5%
80 - 100%	100%

### Example Monica

Monica becomes incapable of working for 80%. Her employer has insured waiver of the premium. As long as she is employed, she is insured with the Surviving Dependant's Pension Insurance. Her employer does not pay premium at all anymore (100% exempt). Most likely, her employment will end eventually, because she is incapable of working for 80% or more. Situation 1 applies. She is insured until she is fully recovered.

### Example Harry

Harry becomes incapable of working for 40%. This means he can only work 3 days instead of 5. He can do alternative work for those 3 days a week. Luckily, his employer has also insured waiver of the premium. Therefore, the insured sum of the partner and orphan pension remains the same. His employer pays 60% of the premium (waiver of 40%).

### Example Burt

Burt becomes incapable of working for 70%. He used to work 5 days, but now he is only able to work 1.5 days. Unfortunately, his employer has no alternative work for him. Burt loses his job. His employer has not insured waiver of the premium. Situation 2 applies. Burt is not insured anymore on the Surviving Dependant's Pension Insurance. If he passes away, his partner and children will not receive a benefit.

## Question 6

### How much partner and orphan pension do my partner and children receive if I pass away?

You can read the insured partner and orphan pension on your Uniform Pension Statement (UPO) or on [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl). These are gross amounts. You receive a UPO from us every year. Do you no longer participate in the surviving dependant's pension insurance? Then you won't receive UPOs anymore.

## Question 7

### How do you calculate the partner pension?

The insured partner pension depends on the agreements reached with your employer about the partner pension. We take the following points into consideration:

- the income
- part of the income that is not included for pension accrual
- the number of years of service
- possibly: part time percentage

## Question 8

### How do you calculate the orphan pension?

The orphan pension is 1/5 of the partner pension. Each child receives the same amount. Do you not have a partner but you do have children? In that case we still calculate a partner pension, because this decides the amount of the orphan pension.

## Question 9

### How do my partner and children receive the benefit?

If you pass away, your partner or employer notifies us. From that moment, your partner and/or children receive a monthly benefit from us.

## Question 10

### Do my partner and children have to pay taxes and premiums on the benefit?

Yes. We deduct payroll taxes from the benefit. We also deduct premiums for the Healthcare Insurance Act (Zorgverzekeringswet). Similar to how payroll taxes and premiums are deducted from your income by an employer. Your partner and/or children receive a net payment of the benefit in his or her account. Every year, your partner and/or children receive an annual statement with the following amounts:

- the pension your partner and/or children received
- payroll taxes that we've deducted from the benefit
- premiums for the Healthcare Insurance Act that we've deducted from the benefit

## Question 11

### How long do my partner and children receive the benefit?

Your partner receives the benefit for the rest of his her life. Your children receive the benefit until the day they turn 21 or pass away before their 21st birthday. Your employer might have insured an extra condition: your children still receive a benefit after their 21st birthday if they are studying or if they are incapable for work. In that case the benefit ends on the last day of the month your child turns 27.

Payment of benefits end earlier in the following 3 situations:

- If your child stops studying.
- If your child is no longer incapable for work.
- If your child passes away.

## Question 12

### Will the benefit keep its value?

Will your partner and children be able to buy the same things with the benefit in the future? That depends whether or not your employer has chosen for indexation. You can find this in your pension plan in layer 1 of Pension 1-2-3.

- No indexation: the benefit stays the same and loses its value. Most likely the benefit will be worth less each year. This means your partner and children can buy less for the same amount than the previous year.
- With indexation: the benefit increases each year with a fixed percentage. Most likely the benefit will keep its value. Except when prices increase with a higher percentage than the benefit.

**Disclaimer**

In this brochure you find the most important information about the partner pension and orphan pension. Do you still have questions after reading this brochure? Please ask your employer or us. Would you like to know more about the partner and orphan pension? Please read the pension plan. You can contact your employer or us for a copy. Is the information in the pension plan different than the information in this brochure? Then the information in the pension plan applies first. Please note that this brochure is a translation of the Dutch original. In the event of any inconsistency or ambiguities in the meaning of any word or phrase in this translated version, the Dutch version will prevail. You cannot derive rights from the content of this brochure.