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Pension Regulations Aegon DB Subscription risk

of Aegon Levensverzekering N.V.

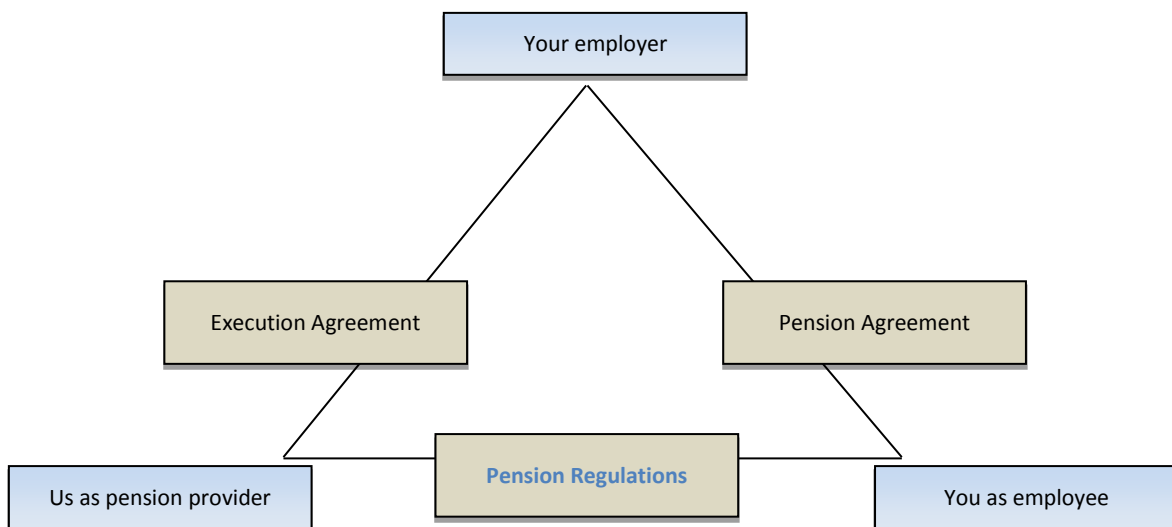
Preface

Your pension scheme is explained in the Pension Regulations.

Your employer agreed with you on the pension scheme in the pension agreement. In these Pension Regulations, we set out the details of your pension scheme. The Regulations tell you the pension entitlements that you have and how these are determined. A pension entitlement gives you the right to pension benefit when you retire. Your partner will also be entitled to a partner's pension when you die, and your children will be entitled to an orphan's pension. The Pension Regulations also regulate the relationship between you and us.

The arrangements for implementation of your pension scheme are set out in the Execution Agreement.

Your employer has insured the pension scheme with us via an Execution Agreement. The arrangements for implementation of the pension scheme are set out in the Execution Agreement.



Please note

These are general Pension Regulations for your pension scheme. They apply to you, but also to employees of other companies that have the same type of pension scheme.












In these Pension Regulations reference is sometimes made to the 'Key Data for your Pension Scheme' and your 'My Environment', your personal environment on our website www.aegon.nl. These tell you what applies to you personally. It is therefore convenient to have these at hand when reading the Pension Regulations.

The 'Key Data for your Pension Scheme' are shown in layer 3 of Pension 1-2-3 in your 'My Environment'. You can read more about your personal environment on www.aegon.nl and in Section 13. 'How we communicate with you'.

In the 'Key Data for your Pension Scheme' you can find the specific figures for your pension scheme, as well as a brief overview of the main features that apply to you. The 'Key Data for your Pension Scheme' form part of the Pension Regulations for your pension scheme.

The most recent version of the pension regulations always applies to you. The most recent version replaces the previous version. The most recent version will also apply after you have ceased to be a participant in this pension scheme, unless otherwise stipulated in the most recent version. You can find the most recent Pension Regulations at www.aegon.nl/zakelijk/pensioen/db-abonnement and in layer 3 of Pension 1-2-3 in your 'My Environment'. This also applies to the Execution Agreement.

In the Pension Regulations

	1. What do we mean by...	5
	2. Guiding Principles	7
	2.1. The pension provider	7
	2.2. the participant	7
	2.3. The employer	7
	2.4. Obligation to cooperate	7
	2.5. Termination of your participation in the pension scheme	8
	2.6. Payment of pensions	8
	3. Your pension scheme	9
	3.1. Nature of the pension scheme	9
	3.2. Your pension entitlements	9
	3.3. Pensionable earnings	10
	3.4. Working part-time	11
	4. Accrual of retirement pension	12
	4.1. Amount of your retirement pension	12
	4.2. Transfer of accrued benefits for new participant	13
	5. Profit sharing and supplements	14
	6. Limits and restrictions	15
	6.1. Maximum amounts for pension	15
	6.2. Fiscal approval	15
	6.3. Adjustment by your employer	15
	6.4. Commuting, disposing of, waiving, and securing entitlements	16
	6.5. Small pension	16
	6.6. Acceptance of insured entitlements	16
	6.7. Restriction of the right to a pension benefit	17
	7. Retirement	18
	7.1. Flexible retirement date	18
	7.2. Early retirement;	18
	7.3. Deferred retirement;	19
	7.4. Part-time pension	19
	7.5. More or less pension on retirement	19
	7.6. Variation in pension benefits	20
	8. Death	21
	8.1. Partner's pension	21
	8.2. Orphan's pension	22
	8.3. ANW shortfall pension	23
	9. Disability	25
	9.1. Waiver of premium	25

	10. Resignation or dismissal	26
■ ■	10.1. Pension entitlements after resignation or dismissal	26
■ ■	10.2. Partner's pension after resignation or dismissal	26
■ ■	10.3. Transfer of accrued benefits to new pension scheme	27
■ ■ ■	11. Divorce	28
■ ■	12. Unpaid Leave	29
■ ■ ■	13. How we communicate with you	30
■ ■ ■	14. Complaints	31

Annexes

Annex 1 – Explanation of terms

Annex 2 – Conditions of insurance of disability

Section 1. What do we mean by...

These Pension Regulations contain terms that are frequently used in the context of pensions. You may not immediately understand what these terms mean, so we explain them in the relevant sections. Frequently used terms are explained in the 'Explanation of terms' annex (Annex 1).

The various names and terms, and what we mean by them, are explained below. It is important that you read the explanations first so as to help you understand the Pension Regulations.

You are

The person who is a participant, a former participant, or a pension beneficiary. Which of these you are determines which sections and subsections of these Pension Regulations apply to you.

■ You are a **participant** if:

- you are an employee of the employer which applies this pension scheme; and
- you have concluded a pension agreement with that employer for this pension scheme in accordance with these Pension Regulations; or
- you are no longer an employee, but you are still accruing pension entitlements because you are disabled.

If you are a participant, all the various subsections apply to you. All the sections in the table of contents and in these Pension Regulations are therefore marked with an orange block.

■ You are a **former participant** if:

- you are a former employee of the employer which applies this pension scheme, and
- that employer no longer pays any premium for you, although
- you still have pension entitlements for which no waiver of premium applies due to disability.

The sections that are marked with a yellow block in the table of contents apply to you. In the Pension Regulations the yellow blocks are also placed next to these sections.

■ You are a **pension beneficiary** if you receive a pension benefit pursuant to this pension scheme.

The sections that are marked with a green block in the table of contents apply to you. In the Pension Regulations the green blocks are also placed next to these sections.

Your partner becomes a pension beneficiary when you die. See Section 8. 'Death'. Your ex-partner can also be a pension beneficiary. See Section 11. 'Divorce'.

We are

The pension provider Aegon Levensverzekering N.V., The Hague.

The retirement date

This is the standard retirement date, namely the first day of the month in which you reach the age of 68.

This age follows the standard retirement date as stated in the Wages and Salaries Tax Act [*Wet op de loonbelasting*]. This also applies to the already accrued pension. You can also find your retirement date in your 'My Environment'.

Your personal retirement date

You are not obliged to retire on the retirement date; you can also retire earlier or later. You can find the options for flexible retirement in Section 7. 'Retirement'. By 'your personal retirement date' we mean the date on which you actually retire.

Old-age pension

These are the pensions after your personal retirement date: the lifelong retirement pension.

Partner's and orphan's pension

These are the pensions that your partner and your children receive after your death. They comprise a lifelong partner's pension and a temporary orphan's pension. They are only paid out if you die before your personal retirement date.

Section 2. Guiding Principles

This section explains who are parties to the pension scheme and what obligations you have.

2.1. The pension provider

In order for the pension agreement to be performed, your employer has concluded an agreement with the pension provider. The Pension Regulations lay down the relationship between you and the pension provider. We, Aegon Levensverzekering N.V., The Hague, are the pension provider for your pension scheme.

2.2. The participant

You will start to participate in this pension scheme after your employer has concluded a pension agreement with you for the scheme according to these Pension Regulations. You will then accrue pension entitlements. unless you have a statement from the Social Insurance Bank [*Sociale Verzekeringsbank; SVB*] in which you are recognised as a conscientious objector.

2.3. The employer

Your employer has agreed with us that we will administer the pension scheme. We collect all the premiums and administration costs from your employer.

If you need to pay a contribution of your own, your employer will arrange that with you separately. Your employer will settle up that contribution against your salary.

If a situation arises which the pension scheme does not provide for, your employer will act to the best of its knowledge and in the spirit of the pension scheme. If matters are involved that influence implementation of the pension scheme, your employer will decide on them together with us.

2.4. Obligation to cooperate

You are obliged to cooperate so as to ensure proper implementation of the pension scheme. That means that you must provide your employer with all the necessary data and documentary evidence. You must in any case inform your employer if:

- you are getting married, before the date of your marriage;
- you enter into a registered partnership, before the date when you do so;
- you get divorced or legally separated, within fourteen days of the divorce/separation becoming official;
- your registered partnership or cohabitation partnership terminates, within fourteen days after termination;
- you have children who are entitled to the orphan's pension if you do not have a partner, within fourteen days after it has been established that you do not or no longer have a partner;

If the information is not provided to us or to your employer, or is provided late or incorrectly, then your pension entitlements will not be covered (of not fully covered). In that case the cover for your pension entitlements will be limited to a level based on the most recent information received from you that was correct and in time.

Besides the information to be provided by you, your employer must also provide information. The insurance is also based on that information.

■ 2.5. Termination of your participation in the pension scheme

The accrual of pension under this pension scheme ceases when:

- you retire;
- according to the Execution Agreement, your employer is no longer required to pay premiums to us;
- you are no longer employed by the employer which applies this pension scheme.

In some cases, pension entitlements under the pension scheme do continue to exist. Section 10.1. 'Pension entitlements after resignation or dismissal' tells you more about this.

The accrual of pension under this pension scheme does not cease if you become disabled during your employment with this employer. In that case the premium is waived and you continue to participate. 'Waived' means that your employer no longer needs to pay the premium for you. We then take over payment of the premium from your employer.

■ ■ ■ 2.6. Payment of pensions

We pay out the pensions to the pension beneficiary after receiving all the relevant information. If the pension beneficiary is registered in the Persons Records Database [*Basisregistratie Personen, BRP*], we will notify him/her (at the registered address) as to what information is needed in order to pay out the pension.

The pensions are gross amounts. When the pension benefits are paid out, taxes and social security premiums will be withheld. This also applies to any commutation value.

A pension beneficiary receives the pensions in euros and in monthly instalments (in arrears). Pension benefits are determined precisely in days, with each month being set at 30 days.

We pay out the pension benefit to the pension beneficiary by transferring the relevant amount to a bank account in his/her name.

The pension beneficiary must pay any currency exchange differences or bank charges. Extra administration costs may arise for us if the amount needs to be transferred to a bank account other than an IBAN account. We may charge these costs to the pension beneficiary.

The pension beneficiary's claim to his/her pension benefit does not lapse as long as he/she is alive.

Section 3. Your pension scheme

This section provides information about the nature of the pension scheme and the pension entitlements that you accrue during participation. It also explains such matters as pensionable earnings, pensionable salary, and pension offset [*franchise*] and sets out the rules that apply if you work part-time.

■ ■ ■ 3.1. Nature of the pension scheme

The Dutch Pensions Act [*Pensioenwet*] divides up pensions in the Netherlands into several different types, also referred to as 'natures'. The nature of this pension scheme is a 'defined benefit agreement'.

A defined benefit agreement entitles you to insured pensions. For these insured pensions we immediately guarantee the total pension benefit. You therefore know the size of this pension benefit beforehand.

■ 3.2. Your pension entitlements

All entitlements are subject to the provisions in these Pension Regulations as well as:

- the pension agreement
- the Execution Agreement
- statutory provisions.

Your pension entitlements

From the point you start participating in the pension scheme you have pension entitlements. These are detailed here.

You are entitled to:

- Retirement pension. More information about this can be found in Section 4. 'Accrual of Pension'.
- Partner's and orphan's pension; More information about this can be found in Section 8. 'Death'.
- ANW shortfall pension if that is part of your pension scheme and if we have received your choice for this in time. More information about this can be found in Section 8. 'Death'.

To be entitled to a partner's pension and orphan's pension and an ANW shortfall pension, you must notify your employer and prove that you have a partner.

At any given time an entitlement to pension after your death exists for one partner only.

Adjustment of your pension entitlements if your retirement date changes

Your retirement date follows the standard retirement date [*pensioenrichtleeftijd*] as stated in the Wages and Salaries Tax Act [*Wet op de loonbelasting*]. This also applies to the already accrued pension entitlements.

We also adjust the accrued pension entitlements, by applying a factor, if the standard retirement age is changed. We determine that factor separately for the retirement pension and for the partner's pension. For the retirement pension, the same factor applies to all participants/former participants, regardless of age or gender. For the risk-basis partner's and orphan's pension, the factor is regardless of gender but it is age-related.

The adjustment also applies to pension entitlements that have already been accrued for which we have waived the premium because you are disabled.

We also apply the same factor to adjust your still to be accrued pension entitlements for which we have waived the premium because you are disabled. We waive the premium for these adjusted pension entitlements.

■ 3.3. Pensionable earnings

The pensionable earnings are the pensionable salary minus the pension offset. All your pension entitlements are calculated on the basis of the pensionable earnings, except for the ANW shortfall pension. This is therefore an important piece of information.

Calculating your pensionable earnings

We determine your pensionable earnings on the day when your participation in this pension scheme commences, and then annually on 1 January for the coming year. If your gross pensionable salary changes in the course of the calendar year, your pensionable earnings will be determined again. We do this on the date when the pensionable salary changes.

Example

Let's assume your annual salary is € 35,000.00
(being your pensionable salary including 8% holiday allowance).
And your pension offset is, for example, € 15,000.00.

Your pensionable earnings are € 35,000.00 minus € 15,000.00 = € 20,000.00.

Pensionable salary

The pensionable salary is the salary over which you accrue pensions. This can be found in your employment agreement or your pension agreement. Your employer will notify us of the pensionable salary. You can find the exact amount in your 'My Environment'. You can find more information about this in Section 13. 'How we communicate with you'.

The pensionable salary is subject to a tax maximum. That amount is adjusted annually. In 2019, the maximum is € 107,593.00.

Your employer may have opted for a lower maximum. This is indicated in the 'Key Data for your Pension Scheme', which you can find in your 'My Environment'.

The pensionable salary may not increase by more than 15% annually.

Pension offset [*franchise*]

The pension offset is the part of the pensionable salary that is not taken into account in determining your pension.

The pension offset is stated in the 'Key Data for your Pension Scheme', where you can also see how it is adjusted annually. You can find the exact amount in your 'My Environment'.

Information about the effect of disability on your pensionable earnings can be found in Section 9.1. 'Waiver of premium'.

■ 3.4. Working part-time

Working part-time affects your pensionable earnings. You are deemed to be working part-time if you work fewer hours than the full-time number of hours at your company.

In determining your pensionable earnings, we start from the pensionable salary that you would earn in the case of full-time employment. We then multiply those pensionable earnings by your part-time percentage. That percentage is your actual number of working hours divided by the number of hours in full-time employment and multiplied by 100%.

Example

You work 24 hours a week and full-time employment is 38 hours a week.
Your part-time percentage is then $24 \div 38 = 0.6316 \times 100\% = 63.16\%$

Let's assume that you would earn € 35,000.00 per year in the case of full-time employment and the pension offset is € 15,000.00 per year. Your full-time pensionable earnings are therefore € 20,000.00 and we multiply this by your part-time percentage.

Your part-time pensionable earnings are € 20,000.00 × € 63.16% = € 12,632.00.

We determine this part-time percentage again when you:

- change from part-time to full-time employment, or
- change from full-time to part-time employment, or
- change how much you work part-time but do not change to full-time employment.

When determining the part-time percentage for the future years of service, we assume that the newly determined part-time percentage remains unchanged until the retirement date. The previous part-time percentage continues to apply to the previous years of service. The new part-time percentage over all your years of service is called the weighted part-time percentage.

Section 4. Accrual of retirement pension

This section informs you about the accrual of retirement pension and the possibility of the transfer of accrued benefits for a new participant.

4.1. Amount of your retirement pension

You accrue a bit of retirement pension each year for as long as you participate in this pension scheme. Each year, this is an accrual percentage of the determined pensionable earnings in that year. We explained the pensionable earnings in Section 3.3. 'Pensionable earnings'. You can find the date when your accrual starts in the 'Key Data for your Pension Scheme', where you can also find your percentage for accruing your retirement pension.

In calculating your retirement pension we assume that the same pensionable earnings apply for you at all times. However, that is hardly ever the case. We therefore explain below what happens when your pensionable earnings increase or decrease.

When your pensionable earnings increase, the retirement pension also changes in part. The retirement pension that you have already accrued remains the same, but the retirement pension that you accrue from the increase in your pensionable earnings up to the retirement date will in fact increase. In effect this means that over the years you accrue retirement pension over your average pensionable earnings.

If your pensionable earnings fall for any reason, this will not affect the pension entitlements that you already had. For the future, however, the lower pensionable earnings will be taken as the basic assumption.

Example

Let's assume that in the first year with your employer you earn € 35,000.00 and the pension offset is € 15,000.00 per year. Your pensionable earnings are € 20,000.00. The percentage for accruing retirement pension is 1.875%.

The retirement pension that you accrue in that year is $0.01875 \times € 20,000.00 = € 375.00$.

Let's assume that in the second year you earn € 40,000.00 and the pension offset remains € 15,000.00. Your pensionable earnings are thus € 25,000.00. We multiply this with your accrual percentage.

The retirement pension that you accrue in that year is $0.01875 \times € 25,000.00 = € 468.75$.

The total retirement pension that you accrue in these two years is € 375.00 + € 468.75 = € 843.75.

That is the same as if you had accrued two years' pension over your average pensionable earnings:

$2 \times 0.01875 \times € 22,500.00 = 2 \times € 421.88 = € 843.75$

If everything then remains the same until your retirement date – let's assume for another 28 years – we will pay you EUR 13,968.75 per year in retirement pension. That is $29 \times € 468.75 + 1 \times € 375.00$.

We determine your period of service precisely in days.

The amount of your retirement pension on the retirement date is shown in your 'My Environment'. You can also view the size of your retirement pension on your retirement date in the Pensions Register, www.mijnpensioenoverzicht.nl, where you can also find the retirement pension that you acquired from other pension providers and which still remains with them.

■ 4.2. Transfer of accrued benefits for new participants


As a new participant in this pension scheme you can transfer the pension entitlements to us that you accrued with your former employer. If you wish to do so, you must submit a written request to us. You need to do so as soon as possible after becoming a participant in this pension scheme.

You can download the 'Transfer of accrued benefits' form from your 'My Environment', complete it, and return it to us. We will then take the necessary action.

The old and the new employer are not always required to cooperate with the transfer of accrued benefits. The obligation does not exist in certain situations if the transfer results in an additional payment by the employer.

Section 5. Profit sharing and supplements

This section explains profit sharing and whether your pensions are eligible for a supplement.

 Profit sharing does not apply.

Your employer does not intend granting a supplement each year. A supplement is an increase in the accrued pension, or an increase in the pension that has already commenced. Because there is no supplement, the pension does not grow in line with the increase in prices. You must therefore assume that your pension will be worth less over time.

Granting of supplements is subject to a disclaimer:

The employer decides annually whether to grant a supplement.

Section 6. Limits and restrictions

This section explains:

- the tax limits that your pension accrual is subject to;
- when it is possible to alter the pension scheme;
- commutation;
- when we will accept you as a participant;
- when we limit the right to a pension benefit.

In these Pension Regulations we have taken account of the legislation and regulations from 2019. Your pension meets the applicable tax requirements in that year. If there are changes in the legislation and regulations in the future, we will continue to administer your pension in accordance with the applicable tax and other legal rules. The tax rules and other legal requirements may limit the possibilities detailed in these Pension Regulations.

6.1. Maximum amounts for pension

The pension does not exceed the maximum amounts for tax purposes as referred to in the Wages and Salaries Tax Act 1964.

The supplements in Section 5. 'Profit sharing and supplements' do not exceed the maximum amounts accepted for tax purposes at the time.

6.2. Fiscal approval

If the Tax Administrator and/or the tax court does not (fully) approve this pension scheme, your employer will replace it by a scheme that does meet all the requirements. The employer may accept the ruling by Tax Administrator and/or tax court.

If your employer has to alter the pension scheme, the arrangements set out in this pension scheme will be taken into account as much as possible.

6.3. Adjustment by your employer

Circumstances may change due to the introduction of new legislation and regulations or amendments to existing ones. Your employer may adjust the pension scheme if mandatory provisions are involved.

Your employer may adjust the pension scheme without your consent if it has a compelling interest in the change such that it is therefore reasonable and fair for that interest to override the adverse effect of the change for the employees. In that case there will be an adjustment in the future pension entitlements.

The value of the pensions that you have accrued up to when the change is made will remain the same, unless statutory measures provide otherwise. You cannot hold us or your employer liable for a reduction of pensions if this is a consequence of applying statutory provisions.

6.4. Commuting, disposing of, waiving, and securing entitlements

You acquire rights under the pension scheme, for example the right to pension benefits when you retire. And when you die, your partner and/or children will also acquire rights, for example the right to a dependant's pension benefit.

unless the Pensions Act provides otherwise, these rights can be:

- commuted;
- alienated;
- waived; or
- made the formal or actual subject of security.

For example, you cannot opt to receive a one-off payment instead of monthly payments, or have the pension benefit assigned to someone else,

6.5 Small pension

We can automatically transfer a 'small pension' to the pension scheme of your new employer. What counts as a small pension is defined in the Pensions Act. You don't need to do anything yourself for the transfer. Once your small pension has been transferred, your new pension provider will inform you.

We will inform you if a pension provider transfers your small pension from a previous pension scheme to us.

What happens if you don't immediately have a new pension scheme? In that case, the small pension will remain with us until you do have a new pension scheme. If you don't have one within five years, then we can make you a proposal for commutation of the small pension. We can also make you a commutation proposal when the small pension commences. You can then choose whether to receive the commuted value of your small pension all at once or whether you want to keep the pension.

In the case of a small pension, the options you can find in Section 7. 'Retirement' are more limited. If that is the case, we will notify you. Your choice is not allowed to lead to a "small pension".

We determine the commuted value on the basis of a commutation rate applying at the time. You can find the current commutation rate in the document 'Flexibility and commutation of your pension' in layer 3 of Pension 1-2-3 in your 'My Environment'. You can also ask us for a copy of the current commutation rate at any time.

6.6. Acceptance of insured entitlements

From the point when you become a participant in this pension scheme, you accrue pension entitlements for which insurance is taken out. We will accept you for this insurance at all times. Any increases of the insurance policies arising from the pension scheme will also be accepted without taking account of the participant's health situation.

What happens if you change your mind about refusing to participate in this pension scheme because of a conscientious objection? In that case we make acceptance of the insurance dependent on your health situation. The acceptance restrictions only apply if the death risk or disability risk increases for us as a result of your health situation.

In the case of the ANW shortfall pension, we will only accept you if we have received your choice within three months after:

- commencement of your participation in the pension scheme; or
- you gain a partner or a child.

Restriction of partner's and orphan's pension and ANW shortfall pension

No entitlement to a partner's and orphan's pension or ANW shortfall pension exists if you die within one year after:

- commencement of your participation in the pension scheme; or
- you marry or enter into a (registered) partnership.

This limitation only applies if your death was reasonably foreseeable:

- when your participation in the pension scheme commenced; or
- at the point when you married; or
- at the point when you entered into the (registered) partnership.

If a similar insurance was taken out for you with us or with a different pension provider immediately prior to your participation in the pension scheme then this limitation only applies to any expansion or increase of that insurance. We also take into account the period of participation in the previous similar insurance.

The independent Health Data Review Committee [*Toetsingscommissie Gezondheidsgegevens*] will assess whether this is the case. If this restriction applies, your partner and children will not receive any pension benefit.

6.7. Restriction of the right to a pension benefit

There are three situations in which we may restrict the right to a pension benefit or the value of the pension:

- death as a result of war or armed conflict. If there is a state of war as described in the Execution Agreement, the provisions of Section 6.4. 'War risk' apply;
- the entitlement to a pension benefit arises as a result of an event that has been designated as terrorism by the Dutch Terrorism Risk Reinsurance Company [*Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V.*]. Like most Dutch insurers, we are affiliated with the NHT;
- based on a decision of the Minister of Finance based on the Financial Transactions (Emergencies) Act [*Noodwet financieel verkeer*].

How we restrict the right to pension benefit or the value of the pension in these situations is explained in Section 6. 'Final provisions' of the Execution Agreement, under heading 6.3. 'Restriction of the right to benefit' and heading 6.4. 'War risk'.

Section 7. Retirement

This section tells you which choices you can make and what they mean for you. All the choices are possible only subject to the conditions that we set at the time. Before you retire, we will provide you with extensive information to help you make the choices. You can find more information in your 'My Environment', where you can also make your own example calculations and adjust your Pension to your personal needs.

7.1. Flexible retirement date

Your retirement pension is paid out from the first day of the month in which you retire until the end of the month in which you die. As the default in this pension scheme, we assume that you retire on the first day of the month in which you reach the age of 68. You can also opt to take early or deferred retirement.

If you retire earlier or later, we will reduce or increase the pensions based on a specific factor.

We will use the factor applicable at that time. You can find the current factor in the document 'Flexibility and us commutation of your pension' in layer 3 of Pension 1-2-3 in your 'My Environment'. You can also ask for a copy of the factor at any time.

7.2. Early retirement

You choose your personal retirement date and inform us in writing at least six weeks before your personal early retirement date. In that case we will pay you the reduced retirement pension. If you retire earlier, the following pension entitlements will lapse:

- Partner's an orphan's pension;
- ANW shortfall pension if that is part of your pension scheme and if you have chosen to have it insured.

The retirement pension that you receive starting on your personal retirement date may not be lower than the amount for a 'small pension' (see Section 6.5. 'Small pension').

Consent

You and your employer must agree on your early retirement.

If your current employer is not the employer of this pension scheme, you do not need the consent of your former employer. In that case you do not need to notify your former employer of your early retirement.

7.3. Deferred retirement

You choose your personal retirement date and inform us in writing at least six weeks before your retirement date.

Consent

Your employer and you must agree on deferral of your retirement. If your current employer is not the employer of this pension scheme, you do not need the consent of your former employer. In that case you do not need to notify your former employer of your deferred retirement.

7.4. Part-time pension

In this pension scheme the default assumption is that when you retire you will retire full-time. You can also opt to take part-time or deferred retirement. The size of the part-time pension follows the rules for early or deferred commencement of the pension. You must then notify us, in writing, of your part-time retirement date no later than six weeks beforehand.

For the part you remain employed by the employer, you continue to participate in the pension scheme. Section 3.4. 'Working part-time' describes how we calculate your pension entitlements for that part.

If you have retired part-time, you can only work less in the future, not more. If you wish to retire part-time, you must notify your employer and us six weeks in advance.

Section 7.6. 'Variation in pension benefits' does not apply to a part-time pension that has commenced.

Consent

You and your employer must agree on your part-time retirement.

If your current employer is not the employer of this pension scheme, you do not need the consent of your former employer. In that case you do not need to notify your former employer of your part-time retirement.

7.5. More or less pension on retirement

On your personal retirement date you have the right to exchange the value of the various pensions for one another. In doing so, you need to take into account that it is not possible to exchange the retirement pension and partner's pension under all circumstances. For example, the part of the retirement pension paid out to your ex-partner due to divorce cannot be exchanged. The same applies to the special partner's pension (see Section 11. 'Divorce').

We will reduce the entitlement that you exchange on the basis of a specific factor. We will use the factor applicable at that time. You can find the current factor in the document 'Flexibility and commutation of your pension' in layer 3 of Pension 1-2-3 in your 'My Environment'. You can also ask us for a copy of the factor at any time.

If you wish to exchange, you must notify us, in writing, no later than six weeks before your personal retirement date.

Higher partner's pension and lower retirement pension

For a higher partner's pension you exchange retirement pension for partner's pension.

Higher retirement pension and lower partner's pension

For a higher retirement pension you exchange partner's pension for retirement pension.

If you wish to have a higher retirement pension and consequently opt for a lower partner's pension, you need your partner's consent. Of course this only applies if you actually have a partner.

7.6. Variation in pension benefits

On your personal retirement date you can opt for a retirement pension that is temporarily higher and subsequently lower. This has no consequences for the size of your partner's pension.

We calculate the variation in the size of the retirement pension on the basis of a specific factor. We will use the factor applicable at that time. You can find the current factor in the document 'Flexibility and commutation of your pension' in layer 3 of Pension 1-2-3 in your 'My Environment'. You can also ask us about the applicable the factor at any time.

If you retire before you have reached the AOW age, you may also opt for a retirement pension that is temporarily higher until your AOW benefit starts to be paid.

Section 8. Death

8.1. Partner's pension

Your partner is entitled to a partner's pension if you die before your personal retirement date. The partner's pension commences on the first day of the month in which you die, and is paid out until the end of the month in which your partner dies.

We calculate the partner's pension as a percentage of the pensionable earnings determined over each year of service until your retirement date. We explained the pensionable earnings in Section 3.3. 'Pensionable earnings'.

You can find this percentage (accrual percentage partner's pension) in the 'Key Data for your Pension Scheme', as well as the date from which we calculate the years of service.

In calculating the partner's pension we assume that the same pensionable earnings apply for you at all times. However, that is hardly ever the case. We therefore explain below what happens when your pensionable earnings increase or decrease. It then makes a difference whether we calculate the amount of the partner's pension according to the average earnings system [*middelloodsysteem*] or the final earnings system [*eindloodsysteem*]. You can find which system applies to the partner's pension in the 'Key Data for your pension scheme'.

Average earnings system

When your pensionable earnings increase, the partner's pension also changes in part. The partner's pension that you already had remains the same but the partner's pension that you will receive from the increase in your pensionable earnings up to the retirement date will in fact increase. In effect this means that over the years, you accrue partner's pension over your average pensionable earnings.

If your pensionable earnings fall for any reason, this will not affect the pension entitlements that you already had. For the future, however, the lower pensionable earnings will be taken as the basic assumption.

Example

Let's assume that you earn € 35,000.00 with your employer and the pension offset is € 15,000.00 per year. Your pensionable earnings are thus € 20,000.00. The percentage for acquiring the partner's pension is 1.313%. You commence your participation in the pension scheme at the age of 28. The pensionable age is 68. The number of years until you retire is 40.

Your partner's pension is $0.01313 \text{ years} \times 40 \times \text{€ } 20,000.00 = \text{€ } 10,504.00$.

Let's assume that after ten years you earn € 40,000.00 and the pension offset remains € 15,000.00. Your pensionable earnings are thus € 25,000.00. We will then assume this for the following 30 years.

Your partner's pension is $0.01313\% \times 10 \times \text{€ } 20,000.00$ plus $0.01313 \times 30 \times \text{€ } 25,000.00$. This comes to € 12,473.50.

Final earnings system

When your pensionable earnings increase, the partner's pension also increases. Not only does the partner's pension increase that you will receive from the increase in your pensionable earnings up to the retirement date; the partner's pension that you already had before that time increases along with it. This is because we additionally calculate the percentage on the difference between the old and new pensionable earnings for the partner's pension for each year that you already accrued pension. An increase in your pensionable earnings therefore also counts for the years in the past that are taken into account. In effect this means that over the years, you accrue partner's pension over your most recently established pensionable earnings.

If your pensionable earnings fall for any reason, this will not affect the pension entitlements that you already had. For the future, however, the lower pensionable earnings will be taken as the basic assumption.

Example

Let's assume that you earn € 35,000.00 with your employer and the pension offset is € 15,000.00 per year. Your pensionable earnings are thus € 20,000.00. The percentage for acquiring the partner's pension is 1.16%. You commence your participation in the pension scheme at the age of 28. The pensionable age is 68. The number of years until you retire is 40.

Your partner's pension is $0.0116 \text{ years} \times 40 \times \text{€ } 20,000.00 = \text{€ } 9,280.00$.

Let's assume that after ten years you earn € 40,000.00 and the pension offset remains € 15,000.00. Your pensionable earnings are thus € 25,000.00. We then assume this not only for the next 30 years but also for the previous 10 years.

Your partner's pension is $0.0116\% \times 40 \times \text{€ } 25,000.00 = \text{€ } 11,600.00$.

In both systems, we determine your period of service precisely in days.

Extra partner's pension

If you were already a participant in your employer's previous pension scheme, you may be entitled to an extra partner's pension. You can find whether that applies to you in the 'Key Data for your Pension Scheme'.

The size of the partner's pension can be found in your 'My Environment'. You can also view the size of the partner's pension in the Pensions register, www.mijnpensioenoverzicht.nl, where you can also find the partner's pension that you acquired from other pension providers and which still remains with them.

Risk basis

The entitlement to a partner's pension is insured on a risk basis. This means that no value is accrued with this pension. The partner's pension lapses without value if:

- your participation in the pension scheme ceases; or
- you no longer have a partner; or
- you have reached your personal retirement date.

The entitlement to a partner's pension does not lapse if you immediately receive unemployment benefit [WW] following your resignation/dismissal. You can read more about this in Section 10.1. 'Pension entitlements after resignation or dismissal'.

8.2. Orphan's pension

Your child is entitled to an orphan's pension if you die before your personal retirement date.

A child is entitled to this benefit from the first day of the month in which you die or from the first day of the month in which the child is entitled to orphan's pension. The following applies:

- Your child receives the pension benefit until he or she reaches the age of 18;
- Your child receives the benefit until his or her 27th birthday at the latest as long as he or she is at school, college or university or is taking vocational training for five half-days or more.
- Your child receives the benefit until his or her 27th birthday at the latest as long as he or she is receiving a WIA benefit and is at least 45% disabled according to a decision by the UWV (Employee Insurance Agency);

- Your child receives the benefit until his or her 27th birthday at the latest as long as he or she is receiving benefit under the WAJONG (Invalidity Insurance Young Disabled Persons Act).

We pay out the orphan's pension until the end of the month in which the entitlement to orphan's pension lapses. Should your child die earlier, the orphan's pension will cease to be paid at the end of the month in which he or she dies.

We calculate the orphan's pension as a percentage of the pensionable earnings determined over each year of service until your retirement date. We explained the pensionable earnings in Section 3.3. 'Pensionable earnings'.

You can find this percentage (accrual percentage orphan's pension) in the 'Key Data for your Pension Scheme', as well as the date from which we calculate the years of service.

In calculating the orphan's pension we assume that the same pensionable earnings apply for you at all times. However, that is hardly ever the case. We therefore explain below what happens when your pensionable earnings increase or decrease. It then makes a difference whether we calculate the amount of the orphan's pension according to the average earnings system or the final earnings system. You can find which system applies to the orphan's pension in the 'Key Data for your pension scheme'.

Average earnings system

When your pensionable earnings increase, the orphan's pension also changes in part. The orphan's pension that you already had remains the same but the orphan's pension that you will receive from the increase in your pensionable earnings up to the retirement date will in fact increase. In effect this means that over the years, you accrue orphan's pension over your average pensionable earnings.

If your pensionable earnings fall for any reason, this will not affect the pension entitlements that you already had. For the future, however, the lower pensionable earnings will be taken as the basic assumption.

Example

Let's assume that you earn € 35,000.00 with your employer and the pension offset is € 15,000.00 per year. Your pensionable earnings are then € 20,000.00. The percentage for acquiring the orphan's pension is 0.263%. You commence your participation in the pension scheme at the age of 28. The pensionable age is 68 years. The number of years until you retire is 40.

The orphan's pension is $0.00263 \times 40 \times \text{€ } 20,000.00 = \text{€ } 2,104.00$.

Let's assume that after ten years you earn € 40,000.00 and the pension offset remains € 15,000.00. Your pensionable earnings are then € 25,000.00. We will then assume this for the following 30 years.

The orphan's pension is $0.00263\% \times 10 \times \text{€ } 20,000.00$ plus $0.00263 \times 30 \times \text{€ } 25,000.00$. This comes to € 2.498,50. Rounded off, this amounts to 20% of the partner's pension.

Final earnings system

When your pensionable earnings increase, the orphan's pension also increases. Not only does the orphan's pension increase that you accrue from the increase in your pensionable earnings up to the retirement date, the orphan's pension that you already had before that time increases along with it. This is because we additionally calculate the percentage on the difference between the old and new pensionable earnings for the orphan's pension for each year that you already accrued pension. An increase in your pensionable earnings therefore also counts for the years in the past that are taken into account. In effect this means that over the years you accrue orphan's pension over your most recently established pensionable earnings.

If your pensionable earnings fall for any reason, this will not affect the pension entitlements that you already had. For the future, however, the lower pensionable earnings will be taken as the basic assumption.

Example

Let's assume that you earn € 35,000.00 with your employer and the pension offset is € 15,000.00 per year. Your pensionable earnings are then € 20,000.00. The percentage for acquiring the orphan's pension is 0.232%. You commence your participation in the pension scheme at the age of 28. The pensionable age is 68 years. The number of years until you retire is 40.

The orphan's pension is $0.00232 \times 40 \times € 20,000.00 = € 1,856.00$.

Let's assume that after ten years you earn € 40,000.00 and the pension offset remains € 15,000.00. Your pensionable earnings are then € 25,000.00. We then assume this not only for the next 30 years but also for the previous 10 years.

The orphan's pension is $0.00232\% \times 10 \times € 25,000.00 = € 2,320.00$. Rounded off, this amounts to 20% of the partner's pension.

In both systems, we determine your period of service precisely in days.

Extra orphan's pension

If you were already a participant in your employer's previous pension scheme, you may be entitled to an extra orphan's pension. You can find whether that applies to you in the 'Key Data for your Pension Scheme'.

The size of the orphan's pension can be found in your 'My Environment'. You can also view the size of the orphan's pension in the Pensions register, www.mijnpensioenoverzicht.nl, where you can also find the orphan's pension that you acquired from other pension providers and which still remains with them. The orphan's pension is doubled if both parents of the child have died.

Risk basis

The entitlement to orphan's pension is insured on a risk basis. This means that no value is accrued with this pension. The orphan's pension lapses without value if:

- your participation in the pension scheme ceases; or
- you no longer have a child who is eligible for an orphan's pension; or
- you have reached your personal retirement date.

The entitlement to orphan's pension does not lapse if you immediately receive unemployment benefit (WW) following your resignation/dismissal. You can read more about this in Section 10.1 'Pension entitlements after resignation or dismissal'.

■ 8.3. ANW shortfall pension

This section applies if the ANW shortfall pension is part of your pension scheme and we have received your choice within 3 months after you started to participate in that scheme or within 3 months after you gained a partner or a child. We will then insure an extra partner's pension. This will provide your partner with a higher income if you die before your retirement date.

You can find whether the ANW shortfall pension is part of your pension scheme in the 'Key Data for your Pension Scheme'. The premiums are paid via your employer. Your employer will set them off against your salary. You can find the amount of the rate in the 'Rates and Costs' annex to the Execution Agreement.

Start and end of the pension

The ANW shortfall pension commences on the first day of the month in which you die.

The ANW shortfall pension ceases on:

- the first day of the month in which your partner reaches the AOW age; or
- the first day of the month in which your partner reaches the age of 68, if that is earlier; or
- the last day of the month in which your partner dies, if that is earlier.

Amount of benefit

The size of the insured ANW shortfall pension is the same for everyone, because the ANW shortfall pension is the same amount as the statutory ANW benefit for the year in which you die.

The statutory ANW benefit is determined annually on 1 January. In 2019, it is € 15,166.00 gross per year. This is therefore also the size of the ANW shortfall pension in 2019.

Risk basis

The entitlement to the ANW shortfall pension is insured on a risk basis. This means that no value is accrued with this pension. The ANW shortfall pension lapses without value if:

- your participation in the pension scheme ceases; or
- you no longer have a partner; or
- you opt to no longer insure the ANW shortfall pension.

The entitlement to orphan's pension does not lapse if you immediately receive unemployment benefit (WW) following your resignation/dismissal. You can read more about this in Section 10.1. 'Pension entitlements after resignation or dismissal'.

Section 9. Disability

9.1. Waiver of premium

If you become sick and you are a participant in this pension scheme on your first sick day, you will be entitled to a premium waiver from the day when you become entitled to WIA benefit. Premiums for which a waiver of premium payment is obtained, will be considered as having been paid. This means that you will continue to accrue pension as if you had not become disabled. This applies to the extent you are entitled to this in accordance with our conditions. You can find the conditions in the 'Conditions for disability insurance' annex (Annex 2). If you pay an employee contribution for this pension scheme, it will be waived for the same part as the total premium.

The premium waiver will apply for as long as you receive WIA benefit, but at the latest until your retirement date.

The waiver of premium is in accordance with the following table.

6 classes

In the case of a disability percentage of	the percentage of waiver of premium is
80% or higher	100%
65% – 80%	72.5%
55% – 65%	60%
45% – 55%	50%
35% – 45%	40%
less than 35%	0%

If you receive WAO benefit then the waiver of premium will be deducted from the benefit actually paid.

During the period that the waiver of premium applies, your pensionable earnings and/or this pension scheme remain unaffected. If you are partly disabled, this only applies to the part of the pension entitlements that has been waived.

Waiver of premium after termination of employment

You are entitled to a waiver of premium in the event of disability after leaving your employment if you:

- receive sick pay as referred to in the Dutch Civil Code until the point when your employment terminates; or
- then receive benefit under the Sickness Benefits Act [*Ziektewetuitkering*]; and also
- remain sick for an uninterrupted period after your employment terminates; and also
- consecutively and uninterrupted receive benefit under the WIA.

If you are dismissed and you are (partly) disabled, you remain entitled to (part of) the entitlements for which the premium has been waived. This right lapses when your waiver of premium ceases.

Section 10. Resignation or dismissal

This section describes the pension entitlements you retain upon resignation or dismissal, and which pension entitlements lapse.

10.1. Pension entitlements after resignation or dismissal

If your employment ceases due to resignation or dismissal, you remain entitled to the pensions you have accrued up to that point. The size of these pensions can be found in your 'My Environment'.

The following pension entitlements lapse if your employment ceases:

- retirement pension, if less than € 2.00 can be paid out annually;
- partner's and orphan's pension;
- ANW shortfall pension if that is part of your pension scheme and if you have chosen to have it insured.

Exception in the event of unemployment benefit [WW]

An exception is made for the insured partner's and orphan's pension and the ANW shortfall pension. If you are entitled immediately after resignation/dismissal to unemployment [WW] benefit, your partner and/or children continue to be entitled to a partner's and orphan's pension and the ANW shortfall pension for as long as the right to the unemployment benefit exists. This also applies to foreign unemployment benefit.

The size of the partner's and orphan's pension depends on the number of years that you participated in this pension scheme and as a result is lower than if you had remained employed.

The size of the ANW shortfall pension is equal to the amount to which an entitlement existed immediately before the time of resignation/dismissal.

After resignation or dismissal you can exchange retirement pension for partner's pension. This is explained in Section 10.2. 'Partner's pension after resignation or dismissal'. The amount of this partner's pension is deducted from the partner's pension that your partner receives based on this exception.

10.2. Partner's pension after resignation or dismissal

If your employment ceases due to resignation or dismissal you can use part of the value of your retirement pension to purchase a partner's pension.

When calculating the maximum partner's pension, we take into account the value of the partner's pension that you have already accrued.

This partner's pension commences on the first day of the month in which you die, and is paid out until the end of the month in which your partner dies.

Your request to utilise this possibility must be made within three months after we have informed you about the consequences of your resignation or dismissal. In your 'My Environment' you can make your own (example) calculations and adjust your pension to your personal needs.

We will reduce the entitlement to retirement pension on the basis of a specific factor. We will use the factor applicable at that time. You can find the current factor in the document 'Flexibility and commutation of your pension' in layer 3 of Pension 1-2-3 in your 'My Environment'. You can also ask us for a copy of the factor at any time.

Risk basis

This partner's pension is insured on a risk basis. This means that it lapses without value if you are alive on the retirement date or it lapses on the date that you take early retirement.

The insurance of this partner's pension will continue if you are divorced after resignation or dismissal.

If you opt for a transfer of accrued benefits, the insurance of this partner's pension ceases.

10.3. Transfer of accrued benefits to new pension scheme

If your employment ceases due to resignation or dismissal, you are entitled to a transfer of accrued benefits. In that case you transfer the value of your pensions to the pension scheme of your new employer. The value will then be converted into pension entitlements in accordance with your new employer's pension scheme.

A transfer of accrued benefits is made at your request and in accordance with the statutory rules. We need to receive that request as soon as possible after you become a participant in the new pension scheme.

If you have a partner, he or she must give consent, in writing, for the transfer of accrued benefits of the partner's pension. A special partner's pension – see Section 11. 'Divorce' – cannot be transferred.

The old and the new employer are not always required to cooperate with the transfer of accrued benefits. The obligation does not exist in certain situations if the transfer results in an additional payment by the employer.

Section 11. Divorce

 Your ex-partner is entitled by law to part of the pension.

The rules are as follows:

- Your ex-partner is entitled to 'special partner's pension' in accordance with the provisions of the Pensions Act. Your ex-partner will then have his or her own entitlement to a partner's pension. This only applies for the part that you accrued up to the date of the divorce or the date on which the (registered) partnership ceases. After the death of your ex-partner, the special partner's pension lapses. It does not return in the partner's pension for a subsequent partner. The special partner's pension does not apply to the ex-partner from whom you are legally separated only.
- If you exchanged retirement pension for partner's pension before the divorce, your ex-partner is entitled to this partner's pension. This does not apply to the ex-partner from whom you are legally separated only.
- In addition, your ex-partner is entitled to equalisation of the retirement pension in accordance with the provisions laid down in the Equalisation of Pension Rights in the Event of Divorce Act [*Wet verevening pensioenrechten bij echtscheiding*]. If a request for equalisation has been made, your ex-partner is entitled to payment of half the retirement pension, but only of the retirement pension that you accrued in the period when you were married or registered partners. This is called equalised pension. If you are legally separated only, the period until the legal separation is taken into account for equalisation. Equalisation therefore leads to a lower retirement pension for you. The equalisation lapses when your ex-partner dies. In that event the equalised part will again accrue to your retirement pension. Whether the retirement pension has already commenced or not does not make any difference. If you lived together with a partner either with or without a cohabitation contract, there is no statutory right to equalisation.
- From your personal retirement date we will pay out the equalised retirement pension to your ex-partner directly. This pension benefit ceases when you die. If your ex-partner dies before you, this pension benefit will accrue to you from the point when he or she died.
- Within two years after the date of the divorce you or your ex-partner may request us directly to pay out the equalised retirement pension. After that period, your ex-partner must ask you directly for payment of this pension.


Sometimes the law allows you to make different arrangements. However, we are not always obliged to cooperate with this. If you intend to get divorced, you should enquire in good time about the statutory rules applicable at the time. It is also important that you ask us what information you need to provide to us and when, and also whether we will cooperate if you and your ex-partner wish to make different arrangements.

Section 12. Unpaid Leave

- During the period when you take unpaid leave, your entitlements on the basis of this pension scheme continue in the same way and according to the same rules as immediately before your unpaid leave.

You can make arrangements with your employer about the premium that you pay yourself as your own contribution during your leave.

Section 13. How we communicate with you

 We will inform you about the consequences of every event that is relevant to your pension. We make available:

- 'Pension 1-2-3': within three months after your employer has registered you with us as a participant, or if your pension scheme has been amended. That letter sets out the main points of your pension scheme;
- A Uniform Pension Overview (UPO): each year for as long as you are a participant or a pension beneficiary. The UPO states the size of all pensions on the effective date as well as the size of the pensions if you have resigned or been dismissed during that year. It also tells you whether the pensions have been increased by a supplement. If your employment ended due to resignation or dismissal you will receive the UPO once every five years;
- Specific information in the case of events specified in these Pension Regulations: after the relevant event has occurred. In the case of resignation or dismissal, for example, you will receive a statement of the size of your pension. We will also inform you of the transfer of accrued benefits to a different pension provider.

Your 'My Environment'

We consider it important that you have a quick and easy overview of all the information regarding your pension.

The basic assumption is that we will inform you about your pension by digital means, unless that is not yet possible or is not permitted by law.

You be given access to your own digital pension environment: your 'My Environment'.


This is how that works:

Your employer registers you with us as participant. We then notify you to that effect. You then need to create a username and password according to the instructions. You will then have full access to your 'My Environment'. In your 'My Environment' you can view your personal pension situation at any time. You can see the pensions that you are entitled to and the size of those pensions. You can also see your UPO in your 'My Environment'.

Not all information will be made available through your 'My Environment'. Information on significant events will be sent to you in writing.

If you would prefer to receive information in writing, then you can let us know via your 'My Environment' or in writing.

Section 14. Complaints

 We make every effort to provide the best possible service but if you have a complaint we want you to tell us about it. You can submit your complaint digitally by completing the complaints form at www.aegon.nl. You can also send your complaint by post to:

Aegon
Klachtbehandeling
Postbus 23020
NL-8900 MZ Leeuwarden
The Netherlands

More information about our complaints procedure is given in the Complaints Regulations for Aegon Netherlands N.V. [*Klachtenreglement Aegon Nederland N.V.*], available at www.aegon.nl.

Annex 1

Explanation of terms

ANW	Surviving Dependents Act [<i>Algemene nabestaandenwet</i>].
ANW benefit	The gross pension benefit per annum pursuant to the Surviving Dependents Act, plus the gross holiday allowance, for a dependant without children.
AOW age	The age at which the pension benefit pursuant to the General Old Age Pensions Act (AOW pension benefit) commences. In 2020 that age is 66 years and 4 months. It runs up to 67 years.
Employment	The employment agreement between the employer and the employee under civil law.
Child	Own children in accordance with the law, with the proviso that these are own children before the personal retirement date. Also stepchildren and foster children if these have been maintained and raised by you as your 'own child(ren)', in so far as such maintenance and upbringing started before your personal retirement date.
On a risk basis	No value is accrued in the pension. The pension lapses on resignation or dismissal, divorce, or retirement.
Partner	The person with whom, before your personal retirement date, <ul style="list-style-type: none">- you are married; or- you have entered into a registered partnership; or- you cohabit and with whom you have entered into a 'Partnership' in accordance with the definition below.
Partnership	The joint household between the unmarried participant (or former participant) and another unmarried person, neither of whom is a member of a registered partnership or is involved in another joint household. Provided: <ul style="list-style-type: none">- you are not relatives by blood or affinity in the direct line; and- you are registered at the same address in the municipal persons database [<i>BRP</i>]; and- you have maintained a joint household for a consecutive period of at least six months; or- you have entered into a notarial cohabitation contract in which the joint household has been recorded.
Pension 1-2-3	Information provided by us about your pension scheme. Pension 1 2-3 consists of three layers. Each of these gives you more information, ranging from the most important features in layer 1 up to detailed information in layer 3. Layer 3 also includes documents such as these Pension Regulations.
Pension entitlement	The right to a pension that has not yet commenced.
Pension agreement	The agreement between you and the employer regarding this pension scheme.

Pension right	The right to a pension that has commenced.
Pension scheme	The pension scheme as described in your pension agreement.
Divorce	<p>Divorce is taken to mean:</p> <ul style="list-style-type: none"> - Divorce proper; - Dissolution of the marriage after legal separation. - Termination of a partnership other than due to death, missing person, or conversion of a partnership into a registered partnership or marriage. - Termination of a registered partnership other than due to death, missing person, or conversion of a registered partnership into marriage.
Execution Agreement	The agreement between you and the employer regarding the implementation of this pension scheme.
Employee	The person who performs work for an employer in accordance with an employment agreement under civil law.
Employer	The company or organisation for which you perform work in accordance with an employment agreement under civil law.

Annex 2 Conditions of insurance of disability

1. Definitions

Disability

In these conditions a person is disabled if he/she is disabled for at least 35% in accordance with the WIA or WAO and receives a WIA benefit or a WAO benefit.

First sick day

The first sick day is the first working day on which the participant does not work or has stopped working during working hours because he or she is sick. However we will in all cases start from the day stated by the Employee Insurance Agency [*UWV*] in the decision.

Pension Insurance

These are the insurance policies which the employer, in combination with this disability insurance, has taken out with us for the insurance of the pension scheme.

Premium

The amount which, in accordance with the Execution Agreement, the employer must pay in one go or periodically.

Insurance

The insurance of a waiver of premium in the event of disability, taken out by the employer in combination with the pension insurance.

UWV

The Employee Insurance Agency [*Uitvoeringsinstituut Werknemersverzekeringen*].

WIA

Work and Income Capacity for Work Act [*Wet Werk en Inkomen naar Arbeidsvermogen*].

WAO

Invalidity Insurance Act [*Wet op de arbeidsongeschiktheidsverzekering*]

If reference is made in these conditions to the WIA it also includes the WAO.

2. Commencement and termination of the waiver of premium

The waiver of the premium commences on the day on which the benefit under the WIA commences.

The waiver of the premium terminates as soon as the right to benefit under the WIA terminates. The waiver of premium will under no circumstance continue after the first day of the month in which the participant reaches the age of 68.

3. Extent of the waiver of premium

We determine the waiver of premium in accordance with the new degree of disability. The waiver of premium is granted in accordance with the table agreed by the employer. The participant can find the table in the Pension Regulations.

The degree of disability is established on the basis of the data the UWV has provided to us digitally.

The waiver of premium is determined on the basis of the salary and the premiums that apply for the pension insurance on the day prior to commencement of the WIA benefit and also on the basis of the salary and premiums relating to a salary increase that we consider reasonable. By this we mean to a salary increase that leads to an increase of the insurance and which has been agreed with the employer within 104 weeks prior to the commencement of the WIA benefit.

4. Increase or decrease of the disability

The waiver of premium can be adjusted if the degree of disability increases or decreases to such an extent that a different percentage from the table in the Pension Regulations starts to apply. This adjustment can be an increase, a decrease, or a cancellation of the waiver of premium.

The adjustment takes effect on the day on which the degree of disability changes.

In the case of a decrease or withdrawal of the waiver of premium, a paid-up policy can be created for the insurance. This is done if the employer is no longer obligated to pay the premium for that part of the pension insurance. Conversion into non-contributory means that the pension accrual will stop and that the insurance policies on a risk basis will lapse.

5. Granting the waiver of premium again after temporary fitness for work

If a participant is fully fit for work again, the waiver of premium ceases. However, if the participant becomes disabled again, the waiver of premium can be granted again. This is subject to the following conditions:

- the participant still has an employment agreement with the employer;
- the Execution Agreement between the employer and us has not yet been terminated or made non-contributory;
- we determine the waiver of premium in accordance with the new degree of disability.

6. Exclusions

In addition to other restrictions and exclusions in accordance with the Execution Agreement, the following restrictions and exclusions also apply in the event of disability.

We do not grant a waiver of premium if the disability and/or the aggravation of the disability is the result of:

- intent, gross negligence, or gross recklessness on the part of the participant;}
- war or an act of war;
- a nuclear reaction except if applied for medical treatment.

We do not grant a waiver of premium, or a partial waiver of premium, if the participant is not entitled, or only partially entitled, to a WIA benefit pursuant to:

- Section 43. 'Grounds for exclusion' in the WIA; or
- 'Measures UWV', in accordance with the provision 'Measures own-risk bearer'.

We terminate or reduce the waiver of premium if the participant obstructs or delays his or her recovery.

7. Existing risk and run-off risk

No cover for disability exists if:

- the participant was already fully or partially disabled at the time the employer took out the insurance. For the waiver of premium we will then only effectuate insurance for the partially disabled participant for the portion that he or she is fit for work;
- the participant was not yet disabled but was already sick at the time the employer took out the insurance. This sickness must have caused the disability. For the waiver of premium we will then only effectuate insurance for the partially disabled participant for the portion that he or she is fit for work. If the participant is sick but has periods during which he or she is not sick, we can consider this as a single period of sickness. We will do so if the periods of not being sick are shorter than 28 calendar days;
- the first sick day is after the insurance has ended.

On termination of the disability insurance, the insurance will continue to apply for participants whose first sick day was before the termination of the insurance. However, if they are subsequently not sick for a period of 28 days, the insurance for disability will still lapse.

The insurance applies for as long as the participant is disabled, but until no later than the situations stated in 2 'Commencement and termination of the benefit'. An increase in disability after termination of the insurance is not insured.

8. Obligations

The employer and the participant must comply with the statutory obligations laid down, *inter alia*, in the Eligibility for Permanent Incapacity Benefit (Restrictions) Act [*Wet verbetering poortwachter*], the Working Conditions Act [*Arbeidsomstandighedenwet*] and the Work and Income Capacity for Work Act [*WIA*]. This applies in the sick period prior to the disability and during the disability.

After the waiver of premium has been granted, the employer and the participant are required to:

- provide us with all data and information that we request in order to assess the disability;
- notify us if the participant changes his/her address.

9. Prevention and reintegration

The employer is obliged to have an adequate absenteeism, inspection, and reintegration policy in place. We may conduct an investigation into the absenteeism and any possibilities for reintegration. To that end, the employer is required to provide us with the authorisations and information that we request. The employer must also provide us with the name and address details of the participant in order for us to be able to ask him or her to provide us with data and/or an authorisation.

10. Noncompliance with obligations

If the employer or the participant fails to comply with any of the above obligations, we will not grant any waiver of premium, or will withdraw the waiver.

If we withdraw the waiver of premium, the employer is required to pay us any premiums that were wrongly not paid in connection with the disability.

If the employer fails to comply with any of the above obligations, the employer will be required to compensate us for the financial consequences.

11. Amendment of the WIA

These conditions are based, *inter alia*, on the text of the WIA as of 1 January 2006. An amendment of the WIA and/or another piece of legislation or government measure will apply automatically unless we notify the employer in writing that we will not apply it. We are required to send such notification within six months after the amendment comes into force.

12. Termination of the insurance

The insurance ceases:

- as soon as the employer or we terminate the insurance or convert it into non-contributory. This also applies if the employer or we terminate the pension insurance in combination with which the employer took out this insurance;
- as soon as the participant for whom the insurance was taken out leaves the employer's service;
- if the employer does not accept an amendment as referred to in the 'Adjustments and notice of termination' section of the Execution Agreement.

After termination of the insurance, we will repay any prepaid part of the premium. This does not apply in the event that the participant has died.

If the insurance ceases, a waiver of premium that was granted can continue. This only takes place if the first sick day is before the end of the insurance and the sickness resulted in the disability. The waiver of premium ceases on the date stated in 2 'Commencement and termination of the benefit'. No account is taken of any increase in disability.

13. Exchange of information

We determine the waiver of premium in accordance with your degree of disability. In applying the conditions for a waiver of premium, we initially base ourselves on the information provided to us digitally by the UWV. If that information is insufficient, we will request additional information from you, your employer, or the UWV.

If you were already disabled before you became a participant in this pension scheme in accordance with these Pension Regulations then we may base ourselves for that period on the waiver of premium conditions that applied at the point when you became disabled.