

# Transition Plan

New pension scheme with an insurer or defined contribution pension institution (no use of non-retroactive effect)

Company name and date

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The transition plan was prepared by [werkenaanonspensioen.nl](http://werkenaanonspensioen.nl) and is endorsed by:

# Transition plan

The transition plan substantiates why the transition (and thus the set of choices made) will lead to a well-balanced transfer to the new pension system. In the consultations on the terms and conditions of employment, choices will be made regarding the transition to an age-independent contribution scheme and on how to deal with the accrued pension entitlements. The transition plan provides insight into the choices made and how they relate to each other.

The transition plan contains the justification for why the particular setup of the new pension scheme was chosen, how accrued pension entitlements will be dealt with and why the transition is well-balanced. The transition plan should reflect both the decision-making process and the end result. This involves not only including the end result – the choices made – of the consultations between the employer(s) and employees (or their representatives), but also describing the considerations that led to these choices. This means, among other things, that information should be provided on the advantages and disadvantages of the various options and on the considerations, which are supported by calculations where applicable.

The transition plan is an important information document for employees and, if applicable, the works council, employee representation or staff meeting. The insurer or defined contribution pension institution will also use the transition plan to convert and administer the new pension scheme. The employer is ultimately responsible for the content and for the timely and complete delivery of the transition plan.

There are a number of issues that must be developed in the transition plan. For instance, the choice for a pension scheme must be explained, the effects of the transition to the new pension scheme must be mapped out for each age cohort, any compensation arrangements must be laid down, and the fact that the transition as a whole is well-balanced must be substantiated. These components of the transition plan that are required by law are detailed in the various chapters of this template.


As each company is unique, each chapter contains a field where an additional explanation may be given. Underlying calculations and other relevant documents may be attached as appendices. The chapters contain fields where reference can be made to appendices.


There is no prescribed form for the transition plan. This template has been prepared by the werkenaanonspensioen.nl partnership with the aim of facilitating consultations on the terms and conditions of employment in the context of the transition to the new pension system. This template is intended for employers who are placing the new pension scheme with an insurer or defined contribution pension institution and are not availing themselves of the non-retroactive effect.


The Labour Foundation, the Ministry of Social Affairs and Employment, the Association of Insurers, Adfiz, the Confederation of Netherlands Industry and Employers (VNO-NCW), the Royal Association MKB-Nederland, the Netherlands Agricultural and Horticultural Association (LTO-Nederland), FNV, CNV, the Trade Union Federation for Professionals (VCP) and the Dutch Federation of Pension Funds were involved in drafting the template and endorsing its content. Read more about the transition plan at [werkenaanonspensioen.nl](http://werkenaanonspensioen.nl).

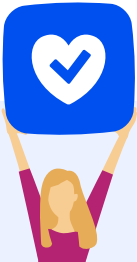
**Disclaimer:** *This template has been compiled with due care. We look forward to hearing your experiences and will release a new version in the autumn, if necessary.*


## Chapters

- 

**1 General details**  
Enter contact and other details of the parties involved, starting position, and date of transition to the new pension scheme.  
[Go to chapter >](#)
- 

**2 Choice of contract and pension scheme setup**  
A substantiation of the choice of contract and an overview of the characteristics of the current and new pension schemes.  
[Go to chapter >](#)
- 

**3 Basic principles and objectives of the transition**  
An explanation of the basic principles and objectives for a well-balanced transition.  
[Go to chapter >](#)
- 

**4 Well-balanced transition**  
Insight into the transition effects and substantiation of the fact that the set of choices made is well-balanced  
[Go to chapter >](#)
- 

**5 Signature**  
Status of change process under employment law and signature.  
[Go to chapter >](#)

# 1. General details

Enter the contact and other details of your company, the employees (or their representatives), the adviser and the administrator of your pension scheme. If you have multiple pension schemes, please specify them and state for which scheme you are preparing this transition plan. This template has been prepared for a single pension scheme. This template may be helpful in the case of multiple schemes, but the different schemes should be considered in conjunction.

## Company

Company name

Contact person

Contact details (telephone and e-mail)

Company size (number of employees)

**i** Sector (SIC)

## Employees (or their representatives)

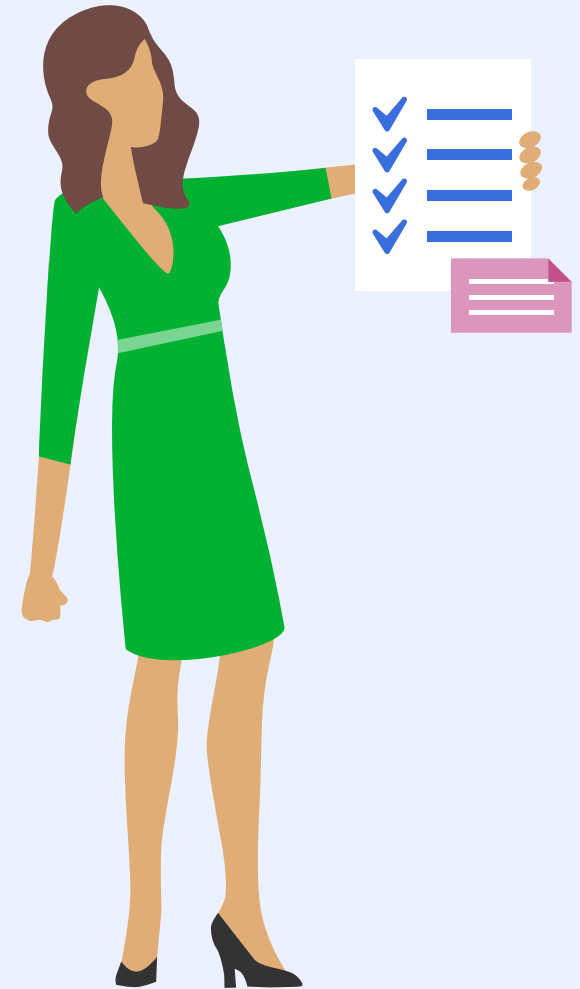
Who is/are involved in the consultations on the terms and conditions of employment on behalf of the employees?

## Adviser

Agency

Contact person/adviser

Contact details (telephone and e-mail)



# 1. General details

## **i** Pension administrator

Name(s) of pension administrator(s) of current pension scheme(s)

## **i** Name of pension administrator of new pension scheme(s)

Is any pension scheme exempt?

If so, from which sectoral pension fund?

Is any pension scheme based on an obligation under a collective bargaining agreement?

If so, what collective bargaining agreement?

## **Transition plan**

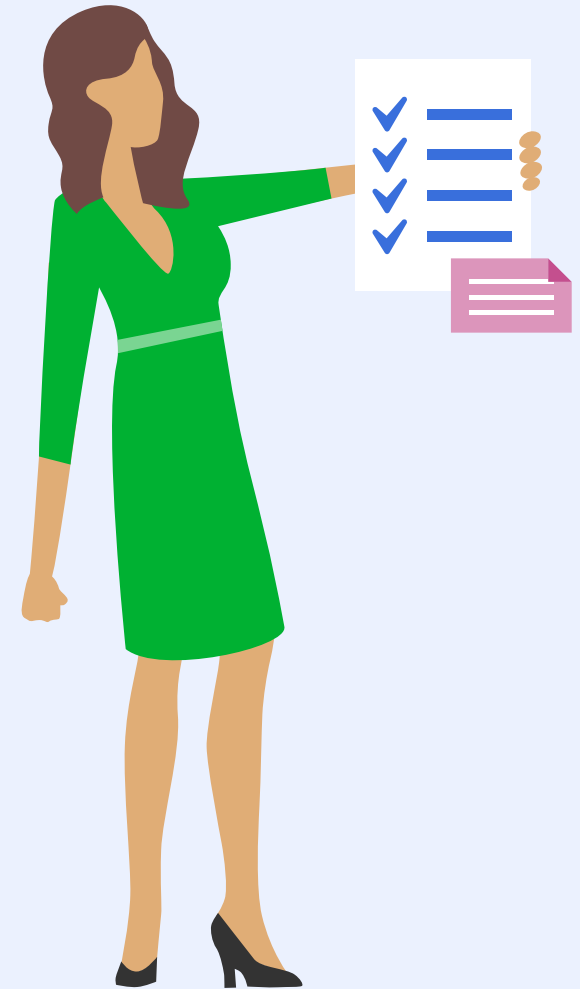
## **i** Does the company have multiple pension schemes in place?

## **i** Which pension scheme does this transition plan pertain to?

## **i** Have other transition plans been drawn up that relate to your company?

## **Date of transition**

## **i** On which date will the new pension scheme come into effect?

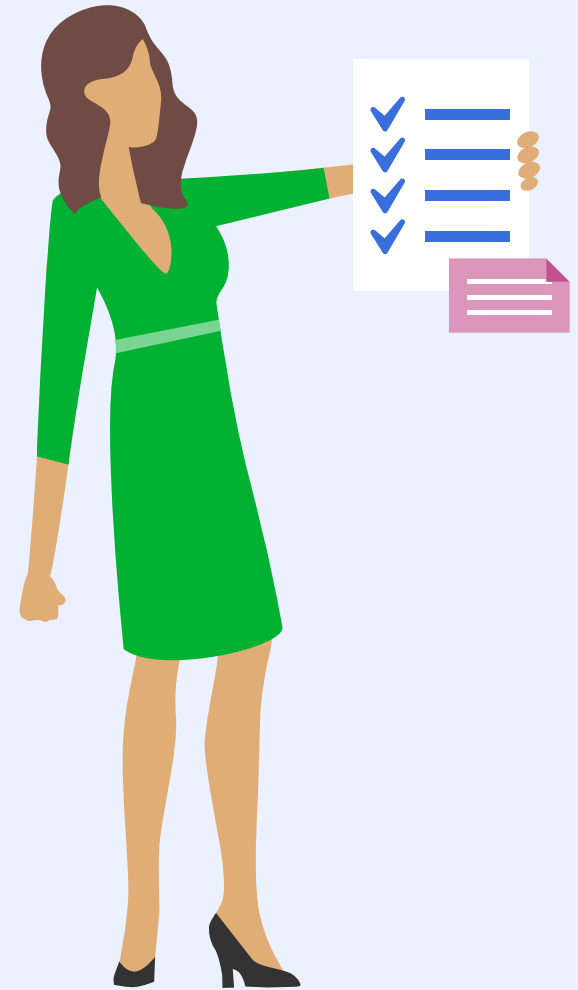


# 1. General details

## **i** Explanation and Appendices

Field for additional explanation, such as an explanation of the process/coordination between employer(s) and employees (or their representatives).

## **i** Appendices



# 1. Information on general details

## Sector (SIC)

An SIC code – or Standard Industrial Classification code – is a 4- or 5-digit number that indicates a company's activity. An overview and explanation can be found on the Chamber of Commerce [website](#). Multiple codes may apply and any additional activities may be explained.

## Name(s) of pension administrator(s) of current pension scheme(s)

Name(s) of the pension administrator(s) (pension fund, insurer, defined contribution pension institution) entrusted with the administration of the current pension scheme. If the company has multiple pension schemes in place, such as a basic scheme and a top-up scheme, name all pension schemes and the pension administrator(s).

## Name of pension administrator of new pension scheme(s)

Name(s) of the pension administrator(s) (insurer, defined contribution pension institution) that will be entrusted with the administration of the new pension scheme. If the company has multiple pension schemes in place, such as a top-up scheme besides the basic scheme, name all pension schemes and the pension administrator(s).

## Is any pension scheme exempt? If so, from which sectoral pension fund?

Participation in a sectoral pension fund is obligatory in many industries. Employers may be released from the membership obligation. This is referred to as an “exemption”. The conditions for exemption and membership of a sectoral pension fund have been laid down in the Sectoral Pension Fund (Obligatory Membership) Act 2000 and the Sectoral Pension Fund (Obligatory Membership) Act 2000 (Exemptions and Penalties) Decree. If possible, please attach the exemption decision as an appendix to this chapter.

## Is any pension scheme based on an obligation under a collective bargaining agreement? If so, what collective bargaining agreement?

The pension scheme or its outlines may have been agreed in a collective bargaining agreement. If an employer is bound by a collective bargaining agreement, the collective bargaining agreement – and thus the pension scheme arrangements – must be complied with.

## Which pension scheme does this transition plan pertain to?

The transition plan must be sent to the pension administrator of the new pension scheme. Please note: This template is intended for the administration of the new pension scheme by an insurer or defined contribution pension institution not utilising the **non-retroactive effect**.

## Have other transition plans been drawn up that relate to your company?

An example of this might be a transition plan prepared for a basic scheme entrusted to a compulsory sectoral pension fund, drawn up by employer organisations and trade unions. A brief explanation can be given below. If so desired, you may attach the transition plan as an appendix. On which date will the new pension scheme come into effect? Please state the effective date of the new pension scheme here.

## Explanation and Appendices

Every situation is unique. An additional explanation can be given in this field.

## Appendices

If applicable, here you may refer to appendices you wish to add to Chapter 1, such as a transition plan if the basic scheme is administered elsewhere. Tip: Number the appendices, so that the appendices to the different chapters form a chronological whole.

## 2. Choice of contract and pension scheme setup

The identification of what will change for which employees or groups of employees as a result of the transition to a new pension scheme requires an understanding of the current and new pension schemes. After explaining the choice of contract and the setup of the new pension scheme, the characteristics of the current and new pension schemes are positioned side by side.

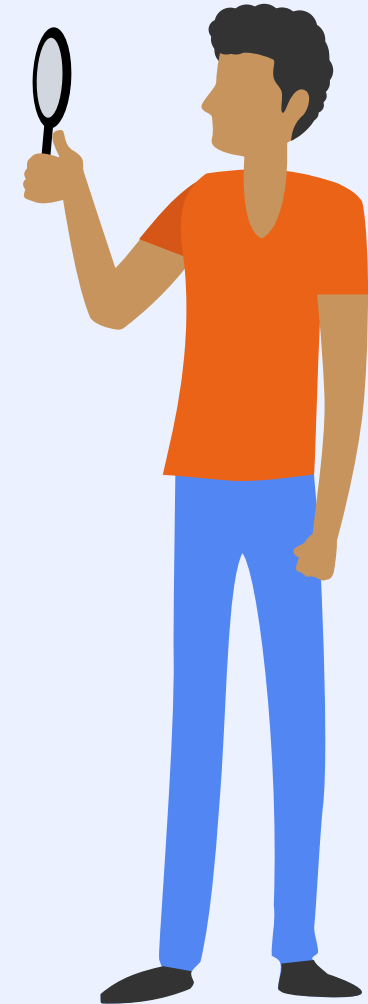
### Choice and pension scheme setup

Has a flexible contribution scheme or a contribution benefit scheme been chosen?

#### **i** Choice for defined contribution scheme and considerations

- i** If the flexible contribution scheme has been chosen, is the option of setting up a risk sharing reserve used? If so, what are the purposes of the risk sharing reserve and the arrangements made?

- i** How is the benefit phase set up?



## 2. Choice of contract and pension scheme setup

### Current pension scheme

- i** What is the nature of the current pension scheme?
  - Defined benefit agreement
  - CDC scheme
  - Defined contribution scheme with age-dependent contribution
  - Defined contribution scheme with flat contribution
  - Capital agreement
  
- i** If the current pension scheme is a defined benefit agreement, what is the accrual rate of the old-age pension and the survivor's pension after the retirement date?
  
- i** If the current pension scheme is a defined contribution scheme, what is the contribution rate or contribution scale?

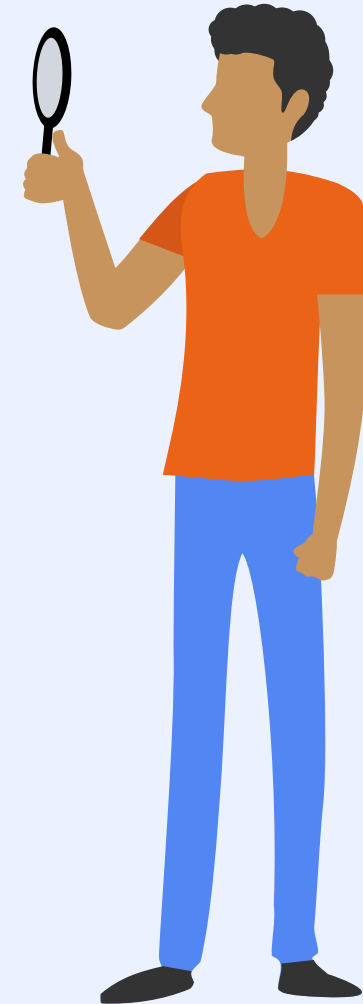
Flat contribution

Contribution scale

Age	Contribution %	Leeftijd	Contribution %
15-19		45-49	
20-24		50-54	
25-29		55-59	
30-34		60-64	
35-39		65-	
40-44			

### New pension scheme?

- i** What type of pension scheme has been chosen for the new pension scheme?
  - Flexible contribution scheme
  - Contribution benefit scheme
  
- i** What is the contribution rate for the accrual of old-age pension and partner's pension on or after the retirement date?





## 2. Choice of contract and pension scheme setup

### Current pension scheme

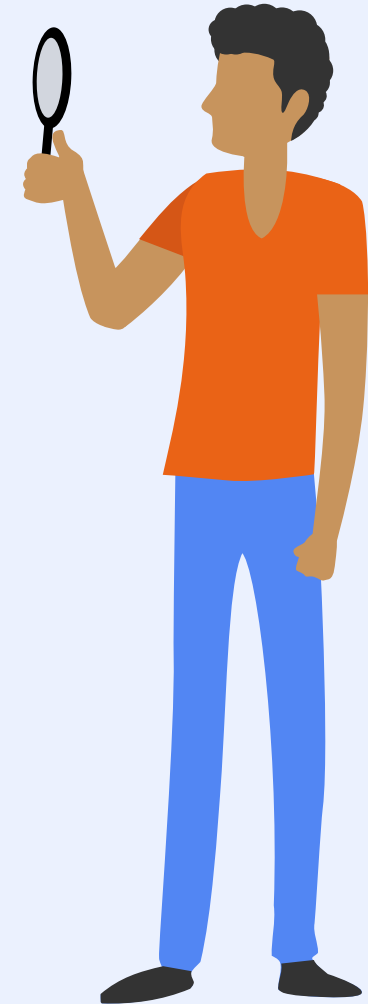
What is the distribution of contributions between the employer and the employee in the current pension scheme/what is the employee's personal contribution?

- i** If the current pension scheme is a defined contribution scheme, is it possible to use the contribution (investment capital) for a guaranteed benefit (capital) in the interim?
- i** What is the definition of pensionable salary in the current pension scheme?
- i** What is the maximum pensionable salary in the current pension scheme?
- i** What is the deductible for the old-age pension in the current pension scheme?
- i** What is the deductible for the survivor's pension in the current pension scheme?

### New pension scheme?

What is the distribution of contributions between the employer and the employee in the new pension scheme/what is the employee's personal contribution?

- i** What is the definition of pensionable salary in the new pension scheme?
- i** What is the maximum pensionable salary in the new pension scheme?
- i** What is the deductible for the old-age pension in the new pension scheme?
- i** What is the deductible for the survivor's pension in the new pension scheme?



## 2. Choice of contract and pension scheme setup

### Current pension scheme

- i** Is partner's pension before the retirement date part of the current pension scheme?
  - Yes, on a risk basis
  - Yes, on an accrual basis
  - No
- i** What is the definition of partner in the current pension scheme?

What is the level/rate of the partner's pension before the retirement date in the current pension scheme?

Is there an annual increase, fixed or otherwise, in the partner's pension benefit or does it remain the same?  
In case of an increase, how is it indexed?

- i** Does the current pension scheme feature a specified or unspecified partner's pension?

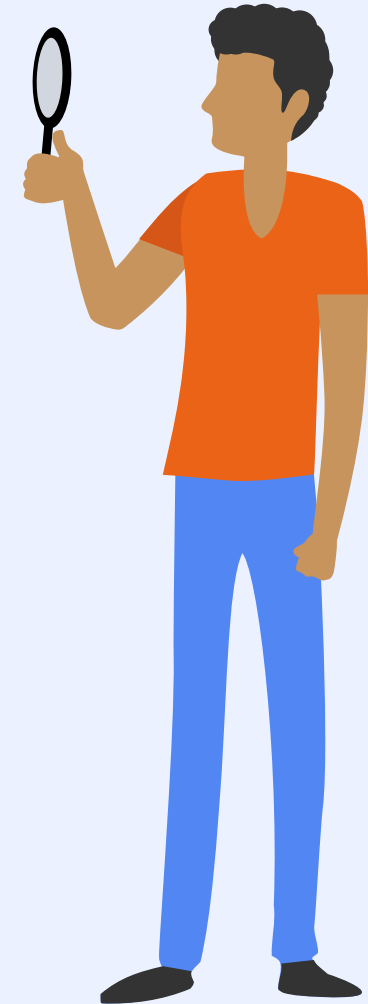
### New pension scheme?

- i** Is partner's pension before the retirement date part of the new pension scheme?
  - Yes (always on a risk basis)
  - No
- i** Under the new pension system, a uniform partner concept applies. No explanation necessary.

- i** What percentage of the pensionable salary is insured for the partner's pension before the retirement date in the new pension scheme?

Is there an annual increase, fixed or otherwise, in the partner's pension benefit or does it remain the same?  
In case of an increase, how is it indexed?

- i** Does the new pension scheme feature a specified or unspecified partner's pension?



## 2. Choice of contract and pension scheme setup

### Current pension scheme

- i** Is Surviving Dependants Act shortfall insurance (surviving dependants' bridging pension) part of the current pension scheme?
  - Yes, mandatory
  - Yes, voluntary opt-in
  - Yes, voluntary opt-out
  - No

What is the insured amount of the Surviving Dependants Act shortfall? Does this involve a fixed increase in the annual benefit and, if so, at what rate?

- i** Is an orphan's pension part of the current pension scheme?
  - Yes, on a risk basis
  - Yes, on an accrual basis
  - No

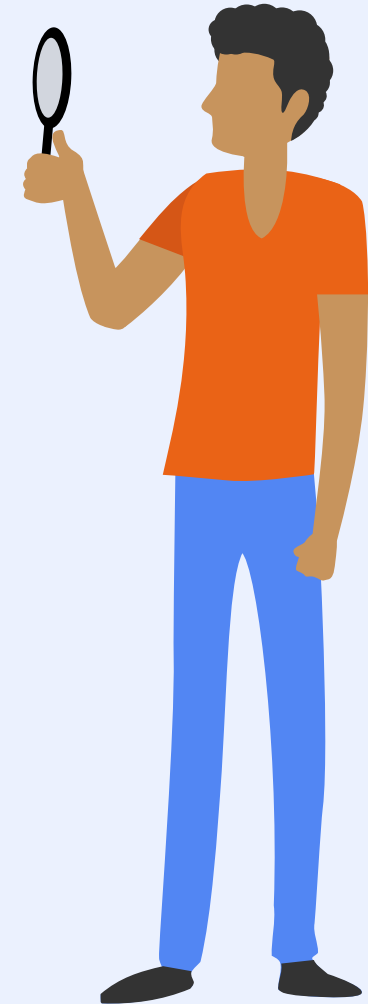
### New pension scheme?

- i** Has a choice been made for the standard 3-month runoff period or has it been extended to a 6-month runoff period?
  - 3 months
  - 6 months
- i** Are there any restrictions on the duration and size of the pension capital that can be used to finance the risk premium for the voluntary continuation of risk cover for the survivor's pension after the runoff period?

- i** Is Surviving Dependants Act shortfall insurance (surviving dependants' bridging pension) part of the new pension scheme?
  - Yes, mandatory
  - Yes, voluntary opt-in
  - Yes, voluntary opt-out
  - No

What is the insured amount of the Surviving Dependants Act shortfall? Does this involve a fixed increase in the annual benefit and, if so, at what rate?

- i** Is an orphan's pension part of the new pension scheme?
  - Yes (always on a risk basis)
  - No



## 2. Choice of contract and pension scheme setup

### Current pension scheme

What is the ceasing age of the orphan's pension (standard and when extended, e.g. when following a course of study)?

What percentage of the pension basis or of the partner's pension is insured for the orphan's pension? Does this involve an increase, fixed or otherwise, in the annual benefit or does it remain the same? In case of an increase, how is it indexed?

- i** Is exemption from contribution payments in case of incapacity for work part of the current pension scheme?

Yes  
No

If exemption from contribution payments in case of incapacity for work is part of the current pension scheme, how is this implemented?

In line with Employee Insurance Agency UWV  
In another way

Is an incapacity for work pension part of the current pension scheme?

Yes, WIA shortfall insurance for partial invalidity with specific term  
Yes, WGA shortfall, basic  
Yes, WGA shortfall, enhanced  
Yes, WIA top-up up to max. daily wage  
Yes, WIA top-up above max. daily wage  
No

### New pension scheme?

If the orphan's pension is part of the pension scheme, the orphan's pension is insured up to a fixed age of 25 years by default. No explanation necessary.

- i** What percentage of the salary or of the partner's pension is insured for the orphan's pension? Does this involve an increase, fixed or otherwise, in the annual benefit or does it remain the same? In case of an increase, how is it indexed?

- i** Is exemption from contribution payments in case of incapacity for work part of the new pension scheme?

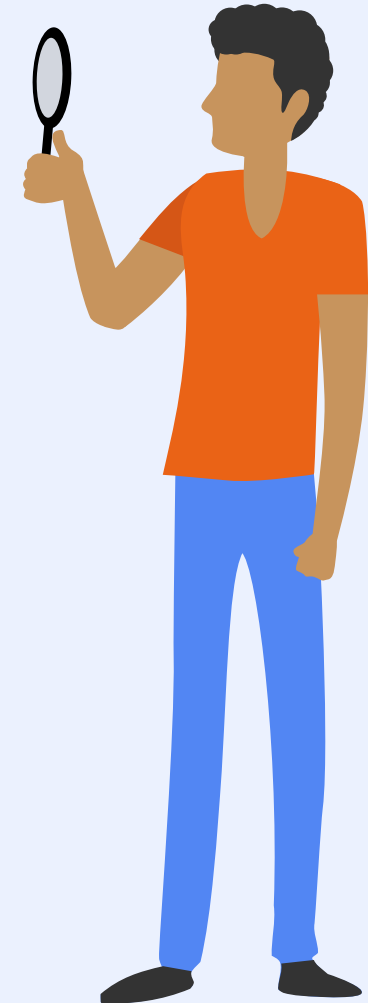
Yes  
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Yes, WGA shortfall, enhanced  
Yes, WIA top-up up to max. daily wage  
Yes, WIA top-up above max. daily wage  
No



## 2. Choice of contract and pension scheme setup

### Current pension scheme

Is there an option in the current pension scheme for additional contributions/supplementary contributions?

- i** Does the current pension scheme include a net pension scheme?
  - Yes, for old-age pension
  - Yes, for old-age pension and survivor's pension
  - Yes, for survivor's pension
  - No

- i** Is voluntary continuation part of the current pension scheme?
  - Yes
  - No

What flexibility options are offered by the current pension scheme? Tick these below.

- Part-time retirement
- High/low pension
- Low/high pension
- Bringing forward the retirement date
- Postponing the retirement date
- Other

- i** Does the current pension scheme contain transitional arrangements? If so, please specify.

### New pension scheme?

Is there an option in the new pension scheme for additional contributions/supplementary contributions?

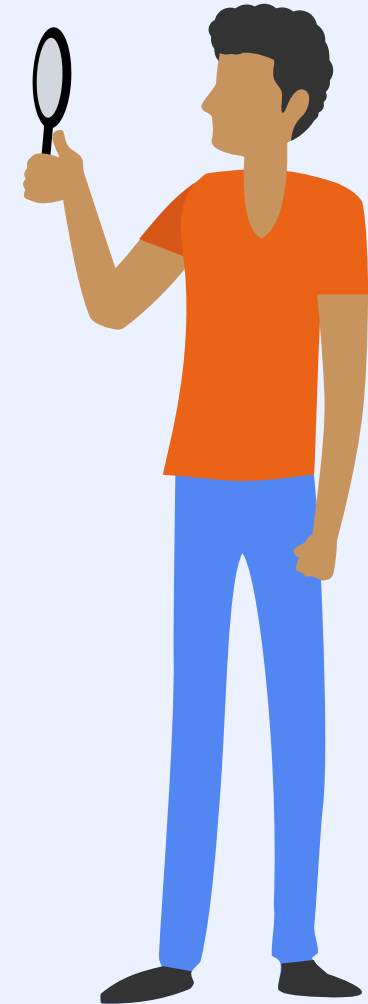
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  - Yes, for survivor's pension
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- Postponing the retirement date
- Other

- i** Does the new pension scheme contain transitional arrangements? If so, please specify.



## 2. Choice of contract and pension scheme setup

### Current pension scheme

#### Explanation and Appendices

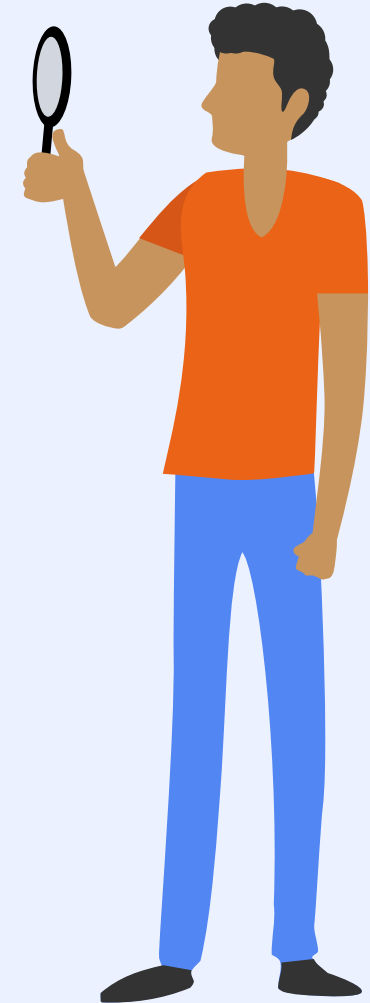
**i** Field for additional explanation

**i** Appendices

### New pension scheme?

**i** Field for additional explanation

**i** Appendices



## 2. Choice of contract and pension scheme setup

### Choice for defined contribution scheme and considerations

Indicate why the flexible contribution scheme or the contribution benefit scheme has been chosen. Substantiate the choice, detailing the considerations (pros and cons) and stating the decisive factors that resulted in the choice made. Click here for an overview of the differences between the various defined contribution schemes.

### If the flexible contribution scheme has been chosen, is the option of setting up a risk sharing reserve used? If so, what are the purposes of the risk sharing reserve and the arrangements made?

The **risk sharing reserve** is not mandatory. It is up to the employer (or its representatives) and employees (or their representatives) to decide whether to set up a risk sharing reserve and establish the purposes of the reserve. If a risk sharing reserve has been chosen, please state the purposes of the reserve. The rules of addition and distribution will also have been considered (including any initial deposit into the risk sharing reserve), as well as the desired and maximum size and how to deal with an empty or full risk sharing reserve.

### How is the benefit phase set up?

Is the **variable or fixed benefit** the standard option for the benefit phase at the insurer? Is there an allocation collective? If so, please explain. Click [here](#) for more information.

### What is the nature of the current pension scheme?

There are different types of pension agreement. The benefit is the main factor in the **defined benefit agreement**. In a **defined contribution scheme**, the contribution is the main factor and the amount of the benefit is more uncertain. Capital is the main factor in a capital agreement.

### If the current pension scheme is a defined benefit agreement, what is the accrual rate of the old-age pension and the survivor's pension after the retirement date?

The accrual rate is the percentage of the **pension basis** that is annually added to the old-age pension/survivor's pension. The accrual rate is stated in the pension scheme rules.

### If the current pension scheme is a defined contribution scheme, what is the contribution rate or contribution scale?

In a **defined contribution scheme**, the contribution is the main factor. This can be either a fixed contribution rate (a flat contribution) or an age-dependent **contribution scale**. The flat contribution or contribution scale is stated in the pension scheme rules. If a contribution scale is applied, please write it out completely and indicate whether the survivor's pension after the retirement date is part of the contribution or the contribution scale.

### What type of pension scheme has been chosen for the new pension scheme?

Under the new pension system, only contribution schemes with an age-independent, i.e. flat, contribution are possible. Insurers and defined contribution pension institutions offer a choice between a flexible contribution scheme and a contribution benefit scheme. Which type of contribution scheme has been chosen for the new pension scheme? Read more about this choice [here](#).

### What is the contribution rate for the accrual of old-age pension and partner's pension on or after the retirement date?

This contribution rate only pertains to the contribution to the capital built up for the purchase of pension benefit(s) on the retirement date. All other cover (such as survivor's pension before the retirement date and incapacity for work pension) is subject to a risk premium on top of this contribution. [Click here](#) for a schematic overview of the contribution components.

### If the current pension scheme is a defined contribution scheme, is it possible to use the contribution (investment capital) for a guaranteed benefit (capital) in the interim?

Does the pension scheme offer the option to purchase a guaranteed benefit during the accrual phase? Please indicate whether this option is part of the pension scheme and state any conditions.

### What is the definition of pensionable salary in the current pension scheme?

Which wage components are part of the pensionable salary?

### What is the maximum pensionable salary in the current pension scheme?

The maximum pensionable salary is the gross salary, or the part of the gross salary, on which – after deduction of the old-age pension **deductible** — a tax-efficient supplementary pension may be accrued. This maximum amount or a lower amount may be included in the pension scheme as the maximum pensionable salary.

### What is the deductible for the old-age pension in the current pension scheme?

The **deductible** is the part of the salary on which an employee does not accrue supplementary pension.

### What is the deductible for the survivor's pension in the current pension scheme?

The **deductible** is the part of the salary on which an employee does not accrue supplementary pension.

### What is the distribution of contributions between the employer and the employee in the new pension scheme/what is the employee's personal contribution?

Please indicate the distinction between the basic contribution and the risk premiums. Click [here](#) for a schematic overview of the contribution components.

## 2. Choice of contract and pension scheme setup

### What is the definition of pensionable salary in the new pension scheme?

Which wage components are part of the pensionable salary?

### What is the maximum pensionable salary in the new pension scheme?

The maximum pensionable salary is the gross salary, or the part of the gross salary, on which – after deduction of the **old-age pension deductible** — a tax-efficient supplementary pension may be accrued. This maximum amount or a lower amount may be included in the pension scheme as the maximum pensionable salary.

### What is the deductible for the old-age pension in the new pension scheme?

The **deductible** is the part of the salary on which an employee does not accrue supplementary pension.

### What is the deductible for the survivor's pension in the new pension scheme?

The amount of the survivor's pension is a percentage of the pensionable salary. This amount may also be expressed as a percentage of the pension basis. If this is the case, please state the **deductible** here.

### Is partner's pension before the retirement date part of the current pension scheme?

The partner's pension is part of the **survivor's pension**. The partner's pension is the pension benefit the partner receives on the employee's or former employee's death.

### What is the definition of partner in the current pension scheme?

Under the current pension system, pension schemes define the partner concept for unmarried cohabiting couples in a wide variety of ways. Please state the definition of partner in the current pension scheme.

### Does the current pension scheme feature a specified or unspecified partner's pension?

For a specified partner's pension, the identity of the insured partner must be clear at the time of insurance. Without this information, the partner is not insured for a specified partner's pension and this pension cannot be claimed.

### Is partner's pension before the retirement date part of the new pension scheme?

The partner's pension is part of the **survivor's pension**. The partner's pension is the pension benefit the partner receives on the employee's death and is on a risk basis by default.

### Under the new pension system, a uniform partner concept applies. No explanation necessary.

The uniform partner concept covers the spouse, registered partner or adult person who runs a joint household with the employee or the former employee, unless this concerns a blood relative in

the first degree, a blood relative in the second degree in the direct line, an adult stepchild or an adult former foster child. Read more [here](#).

### What percentage of the pensionable salary is insured for the partner's pension before the retirement date in the new pension scheme?

The partner's pension cover is a maximum of 50% of the most recent pensionable salary.

### Does the new pension scheme feature a specified or unspecified partner's pension?

A specified partner's pension does not provide the option to submit a partner declaration after death, as a specified partner's pension requires that the identity of the insured partner be clear at the time of insurance. Without this information, the partner is not insured for a specified partner's pension and this pension cannot be claimed.

### Is Surviving Dependents Act shortfall insurance (surviving dependants' bridging pension) part of the current pension scheme?

Surviving Dependents Act shortfall insurance covers all or part of the income loss that arises if no benefit, or only a partial benefit, is paid under the Surviving Dependents Act. 'Opt-out' means that an employee is automatically registered and 'opt-in' means that the employee needs to register to insure the risk.

### Is an orphan's pension part of the current pension scheme?

The orphan's pension is part of the **survivor's pension**. The orphan's pension is the pension benefit the child/children receive(s) on the employee's or former employee's death.

### Has a choice been made for the standard 3-month runoff period or has it been extended to a 6-month runoff period?

A runoff period means that, in the event of death before the retirement date, the former pension administrator continues the risk cover for the survivor's pension for 3 months from the end of employment. A 6-month runoff period may be chosen instead of the mandatory 3-month runoff period. Read more [here](#).

### Are there any restrictions on the duration and size of the pension capital that can be used to finance the risk premium for the voluntary continuation of risk cover for the survivor's pension after the runoff period?

Part of the pension capital accrued may be exchanged for a continuation of risk cover for the survivor's pension before the retirement date after the end of the runoff cover or unemployment benefit/sickness benefit period. The risk premium needed to continue the risk cover is funded from the pension capital accrued. The pension scheme provides the option to limit the duration of the voluntary continuation (with a minimum of 15 years) and/or to cap the funding from the old-age pension. Read more [here](#).



## 2. Choice of contract and pension scheme setup

### Is Surviving Dependants Act shortfall insurance (surviving dependants' bridging pension) part of the new pension scheme?

Surviving Dependants Act shortfall insurance covers all or part of the income loss that arises if no benefit, or only a partial benefit, is paid under the Surviving Dependants Act. 'Opt-out' means that an employee is automatically registered and 'opt-in' means that the employee needs to register to insure the risk.

### Is an orphan's pension part of the new pension scheme?

The orphan's pension is part of the **survivor's pension**.

The orphan's pension is the pension benefit the child/children receive(s) on the employee's death.

### Is exemption from contribution payments in case of incapacity for work part of the current pension scheme?

Contribution exemption in case of incapacity for work is supplementary insurance that may be part of the pension scheme and that ensures that pension accrual is fully or partly continued in case of incapacity for work.

### What percentage of the salary or of the partner's pension is insured for the orphan's pension?

Does this involve an increase, fixed or otherwise, in the annual benefit or does it remain the same?

In case of an increase, how is it indexed?

The orphan's pension is a maximum of 20% of the most recent pensionable salary per child.

Read more [here](#).

### Is exemption from contribution payments in case of incapacity for work part of the new pension scheme?

Contribution exemption in case of incapacity for work is supplementary insurance that may be part of the pension scheme and that ensures that pension accrual is fully or partly continued in case of incapacity for work.

### Does the current pension scheme include a net pension scheme?

A **net pension scheme** may be agreed for the salary exceeding the maximum pensionable salary for tax purposes.

### Is voluntary continuation part of the current pension scheme?

Does the pension scheme offer the option to continue membership of the pension scheme after the end of employment?

### Does the new pension scheme include a net pension scheme?

A **net pension scheme** may be agreed for the salary exceeding the maximum pensionable salary for tax purposes.

### Is voluntary continuation part of the new pension scheme?

Does the pension scheme offer the option to continue membership of the pension scheme after the end of employment? See also Section 54 of the Pensions Act.

### Does the new pension scheme contain transitional arrangements? If so, please specify.

The transitional arrangements must also comply with the new laws and regulations. When determining the effects of the transition, the amendments to the transitional arrangements should also be considered, including any expiry of the arrangements.

### Field for additional explanation

As every situation is unique, an additional explanation can be given in the field below.

### Appendices

If applicable, here you may refer to appendices you wish to add to Chapter 2. Tip: Number the appendices, so that the appendices to the different chapters form a chronological whole.

### 3. Basic principles and objectives of the transition

In addition to a pension scheme that meets the requirements of the new Pensions Act, attention should also be paid to the transition from the current to the new pension scheme. It is important for the employer and employees (or their representatives) to specify their definition of a well-balanced transition and what objectives and basic principles they applied in the transition.

#### Basic principles and objectives of the transition

- 1 Why was the choice made to make a transition rather than utilise the transitional law/non-retroactive effect?

- 1 What are the objectives of the transition?



### 3. Basic principles and objectives of the transition

**i** What are the quantitative standards for assessing whether the objectives have been achieved? And what outcomes are acceptable?

**i** What priority rules apply to the objectives and standards?



### 3. Basic principles and objectives of the transition

#### Explanation and Appendices

**i** Field for additional explanation

**i** Appendices



## 3. Basic principles and objectives of the transition

### Why was the choice made to make a transition rather than utilise the transitional law/non-retroactive effect?

Here, you may explain the decision not to utilise the **non-retroactive effect**.

### What are the objectives of the transition?

It is important for the employer and employees (or their representatives) to specify their definition of a well-balanced transition and what objectives have been phrased as a result. These are the goals they pursue and focus on during the transition.

### What are the quantitative standards for assessing whether the objectives have been achieved? And what outcomes are acceptable?

This pertains to how the phrased objectives will be achieved in practice. For the objective 'equal outcomes in the pension expected', the net or gross benefit outcomes could serve as a quantitative standard, in which respect a choice could be made as to the outcome range that is considered well-balanced.

### What priority rules apply to the objectives and standards?

It is possible that not all objectives can be achieved to the same extent and/or completely. An example of two objectives that possibly cannot both be achieved is 'cost neutrality' and 'achieving equal outcomes in the pension expected'. Which objective has priority in such a case? Please indicate which priorities the employer and employees (or their representatives) applied when making choices.

### Explanation and Appendices

Field for additional explanation. As every situation is unique, an additional explanation can be given in the field below.

### Appendices

If applicable, here you may refer to appendices you wish to add to Chapter 3.

Tip: Number the appendices, so that the appendices to the different chapters form a chronological whole.

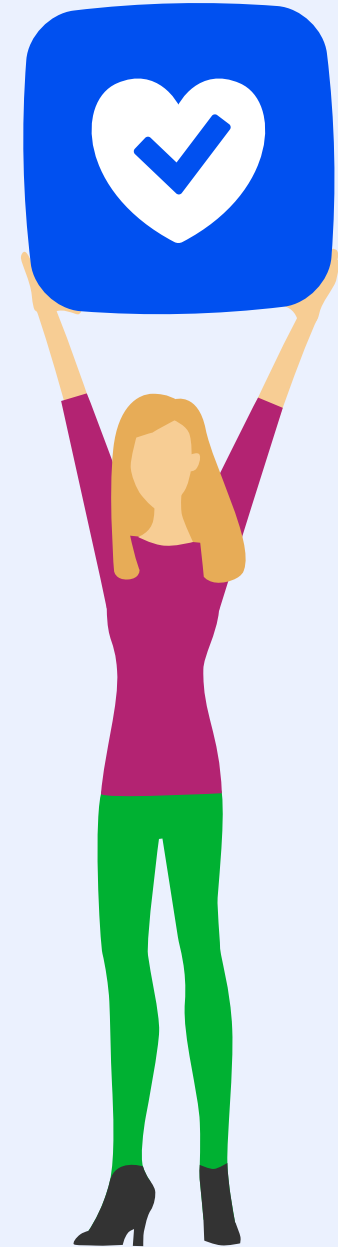
## 4. Well-balanced transition

No unambiguous and general well-balanced outcome of the transition can be specified in advance. As a result, the general principle is that the transition towards the new pension system as a whole should be well-balanced. The balance of the transition should be justified by means of the transition effects and compensation arrangements. The pension scheme changes, the switch to a flat contribution and the compensation arrangements should be examined in their entirety and assessed when substantiating the balance.

### Effects, compensation and balance

- i** Overview of effects for each age cohort.

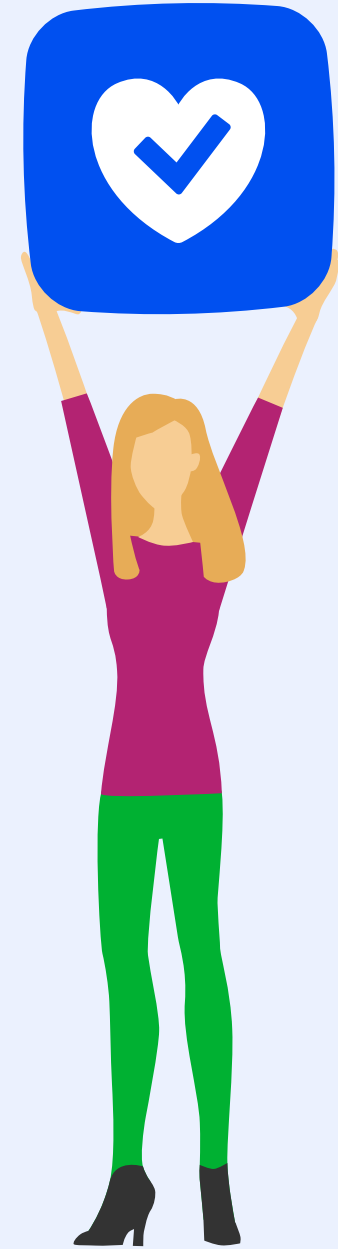
- i** How will accrued pension entitlements and rights be dealt with?



## 4. Well-balanced transition

**i** What compensation arrangements have been made?

**i** If compensation is provided, how will it be funded?



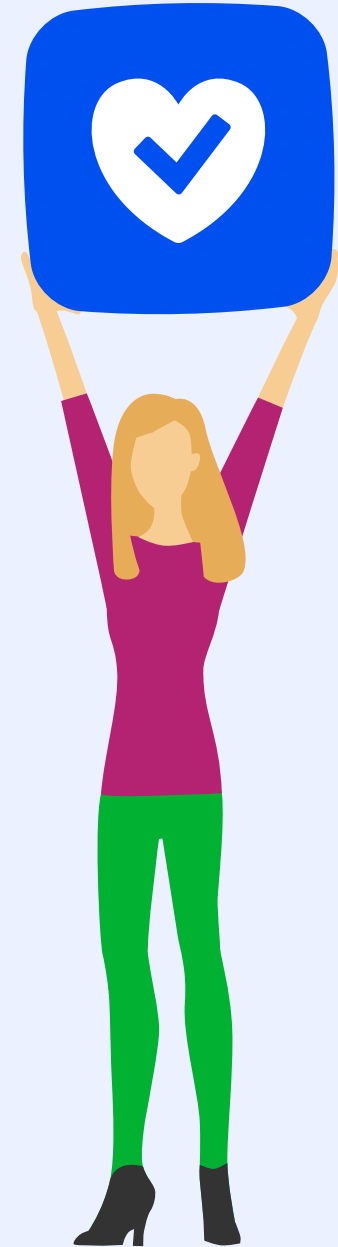
## 4. Well-balanced transition

- 1 Substantiate that the set of choices made will lead to a well-balanced transition.

### Explanation and Appendices

- 1 Field for additional explanation

- 1 Appendices





## 4. Well-balanced transition

### Overview of effects for each age cohort

The transition towards the new system should be well-balanced. To assess whether this is the case, the transition plan should map out the effects of the transition to a changed pension scheme for each age cohort, with the new situation being compared with the situation in which the current pension agreement is continued unchanged. For defined benefit schemes these effects should be identified on the basis of their net benefit; for defined contribution schemes the effects should be identified on the basis of their gross benefit. In addition, the effects should be clarified for the old-age pension to be expected, using the expected realistic pension entitlements based on a pessimistic, expected and optimistic scenario. The transition effects of net benefit, gross benefit and pension expectation will in any event be calculated for each age cohort and in full years of birth, with a distinction being made between participants, former participants and pension beneficiaries (in which respect other characteristics may also be taken into account). The overviews of the effects for each age cohort and the underlying calculations should be added as an appendix, whether or not accompanied by a brief explanation.

### How will accrued pension entitlements and rights be dealt with?

If the pension entitlements do not remain in the old scheme on a non-contributory basis, please indicate here how these accrued entitlements will be dealt with.

### What compensation arrangements have been made?

Employers and employees (or their representatives) may choose from the award of additional pension entitlements or compensation outside the field of pensions. The transition plan should clarify which groups will receive compensation, what source(s) will be used and to what extent these sources will be used. Read more about compensation [here](#).

### If compensation is provided, how will it be funded?

If compensation is provided by awarding additional pension entitlements, a funding plan must be drawn up. The funding plan contains the funding of the compensation scheme and forms an integral part of the transition plan. Read [here](#) what should in any event be included in the funding plan. The funding plan should be added as an appendix, whether or not accompanied by a brief explanation.

### Substantiate that the set of choices made will lead to a well-balanced transition.

A well-balanced transition does not mean that it may not have any effects for individuals. Redistribution is permitted in the transition, provided that this is clarified and believed to be responsible and well-balanced.

Please explain here the choices made and the considerations (pros and cons of the options) and set out why the transition as a whole qualifies as a well-balanced transition.

### Explanation and Appendices

Field for additional explanation. As every situation is unique, an additional explanation can be given in the field below.

### Appendices

If applicable, here you may refer to appendices you wish to add to Chapter 4.

Tip: Number the appendices, so that the appendices to the different chapters form a chronological whole.

## 5. Signature

The submission of the transition plan to the pension administrator of the new pension scheme is a milestone and concludes the consultations on the terms and conditions of employment in respect of the transition to the new pension scheme. This means that the pension administrator can set to work on the administration and that the stage of consultation of and consent from the employees (or their representatives) has been completed.

- i** Has the change process for the pension scheme been completed?

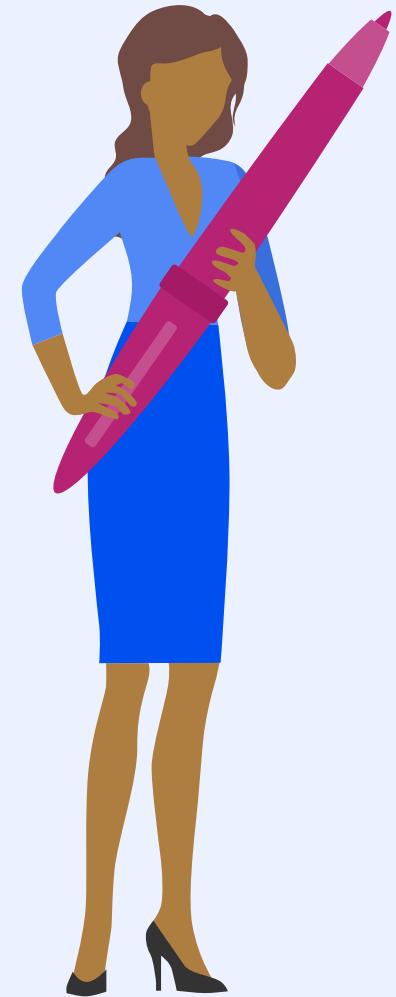
### Signature

Name

Position

Date

Employer's signature



## 5. Signature

### **Has the change process for the pension scheme been completed?**

Please indicate here whether the stage of changing the pension scheme that covers the terms and conditions of employment has been completed in full. Has consent been obtained from the works council and from individual employees, if applicable? Any particulars can be stated here.