



Brochure

Disability



Disability

Introduction

Nobody likes the idea of becoming disabled. Even so, it is important and necessary to think about what would happen if you became partially or fully disabled. After all, this has a significant financial impact on you. As a member of Pensioenfonds DSM Nederland (PDN), you may be eligible for non-contributory pension accrual and a disability pension in addition to a statutory benefit.

Statutory benefit

WIA benefit

If you fall ill, your employer pays most of your salary for the first two years. This is stated in your employer's CLA. Dit staat in de CAO bij je werkgever. After these two years, the Employee Insurance Agency (UWV) has an assessment carried out to determine the degree of your disability.

This is laid down in the Dutch Work and Income (Capacity for Work) Act (*Wet werk en inkomen naar arbeidsvermogen, WIA*). If you are fully disabled, meaning 80% or more, the UWV will grant you a WIA benefit amounting to a maximum of 75% of your last-earned wage. A maximum has been set in the legislation. The statutory benefit never exceeds 75% of the maximum daily wage (as at January 1, 2021: €58.311).

Please visit uwv.nl for more information on the WIA.

Leaving employment as a result of disability

If you are a recipient of benefits under the WIA, the UWV will pass this information on to PDN. If you then partially or fully leave employment as a result of your disability, your employer will inform PDN of this promptly. At that point, PDN will contact you and inform you about how leaving employment affects your pension. Even if PDN receives a notification from your employer at a later date, this has no influence on how leaving employment may affect your pension.

BASIC PENSION SCHEME

Non-contributory pension accrual

Your pension entitlements will still be accrued (on a non-contributory basis) at PDN from the time you partially or fully leave employment. The pension accrual is based on the degree of your disability on the date of leaving employment. If you subsequently become less (or more) disabled, you may accrue less (or more) pension. The UWV will also notify PDN of this change. However, you can always inform PDN of any changes to the degree of your disability yourself.

The table below shows the percentage of pension accrual that applies to the different disability rates:

Degree of disability:	Pension accrual based on
35% to 45%	40%
45% to 55%	50%
55% to 65%	60%
65% to 80%	75%
80% to 100%	100%

You will stop accruing pension when one of the following applies:

- your WIA benefit stops and the degree of your disability falls below 35%,
- in the event of your death;
- if you retire before the statutory retirement age;
- once you reach the state retirement age.

Statutory disability pension

If your pensionable income on the date of partially or fully leaving employment is higher than the maximum daily wage, you do not receive WIA benefit over that additional pensionable income. At PDN you will in this case be eligible for a supplement in the form of a statutory disability pension.

The disability pension will only be paid out if you are fully disabled (80% or more).

The disability pension is 70% of the pensionable pay above the maximum daily wage.

The payment of the statutory disability pension stops:

- if the percentage of disability falls below 80%;
- in the event of your death;
- if you start receiving the retirement pension earlier than your state retirement age;
- once you reach the state retirement age.

You must inform PDN if the degree of your disability drops below 80%.

Please note: the payment of the statutory disability pension can also stop (fully or partially) if you are to receive a PPS benefit. See below.

PPS balance (pre-pension capital)

If you have a PPS balance, you can only convert it into an extra payment of disability pension on the date of partially or fully leaving employment. This benefit ends when you reach the state retirement age applicable at the time the benefit takes effect.

If you do not make use of this option and do not work or no longer work at your PPS age (state retirement age minus three years), the PPS balance will be used for a PPS benefit. For information on other options, please see the PPS brochure.

Please note: If you receive a statutory disability pension at your PPS age and your PPS benefit must take effect, this statutory disability pension will be reduced by the amount of the PPS benefit.

NET PENSION SCHEME



PDN's Net Pension Scheme (NPS) is a voluntary scheme with which you accrue pension on your pensionable pay above the tax limit. This amount is adjusted annually. If you are a member of the NPS, that means that you have accrued net pension capital. For more information, please see '[Net Pension Scheme \(NPS\)](#)' on the PDN website.

If you partially or fully leave employment as a result of your disability, your employer will inform PDN of this.

Non-contributory accrual of net pension capital

In the event of full or partial disability, your pension capital is still accrued (on a non-contributory basis) from the time you leave the company.

The amount of pension capital that you accrue is based on the degree of your disability as at the date of leaving employment.

If you subsequently become less (or more) incapacitated for work, you may build up less (or more) pension capital. That is why you must inform PDN of any changes to the degree of your disability.

The following graduated scale is taken into account, based on the degree of disability.

Degree of disability:	Accrual of pension capital continued for
35% to 45%	40%
45% to 55%	50%
55% to 65%	60%
65% to 80%	75%
80% to 100%	100%

You will stop accruing pension capital when one of the following applies:

- your WIA benefit stops and the degree of your disability falls below 35%;
- in the event of your death;
- if you start receiving the retirement pension earlier than your state retirement age;
- once you reach the state retirement age.

If you chose to insure a net partner's pension risk before the date of partially or fully leaving employment, this partner's pension will continue to apply to you. The amount of the net partner's pension risk also depends on the degree of disability as shown in the table. Regardless of whether you choose to insure a net partner's pension risk, a net orphan's pension risk is insured for you. This is also depending on the degree of disability in the table.

Change of employer during sickness and disability

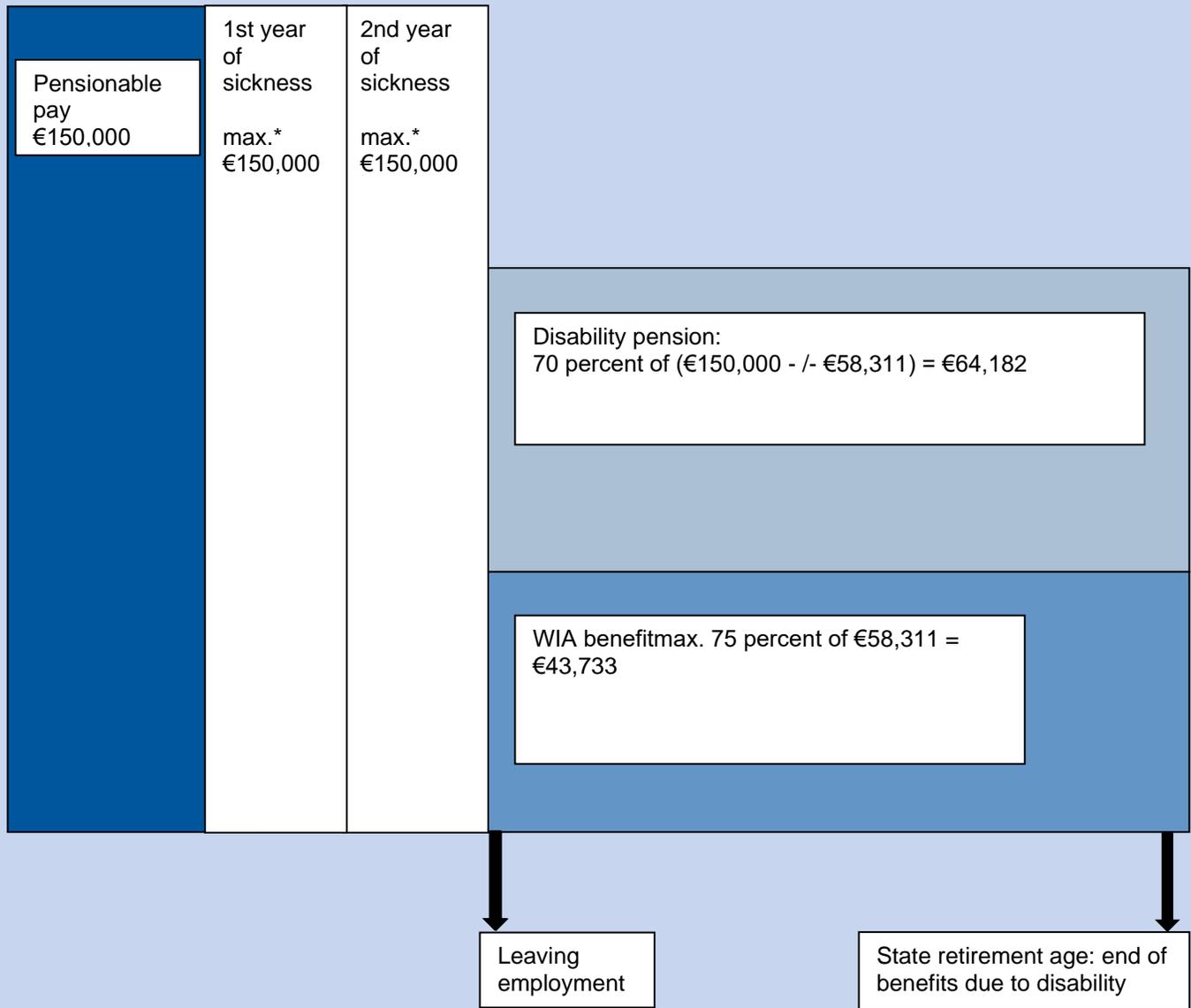
The pension schemes at PDN provide for full or partial pension accrual in the event of disability. Even if you start working for another employer, your pension accrual with PDN will remain capped at a maximum based on the degree of disability that applies when you leave employment.

If you fall sick while working for DSM, it is also possible to start working for another employer. If you become disabled after two years of sickness and you receive a WIA benefit, you may still qualify for non-contributory pension accrual and possibly also disability pension with PDN.

Changing your email address in 'My PDN Pension' on time

If PDN uses your work email address to inform you that digital mail has been delivered, then you will have to provide a new email address if you change employer. If you fail to do this, PDN will not be able to send email notifications about mail to your digital inbox in '[My PDN Pension](#)', which is accessible via PDN's website.

Schematic representation of income from sickness onwards



*please note: the CLA with your employer lays down how much salary you receive in the first and second year of disability.

Don't be caught by surprise when you start receiving disability pension!

WHAT DO YOU NEED TO CONSIDER?

Payment

Unlike what you may be used to, you will not receive a thirteenth or fourteenth month bonus in addition to the monthly disability pension. These benefits are already included in the calculation of the monthly benefit. The payment date for your disability pension benefit is no later than the 27th of each month. For the current payment schedule, please click [here](#).

Indexation

If the fund's financial situation allows, you will receive a supplement to your benefit in line with inflation. More information is available in the '[Indexation](#)' brochure on the PDN website.

Health insurance

If you start receiving a disability pension, you can still make use of the collective health insurance. You do not have to inform ZKA of any changes.

You pay two types of contribution under the Dutch Healthcare Insurance Act. These are the '*income-dependent contribution*' and the '*nominal contribution*'. We deduct the income-related contribution from your disability pension benefit. You pay the nominal contribution to your health insurer.

The income-related contribution is 5.75% (2021) of your disability pension up to and including a maximum of €58,311 (2021). The maximum annual contribution is € 3,352.88 (2021) This contribution is deducted from your disability pension benefit each month.

Taxes

The pension fund deducts wage tax from your disability pension benefit.

Concurrent benefits/income

If you receive other benefits/incomes in addition to your disability pension, you can only have the wage tax credit applied at one institution. But even in this situation, you may be paying too little tax. This is because the various benefit agencies do not let each other know who deducts what amounts. If you have not paid enough tax, you will receive an additional tax assessment from the Dutch Tax and Customs Authority. Depending on the amount of your pension, this can run up to a considerable sum. An attachment to this brochure explains how a subsequent tax assessment could arise and how you can avoid it, at least in part.

Living abroad

Foreign account

If you live abroad, we can transfer your disability pension benefit to a foreign account. The amount is transferred in euros. Within the European Union, banks do not charge any fees for this. This may be different with banks in other countries.

Wage tax

You can also apply to the Dutch Tax and Customs Authority for exemption from Dutch taxation. This will prevent you from paying double taxation, i.e. paying tax both in the Netherlands and in the country in which you are residing.

The application form for this exemption can be found on the website of the Tax and Customs Administration (belastingdienst.nl). Please fill out this form, sign it, and send it to the Dutch Tax and Customs Authority. If you are entitled to an exemption, the Dutch Tax and Customs Authority will send the original exemption to you and a copy of the exemption to the pension fund. The pension fund will then withhold no income tax and social insurance contributions from your disability pension.

Citizen Service Number (BSN)

When paying a pension benefit, PDN is obligated to include your Dutch Burgerservicenummer (BSN) in its records. Without this number, we cannot pay out a pension to you. If your passport, identity card, or driver's license was issued in the Netherlands, it will state your BSN. If you do not have a BSN or if you do not know your BSN, you can request it from the Belastingdienst Particulieren / Ondernemingen buitenland, Postbus 2865, 6401 DJ Heerlen.

CAK

The pension fund will also be notified if you still owe a contribution towards your health insurance. In that case, the pension fund will register you with Zorginstituut Nederland (CAK). The CAK determines contributions you pay for your health insurance; this is a fixed contribution and an income-related contribution. You will need to bear in mind that we are instructed by the CAK to deduct these contributions monthly from the disability pension benefit. You will find more information at the [CAK's website](#).

Life certificate (in Dutch: 'attestatie de vita')

At the start of the disability pension benefit, you must also arrange for an annual form (an 'attestatie de vita') to be completed that shows that you are still alive. You will be notified of this by the pension fund.

Report changes

Even if are disabled, you may have to contact your pension fund. If, for example, your bank account number changes or if your degree of disability changes, you must report this. If you live abroad, you will need to report matters to us more often. If you move abroad to a different address, you must let us know. More information about this is given in the brochure ['Reporting events to PDN'](#).

ATTACHMENT: Notes on subsequent income tax assessments

Why have I received an additional income tax assessment?

The Pension Desk is regularly called by pensioners who have a question about additional income tax assessments. 'Why have I received an additional tax assessment?'. The most frequently heard comment is: 'Surely a monthly wage tax is deducted from the benefit?'

We explain below how it is possible that despite the deduction via the wage tax, you may receive an additional income tax assessment.

Four aspects play an important role here: wage tax, wage tax credit, income tax return, and the progressive tax system.

Wage tax

This is the tax that is deducted from your salary or benefit.

Wage tax credit

This is the discount on the wage tax payable (the part of your income on which you do not pay tax). If there is an overlapping of benefits, you can only have the wage tax credit applied at one institution.

Income tax return

The total amount of wage tax withheld is reported and checked.

Tax rate

The higher your income, the higher the tax rate. Unlike income tax, wage tax does not take personal circumstances into account. When filing your income tax return, you must declare the total income you have received in a certain year.

At least two sources of income

If you are an employee incapacitated for work, you may receive two or more benefits. When determining wage tax, no account is taken of the fact that you have multiple incomes. Each benefit agency, including PDN, determines the wage tax independently on the basis of the tax tables. Because of the progressive nature of the tax system, a situation can arise in which you have paid too little wage tax on an annual basis.

Avoiding subsequent tax assessments

How can you avoid being confronted with an additional tax assessment? If the withholding tax is higher or almost equal to the general wage tax credit per year (this depends on your income), you can consider not having the wage tax credit applied to your disability pension benefit.

You can also choose to have PDN deduct more wage tax each month. You can also send a written request to this effect to PDN, Antwoordnummer 110, 6400 VB Heerlen (or from abroad: postbus 6500, 6401 JH Heerlen) or by emailing info.PDN@dsm.com. PDN cannot calculate the adjustment you must make to your tax and social insurance contributions for this purpose. You must personally, or with the assistance of a financial advisor, calculate the adjustment and specify this to PDN, by letter or by email. Another way of avoiding an additional tax assessment is to have a provisional assessment by the tax authorities take into account the fact that the deductions from your pension are too low.

Changing your email address in 'My PDN Pension' on time



If you have forwarded your email address to your employer so that PDN can send you digital mail, then you will have to provide a new email address if you change employer. If fail to do this, PDN will not be able to send email notifications to your digital mailbox in 'My PDN Pension' on PDN's website.

Contact



If you have any questions about your pension, you are welcome to visit our website: pdnpensioen.nl or contact our Pension Desk:
phone: +31 (0)45 – 5788100
email: info.PDN@dsm.com

Pension Regulations



Click on the icon for more information about the disability pension and the continuation of pension accrual during disability in the pension regulations.

Net pension regulations



Click on the icon for more information about the net pension scheme in the net pension regulations.

Disclaimer

The information provided in this brochure by Stichting Pensioenfonds DSM Nederland, domiciled in Heerlen ('the pension fund') is of a general nature, only indicative, and subject to change. The report is solely intended to provide members with general information. While the information given is assumed to be reliable, the use of this information is entirely at the user's risk. Neither the administrator ('DSM Pension Services BV') nor the pension fund accepts any liability for loss as a result of the inaccuracy or incompleteness of information or for loss arising from the use and distribution of and reliance on this information. Rights may only be derived from the pension regulations applicable to the member.