



# Brochure

# Part-time pension



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## Introduction

Are you thinking about phasing out work and opting for part-time pension? Would you like to have more leisure time? Then you can opt for part-time pension (or a part-time retirement pension) from the age of 55.

If you start working less, your employer will adjust your employment contract. As you then receive less income, PDN offers you the option to start part of your retirement pension: This is known as part-time pension. The retirement pension you receive then compensates for the reduction in income.

## Conditions

If you want to take part-time pension, you can do so under the following general conditions:

- You start working fewer hours at your employer.
- You must submit your request to PDN between three and six months before the retirement commences.
- You cannot change your decision.

## When can you start a part-time pension?

The time at which you want to take part-time pension is also important. A fiscal requirement applies, which relates to whether you take part-time pension prior to or from your state pension age (AOW) minus five years.

### Prior to your state pension age (AOW) minus five years

If you want to take part-time pension before you reach your state pension age (AOW) minus five years, then on top of the general conditions, the

following additional conditions apply:

- You must complete a so-called declaration of intent.
- You can only have part of your pension paid out (proportionality).

## Declaration of intent

The declaration of intent is a fiscal requirement. If you start to work less and you want to use your pension to compensate for the reduction in salary, you can only do this under the condition that you do not work more hours later. You will receive this declaration from PDN if you decide to take part-time pension. Once PDN receives your signed declaration back from you, PDN can start paying your part-time pension.

## Proportionality

'Proportionality' is also a fiscal requirement. If you start working less, the maximum part-time pension depends on the percentage reduction of your employment contract. This is explained later in this brochure.

## From your state pension age (AOW) minus five years

If you want to take part-time pension from your state pension age (AOW) minus five years, no additional requirements apply on top of the general conditions.

## How does part-time pension work?

If you work full-time (100%, five days a week), you can, for example, choose to work one day a week (20%) less. This means you will perform the equivalent of 80% of your work and your salary is then adjusted in proportion to your employment.

If you are still building pension, you should take into account that your pension accrual will be lower from the date you start receiving part-time pension; in this example, this pension accrual is based on a part-time percentage of 80%.

To compensate for the reduction in salary, you can opt for a part-time pension.

If you start your part-time pension prior to your state pension age (AOW) minus five years, this means that no more than 20% of your accrued pension will be paid ('proportionality').

If you start your part-time pension from your state pension age (AOW) minus five years, you can also receive more than 20% of your accrued pension.

The pension age for the retirement pension is 67 years. As, for example, 20% of the accrued pension is paid out before you turn 67, this part is brought forward and therefore reduced due to the earlier commencement date and longer duration of the payment.

We have provided a calculation example on the next page.



### **Calculation example for the start of the part-time pension**

Gerard Ploum works full-time (100%). The following amounts that apply from the age of 67 will be on his uniform pension statement for 2021:

Accrued retirement pension (67 years)	€	20,000
Retirement pension to be accrued (67 years)	€	27,000

Gerard is 60 on January 1, 2021 (prior to state pension age (AOW) minus five years), will be working 20% fewer hours and wants to take part-time pension. That means that (a maximum) 20% of the accrued pension (20% of €20,000 = €4,000) will be paid out. Because this part-time pension is paid out seven years earlier, Gerard will be paid around € 2,950 from age 60.

#### **Situation after commencement of part-time pension (20%) on January 1, 2021**

Gerard will receive a lifelong part-time pension of	€	2,950
Accrued retirement pension (67 years)	€	16,000

From January 1, 2021 onwards, Gerard accrues a pension based on his part-time percentage of 80%. Between the ages of 60 and 67, he can still accrue €5,600 (80% of 27,000 -/ 20,000) in pension.

#### **Situation after commencement of 20% part-time pension and 80% part-time factor as of January 1, 2021**

Gerard will receive a lifelong part-time pension of	€	2,950
Accrued retirement pension (67 years)	€	16,000
Retirement pension to be accrued (67 years)	€	21,600

All amounts specified are gross per annum. The payment of part-time pension is an approximation.

Suppose Gerard is 64 years old on January 1, 2021 (from state pension age (AOW) minus five years) and wants to work 20% fewer hours, he can then also opt to be paid 30%, 50% or 70% of his accrued pension.

### **Pension planner**

There are several options for part-time pension. These are described below.

## BASIC PENSION SCHEME



### Retirement pension

The part-time pension or retirement pension that commences is paid to you for life. For this you have several options, which we will now discuss.



### Option: vary the amount of your pension (high/low or low/high)

It is not possible to opt for a part-time pension that varies in terms of payment level on the commencement date. Instead you can do so later on the date that you retire fully.



### Option: conversion of partner's pension for extra retirement pension

If you take part-time pension, you have to opt for the (temporary) partner's pension. Not for the full partner's pension, but – as is the case for the part-time pension – for a proportional part of the partner's pension.

If you do not have a partner when your part-time pension commences, we will automatically convert the partial partner's pension into an increase in the part-time pension.

If you do have a partner when your part-time pension starts, and you want to convert the partial partner's pension into an increase in your part-time pension, then your partner must agree. Your partner will in that case receive less partner's pension.

If you do have a partner and your partner does not have enough income, then it is advisable not to convert the partial partner's pension into an increase in your part-time pension on the commencement date of the part-time pension. In this case, you can no longer convert this partial partner's pension into an increase in your retirement pension on the date that you retire fully. Your partner will still be covered for this part of the partner's pension.

## PRE-PENSION SAVINGS SCHEME

If you opt for part-time pension, you will retain your pre-pension capital (PPS balance). For details of the PPS scheme, see the website under '[Pension alternatives...PPS scheme](#)'.

You can contact the staff of the Pension Desk about the options for using part of your PPS balance for part-time pre-pension.

## NET PENSION SCHEME



### Net pension payment

The Net Pension Scheme (NPS) is a voluntary scheme in which you accrue net pension capital over the pension salary above the tax threshold (2021: €112,189). The limit amount is adjusted annually. For more information see '[Net Pension Scheme \(NPS\)](#)' on the PDN website.

On the date that your part-time pension commences, you must also decide how the proportional part of your pension capital will be converted. You have to decide whether to use that partial pension capital for a fixed net retirement pension or a variable net retirement pension.

### Fixed net pension payment

If you choose to purchase a fixed net retirement pension, you also purchase a fixed net partner's pension (unless no partner is registered with PDN).

Each year, PDN tries to increase the fixed net pension payment in line with price developments. However, this depends on the fund's financial situation. For more information see the '[Indexation](#)' brochure on our website.

When converting the net pension capital into a fixed net retirement pension and a fixed net partner's pension, you pay a surcharge on the purchasing rate, so that the risks of major changes to the payment are transferred to the pension fund.

### Variable net pension payment

If you choose to purchase a variable net retirement pension, you also purchase a

variable net partner's pension (unless no partner is registered with PDN). You then also form part of the 'pension beneficiaries with a variable payment' group. The achieved results as a consequence of return on investments, changes in market interest, and death are shared in this group. The annual results achieved form the foundation for the adjustments to the variable net pension payments. PDN then spreads these results over the following five years. For more information see the '[Indexation](#)' brochure.

In an extreme situation, a variable payment can change annually by 5%. This means that PDN may reduce a payment of €100 to €95 or increase it to €105.

A variable net pension payment is expected to provide a higher pension than a fixed net pension payment. However, if investment results are disappointing or if there is another negative event, the variable net pension payment may be lower than the fixed net pension payment at a given time.

### Important decision between opting for a fixed or variable net pension benefit

If you have opted for a fixed net retirement pension or a variable net retirement pension, please note that this decision also applies on the date that you retire fully.

### Option: a net partner's pension or not

The choice of whether or not to opt for a partner's pension in the basic pension scheme also applies to the net pension scheme.

*Please note: There are various options to vary 'high/low' or 'low/high' and convert partner's pension. These options are calculated using periodically determined factors. Separate factors apply to the basic pension scheme and the net pension scheme. The Board may adjust these factors annually in response to matters such as changes in the law, interest rates, or different life expectancies. This means that projected calculations made at a certain point in time may turn out differently at another time. This also applies to the projected calculations you have previously made with the pension planner.*

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



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

## Contact



For questions about your pension, please see the website: [pdnpensioen.nl](http://pdnpensioen.nl)  
or contact our Pension Desk:  
tel.: +31 (0)45 – 5788100  
email: [info.PDN@dsm.com](mailto:info.PDN@dsm.com)

## Pension Regulations



Click on the icon for more information about retirement 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

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