

Individual options of your pension



Pension

The standard retirement age is 65, but you can also opt to retire earlier or later by advancing or deferring your old-age pension. Another option is to vary the level of your pension benefits. Your pension scheme offers more possibilities than you may have considered!

We would like to inform you in this leaflet of the different options available to you under your pension scheme. This allows you to choose the pension that suits you best.

- A higher old-age pension.

- A higher partner's pension.

- Early or late retirement.

Tim exchanges a partner's pension of € 15,400 x 75% = € 11,550. This means he receives an additional old-age pension of almost € 2,888 gross per year.

After the exchange Tim receives an annual old-age pension of € 22,000 + € 2,888 = € 24,888.

Exchange of partner's pension

Besides building up an old-age pension, you also build up a partner's pension. You have the option to exchange partner's pension for extra old-age pension. Because this will reduce the partner's pension, your partner must agree to this. You only need to make this decision at the time your pension starts. You can use this extra old-age pension for the following purposes:

- a higher old-age pension;
- a 'normal' old-age pension that starts earlier;
- a combination of these two options.

Example

At age 65 Tim has built up an old-age pension of € 22,000 and a partner's pension of € 15,400. Lia, his partner, has also built up a good pension. They jointly decide to exchange 75% of Tim's partner's pension for extra old-age pension.

After the exchange Lia is entitled to a partner's pension of € 15,400 -/- € 11,550 = € 3,850.

Useful to know

Pension can only be exchanged if a 'value' has been built up. No value is built up with a partner's pension on the basis of risk, as this is a risk insurance policy for partner's pension. What is insured is the risk of death as long as contributions are paid. No more contributions are paid on the retirement date, which means the right to this partner's pension ends.

Exchange of partner's pension on the basis of risk is therefore not possible.

Exchange of old-age pension

Another option is to exchange part of your old-age pension for extra partner's pension. This will lower your old-age pension. After the exchange the partner's pension may not exceed 70% of the old-age pension after the exchange.

Other options

Some pension schemes offer additional options. Depending on the scheme you are in, the following options are possible:

Early or late retirement

The sooner you start your pension the lower your pension benefits per year. This is because your pension has to be paid for longer and also because you will have built up less pension as a result of stopping work sooner. If you wish to retire early your pension benefit may turn out to be significantly lower.

Also bear in mind that you will not receive state pension (AOW) until the age of 65. You can compensate for this by varying the level of your pension.

If you choose to start your old-age pension payments later, you will receive a higher old-age pension. This is because the old-age pension is paid out for a shorter period.

Note: You can only defer your pension if you remain in your or another employer's service.

Example

At age 65 Tim will have built up an old-age pension of € 22,000. He would like to retire 5 years earlier. In that case his old-age pension will be € 12,840.

Should Tim die after retirement, Lia will receive a partner's pension of € 13,475.

Example

Tim would like to continue to work until age 67. In that case his old-age pension will be € 26,444.

Should Tim die after retirement, Lia will receive a partner's pension of € 15,400. The level of the partner's pension does not change.

Varying the level of your pension

You can also vary the level of your old-age pension, within certain limits. For example you can choose to receive a higher pension for a number of years followed by a lower pension later, or the reverse.

Example

At age 65 Tim has built up an old-age pension of € 22,000. He opts to receive a higher pension for the first 10 years followed by a lower pension later. For the first 10 years Tim receives € 24,134, followed by € 18,100.

Should Tim die Lia receives € 15,400. The level of the partner's pension does not change.

Part-time pension

In some cases you may start working part-time before your retirement. You can supplement your income by having part of your pension start immediately. You can find out whether this is an option with your pension scheme by reading the pension regulations.

What can you do?

A few months before your retirement Nationale-Nederlanden will send you a letter with information about the options available to you. You will also receive a form on which you can indicate your choice. It is advisable to weigh up all the considerations before making your choice. Once you have made a choice from the options it can no longer be reversed.

After your pension starts your decision is irrevocable. The right choice depends largely on your personal situation at the time of retirement. The following questions may help you in making the right choice.

- What is the total of my and my partner's salary, state pension (AOW) and pension?
- What will my partner's income situation look like when I die?
- What expenses should my partner continue to be able to afford when I die?
- What other assets (property and debts) will I leave behind when I die?
- Do I wish to work longer (or the opposite)?
- Do I wish to have more financial scope immediately after retirement?

If you would like your pension to start before your retirement date you can communicate this to your employer.

Would you like to know more about your options?

All your options are given in the pension regulations. The regulations also contain tables allowing you to calculate the effect of certain choices.