

Explanation life bonus Persoonlijk Pensioen Plan

Introduction

Your employer pays a premium for your pension. We invest this premium. On your retirement date, you can buy a pension benefit using the value of your investments (your pension capital). We will add an amount periodically to the value of your investments for as long as you live. This is known as the 'life bonus'. We use the life bonus to buy additional investments for your pension. You receive a life bonus because we do not pay out all or some of the value of your investments if you die before the retirement date. The amount of your life bonus depends mainly on three things:

- the total amount in the 'deposit' for the life bonus;
- the value of your investments; and
- your age.

Deposit for granting life bonus

We pay the life bonus from a separate account: a deposit. We pay into this deposit the value of the investments of all members and deferred members of similar defined contribution schemes administered by us, which we do not pay out if they die before the retirement date. The capital in the deposit is a sum of money in euros, which we do not invest.

We own this deposit. We use the money in the deposit only for paying out the life bonus to members or deferred members of a similar defined contribution scheme. This money cannot therefore revert to us. We do not charge for maintaining the deposit. We do not pay interest on a positive balance in the deposit, but neither do we charge interest on a negative balance.

A small part of the deposit is used as a reserve to allow for possible retroactive changes. For example, if a notification of an employee entering or leaving service is sent in retrospect. This way, we ensure that a member or deferred member also receives a bonus if we process a change at a later date.

The amount of your life bonus

The amount of the life bonus will depend on the balance in the deposit account. We determine the amount as follow. You will receive a monthly bonus, with the amount also depending on the value of your investments. If you have a higher investment value, you will receive a higher bonus. This ensures a fair distribution of the deposit. Members with a higher investment value also contribute more to supplementing the deposit when they die. We calculate this bonus only on the value of the investments that will not become available to your partner and/or children upon your death.

Bonus table: distribution according to age

Every time we grant life bonuses, we distribute the deposit based on the bonus table. If you are older, you are entitled to a higher bonus. This ensures a fair distribution of the deposit, as the likelihood of your death increases with age. The bonus table therefore reflects what we expect to grant. This document shows the bonus table for contracts in 2022.

Extra life bonus

The bonus you will receive each month is 60% of the bonus table. If there is any money left in the deposit after deducting the bonuses granted, we will periodically add an extra life bonus to the value of your investments. This happens if – as a result of deaths – the value released is higher than the bonuses already granted. We do, however, take into account the reserve we keep for possible retroactive changes. See the example calculation on page 2.

It is also possible that the value released by the actual deaths is lower than the bonus granted. If that is the case, we will not recover the bonuses already granted. The resulting loss will be carried forward to the next year in the deposit. See the example calculation on page 2.

Bonus table for 2022

Below you see the bonus table for 2022. We determine the table, the percentage we use and the other conditions annually on the basis of the development of life expectancy. We also check whether the table still distributes the deposit fairly.

Bonus in euros per year per € 10,000 insured capital

Age	Life bonus	Age	Life bonus
15	0.34	43	4.15
16	0.46	44	4.70
17	0.51	45	5.13
18	0.61	46	5.89
19	0.70	47	6.63
20	0.74	48	7.26
21	0.78	49	8.18
22	0.79	50	9.20
23	0.85	51	10.53
24	0.85	52	11.65
25	0.90	53	13.09
26	0.93	54	14.69
27	0.94	55	16.70
28	1.03	56	18.52
29	1.09	57	21.14
30	1.11	58	23.50
31	1.20	59	26.20
32	1.26	60	30.22
33	1.35	61	33.34
34	1.50	62	37.69
35	1.68	63	42.49
36	1.84	64	47.14
37	2.08	65	52.64
38	2.33	66	58.91
39	2.65	67	65.11
40	2.93	68	73.03
41	3.32	69	81.57
42	3.71	70	90.52

Example calculation 1

Suppose it is January, you are 46 years old and you have € 10,000 in insured capital, you will then receive in January a guaranteed advance of 60%.

According to the table, this is then:

Conversion to your own insured capital: $10,000 / 10,000 = 1$

Conversion to per month: $5.89 \times 1/12 = € 0.49$

$1 \times € 0.49 \times 0.6 = € 0.2945$

Rounded off, this is € 0.29. We will add € 0.29 to your insured capital in January. This then becomes € 10,000.29.

Example calculation 2

Suppose it is January, you are 55 years old and you have € 40,000 in insured capital, you will then receive in January a guaranteed advance of 60%.

According to the table, this is then:

Conversion to your own insured capital:

$40,000 / 10,000 = 4$

Conversion to per month: $16.7 \times 1/12 = € 1.392$

$4 \times € 1.392 \times 0.6 = € 3.3408$

Rounded off, this is € 3.34. We will add € 3.34 to your insured capital in January. This then becomes € 40,003.34.

Example calculation of additional life bonus

We contribute to the deposit the capital that has been released as a result of deaths. Each month, we pay out 60% of the expected life bonus. If there is still money left at the end of the period, we pay this out as an extra life bonus.

Calculation starting point

Suppose the benefit in advance is:

Per month € 3.00

Per year (12x € 3.00 per month) € 36.00

Example in the case of a correct estimate

At the end of the year it appears that we have estimated the mortality correctly. This means that at the end of the year an additional payment is made. We paid 60% in advance. With the extra bonus, we make it 100%.

Bonus in advance € 36.00

Extra bonus € 24.00

Total € 60.00

Example in the case of an underestimation

At the end of the year it appears that we have underestimated the mortality. The actual mortality rate is, for example, 110% of what was expected. This means that a higher additional payment will be made at the end of the year. We paid 60% in advance. This must be 110%.

Bonus in advance € 36.00

Extra bonus € 30.00

Total amount € 66.00

Example in the case of an overestimation

At the end of the year it appears that we have over-estimated the mortality rate. For example, the actual mortality rate is only 50% of what was expected.

This means that no additional payment will be made at the end of the year. We paid 60% in advance.

We do not correct this amount.

Bonus in advance	€ 36.00
Extra bonus	€ 0.00
Total	€ 36.00