

2021

PNO NET PENSION SCHEME

Welcome to PNO Media! You will take part in this supplementary pension scheme with effect from 01 January 2015 or with effect from the moment you join the company if that is later. Every pension administrator has its own pension scheme or schemes. This Pension 1-2-3 explains what your pension scheme offers you. This is important to know, for instance, when you change jobs. The PNO Net Pension Scheme is a voluntary scheme and a supplement to your basic pension scheme with PNO Media. Your employer offers this supplementary scheme when your gross salary exceeds €110,111. Whether you make use of it or not is up to you. Pension 1-2-3 does not contain any personal information about your pension. This can be found on www.mijnpensioenoverzicht.nl, on your annual Uniform Pension Statement and on mijn.pnomedia.nl (MijnPNO).

What's in layers 1, 2 and 3?

Pension 1-2-3 consists of 3 layers. Layer 1 briefly sets out the most important information about your pension scheme. We will send you layer 1 when your employer registers you with PNO Media and when your gross salary exceeds €112,189. Layer 2 gives a more comprehensive description of all the information from layer 1. Layer 3 contains all legal and policy-related information of PNO Media. The information from layer 3 can be found on pnomedia.nl. You can also ask us about layers 2 and 3.

What does our pension scheme offer you?



Retirement pension

Through your employer, you can take part in module 2 of this pension scheme and build up a tax-friendly capital on your salary above €112,189. We will convert this pension capital into net pension payments that are paid on top of the retirement pension you have accrued on your salary below €112,189 under the PNO Media basic pension scheme.

Module 2 of this pension scheme is a defined-contribution agreement. If you take part in this, you decide the extent of the contribution you pay to build up your pension capital. The government has set limits to the maximum premium contribution. The contributions paid in are invested and together with the return achieved, they form a pension capital. During the period that starts ten years before your retirement date, this capital is gradually converted into net pension payments: a retirement pension in combination with a partner's and an orphan's pension. In the event of dismissal, this is done straight away.

The exact extent of your net pension payment will not be known until the retirement date. It depends on the extent of your salary and the contributions you pay, the number of participating years, the investment return and the rate used by PNO Media for the purchase of your pension. The rate determines the amount of net retirement pension you can purchase with your pension capital. This retirement pension is paid out each month with effect from your retirement age, for as long as you live. Your pension statement and MijnPNO give an indication of the extent of your net retirement pension.



Partner's and orphan's pension

Module 1 of this pension scheme guarantees a surviving dependants' pension on anything of the gross salary that exceeds € 112,189. As long as you work for your current employer and take part in module 1, your partner will receive a partner's pension and your children will receive an orphan's pension after you die.

The partner's pension is a lifelong net pension payment that is paid out when you die during your participation in module 1 and for as long as your partner is alive. Your pension statement and MijnPNO give an indication of the extent of the partner's pension.

The orphan's pension is a net pension payment for surviving children. If you die during your participation in module 1, every child receives this pension until he or she turns 21. As long as a child is at school or university or studies at a recognised educational institution for more than 18 hours, he or she receives an orphan's pension until he or she turns 27. The payment to each child is equal to 20% of the net partner's pension. Your pension statement and MijnPNO give an indication of the extent of the orphan's pension. Layer 3 of the Pension 1-2-3 explains which elements determine the extent of the partner's and orphan's pensions.

On your retirement date or, when you leave your current employer before that time, on the dismissal date, we will convert the pension capital built up in module 2 into a retirement pension, a partner's pension and an orphan's pension. Your surviving relatives will then receive pension payments when you die after leaving the company or after retiring.



Pension regulations

If you want to know exactly what our pension scheme offers you, please read the pension regulations on MijnPNO or contact us.

What does our pension scheme not include?



Disability pension

When you are unfit for work, no waiver of contribution is insured. You can continue to participate in the pension scheme of your own accord. The relevant contribution will be charged to you directly. Unfit for work? In that case, we will not pay you any disability pension, pursuant to this scheme. Under your basic PNO Media pension scheme, you may, indeed, be insured for a waiver of contribution for pension accruals on your gross salary up to €112,189 and a disability pension.

You may also receive payments from the government. This is regulated in the Work and Income (Capacity for Work) Act and it is referred to as a benefit under the Return to Work (Partially Disabled Persons) Regulations or as a benefit under the Full Invalidity Benefit Regulations. It depends on the extent of your disability. More information about this can be found on uwv.nl.

How do you accrue pension?



A. AOW: you receive this pension from the government

The AOW is the statutory state pension. You accrue a state pension over a period of 50 years. You only accrue a state pension when you reside and/or work in the Netherlands. The date on which you receive your state pension depends on your date of birth, as the state pension age will rise during the next few years. The extent of the pension is not the same for everyone either. The state pension amounts are adjusted on an annual basis.

Information about the state pension and your state pension age can be found on www.svb.nl.

Note: if you did not always live or work in the Netherlands, your old-age pension may be lower.

B. The pension you accrue through work

Under the basic PNO Media pension scheme, you accrue pension via your employer up to a gross salary of €112,189.

This supplementary scheme covers the pension accrual on anything that exceeds your gross salary of €112,189.

The extent of your pension capital can be found on your pension statement. You receive this once a year for as long as you are a member of PNO Media. The pension statement shows the pension (capital) to date, as well as an indication of the pension (capital) as at your retirement age if you remain with PNO Media under the same scheme or schemes. The pension statement also provides information about the partner's and orphan's pensions. These are pensions that your partner and children will receive when you die. If you want a statement of the pensions you have accrued with other employers, please visit www.mijnpensioenoverzicht.nl.

C. Arranging your own pension supplement

You can arrange your own pension supplement to your state pension and the pension you accrue via your employer. You can do this through bank savings or by taking out insurance such as an annuity. You can also voluntarily accrue additional pension at PNO Media. Whether this is possible from a fiscal point of view and whether you feel it is necessary, depends on your financial and personal situation. Our Op Koers pension planner (via MijnPNO) can help you make a choice.



Defined contribution

Every year you participate in module 2 of this pension scheme, you pay contributions that are added to your pension capital. These contributions are invested in the same way as the contributions paid for the basic pension scheme you take part in. The fund return that is credited is the net fund return, i.e. the fund return after deduction of the asset management costs. The fund return is credited on a monthly basis. The extent of the fund return is published on pnomedia.nl/financieel every month. The contribution and the return form a pension capital. You use this capital to purchase a net retirement pension that is paid out to you each year for as long as you live, as well as a partner's and an orphan's pension. It is referred to as a defined contribution scheme.



Pension basis

The defined contribution is determined on anything of your gross annual salary that exceeds €112,189. The defined contribution depends on your age. The table below shows the maximum percentage you can pay in for your age if you work full-time. We use this percentage and your own choice regarding the extent of the payment, to calculate your contribution.

Your age as at 01 January

Your age as at 01 January	Percentage
15 t/m 19	4.17%
20 t/m 24	4.79%
25 t/m 29	5.52%
30 t/m 34	6.25%
35 t/m 39	7.29%
40 t/m 44	8.33%
45 t/m 49	9.58%
50 t/m 54	11.15%
55 t/m 59	12.81%
60 t/m 64	14.69%
65 t/m 68	16.15%

This net graduated pension scale is based on a 3% notional interest rate, including 4% administrative costs.

Example

Mr X earns a salary of €153,757. He works full-time. On 01 January 2018, Mr X is 38. The table tells you the contribution percentage for the age of 38: 7.29%.

Under this scheme, the maximum contribution for Mr X is $(€153,757 - €112,189) \times 7.29\% = €3,017.04$ per year. This is €251.42 per month.

After deduction of the payments for administrative costs and surviving dependants' pension insurance, if any (module 1), the contribution is added to the pension capital.



Distribution of contributions between employer and employee

You pay the defined contribution for your retirement pension and/or surviving dependants' pension insurance yourself.

This payment is settled via your employer and it is deducted from your salary.

The extent of the total defined contribution depends on your salary, the part-time percentage, your age and your own choice with regard to the extent of the payment. If your contribution also contains a premium for surviving dependants' pension insurance on top of the pension accrual contribution, this, along with the administrative costs, will first be deducted from the contribution that is added to your pension capital. The contribution you pay is shown on your payslip.

What choices do you have?



Value transfer

If you change jobs and you want to transfer the pension you have accrued previously, you can, if the new administrator also offers a net pension scheme and cooperates in a value transfer. The value transfer must be arranged by your new pension administrator. Make sure you know what is involved in such a transfer. Whether or not a value transfer is a wise choice depends on the financial situation of your previous and your new pension administrator, among other things. If you decide not to apply for a value transfer, your pension remains with your previous pension administrator. You no longer pay a contribution to your previous pension administrator and you carry on accruing a pension under the pension scheme of your new employer.

When you leave the company, your pension capital is always converted into a net pension entitlement.

To find out more, read the information under 'What does our pension scheme offer you?'



Exchanging your retirement pension for a partner's pension

If you leave the company or retire and there is no or not enough partner's pension for your partner when you die, you can exchange some of your retirement pension for a partner's pension. This means your retirement pension will be lower. However, your partner will receive a higher pension from PNO Media when you die.

Note: this is a once-only choice! Once you have decided to exchange (or not), you can no longer change your mind. More information about exchanging your pension can be found in layer 3 of Pension 1-2-3.



Exchanging partner's pension for retirement pension

You can exchange the partner's pension of your partner, or a part thereof, for a retirement pension for yourself. You may want to exchange the partner's pension for a higher retirement pension for various reasons. Perhaps your partner already has a good pension, or perhaps you do not or no longer have a partner.

Note: this is a once-only choice that you make when you retire! Once you have decided to exchange, you can no longer change your mind. If you do have a partner, he or she has to agree with your choice. More information about exchanging a partner's pension for a higher retirement pension can be found in layer 3 of Pension 1-2-3.



Retiring early or later

Instead of retiring at your retirement date, you can opt to continue working. If you do, payment of the retirement pension can be deferred until you do retire. If you retire later, your accrued retirement pension will be increased. Read layer 3 of Pension 1-2-3 about the conditions for deferring your pension.

You can also opt to retire earlier than your retirement date. It does mean your retirement pension will be lower. So retiring early has financial consequences. Pension accrual stops earlier and the retirement pension is reduced. You also have to remember that the state pension may incept later than your early retirement pension. Visit www.svb.nl to find out when your state pension incepts. Read layer 3 of Pensioen 1-2-3 about the conditions for an early pension.

Note: If you want to retire early, you have to apply for this 3 months before the preferred inception date. Please discuss this with your employer as well.



Starting with a higher or lower pension

You can opt to first receive a higher retirement pension for a couple of years, followed by a lower retirement pension. From that second moment, your retirement pension will be lower than stated on your pension statement.

You also can opt to first receive a lower retirement pension for a couple of years, followed by a higher retirement pension. From that second moment, your retirement pension will be higher than stated on your pension statement.

Note: this is a once-only choice that you make when you retire! Once you have made it, you can no longer change your mind. You need to notify us of your choice 3 months before you retire.



Purchasing pension payments

Your pension capital is released on your retirement date. At that time, you need to purchase pension payments from a pension insurer, using your pension capital. This is a statutory obligation.

A pension payment is a payment that you will receive every month for as long as you live. Where you purchase a pension payment is entirely up to you. You can also purchase a pension payment at an earlier conversion opportunity.



When you take part-time retirement

Instead of taking full retirement at your retirement date, you can also opt to have part of your pension incept earlier and work less. However, this does mean that the part of the retirement pension that incepts earlier will be lower. Part-time retirement therefore does have financial consequences. Some of the accrual of your pension capital stops and the retirement pension is reduced. You do accrue a pension capital for the part you keep working.

You can also opt to work part-time after your retirement age. In that case, part of your pension will incept earlier. The payment of this part of your retirement pension may be delayed until you fully retire. The part of the retirement pension that incepts later will be higher. You do not accrue pension for the part you keep working after your retirement age.

How secure is your pension?



What are the risks?

The extent of your pension is not fixed. You will not have certainty about the extent of your pension payment until the retirement date. After all, your pension payment is dependent on the extent of your defined contribution, the returns on your investments and the rate used by PNO Media when you purchase your pension.

The rate used by PNO Media is based on a number of elements. The main ones are:

- the interest rate;
- the remaining life expectancy of people;
- the payment for future costs;
- the extent of the buffer to be kept for investment risks.

The interest rate influences the value of pensions. The lower the interest rate, the more money PNO Media needs in order to be able to pay out all the pensions later. When the interest rate remains low for long periods of time, pensions become expensive.

PNO Media tries to be prepared for the risks that may jeopardise your pension. This did not always go well in the past, due to the steep rise in life expectancy, for instance. This rise is steeper than the rise we took into account. When participants grow older on average, their pensions need to be paid out for longer. In that case, your pension will be lower than initially anticipated.

Investment results may also be disappointing. That is why PNO Media ensures that the investments are spread out across various types of investments. Profits on one investment can compensate for the losses on another. We ourselves convert parts of your pension capital at several moments before your retirement date and on the retirement date itself. A pension administrator can also hedge investment risks, but this does involve costs.

There are more risks PNO Media has to take into account in order to protect your pension to the greatest possible extent. PNO Media literally has to manage those risks. More information about PNO Media's risk management can be found on pnomedia.nl.

When making policy decisions, pension administrators have to apply the so-called policy funding ratio. Among other things, the policy funding ratio is important for board resolutions about the extent of the contribution and granting indexation. The policy funding ratio is also an important benchmark for the question whether PNO Media needs to lower the pensions. When the policy funding ratio is less than 100%, PNO Media is not permitted to cooperate in individual value transfers. The policy funding ratio is an average taken over 12 months. We publish the policy funding ratio on pnomedia.nl every month.



Index-linked pension

In general, the value of money drops a little each year. The same amount this year will buy you a little less compared to last year.

This is what we call inflation.

Your pension capital is not indexed but a fund return is credited on a monthly basis. This can be both positive and negative.

After your retirement or after you have converted your pension capital into pension entitlements, PNO Media tries to index these on an annual basis. This means that these rises in line with the general price increase each year. This is what is referred to as an index-linked pension.

It is not always possible for purchased pension entitlements to grow in line with rising prices. In times of financial hardship, PNO Media may not be able to index fully. This means your pension will be worth less. When the economy subsequently recovers, the purchased pension entitlements may be subject to additional indexation in order to recover spending power.

During the past few years, PNO Media has indexed the pensions as follows: *

	Indexation	Price rises
2020	0%	0,99%
2019	0%	1,64%
2018	0%	1,47%
2017	0%	1,47%
2016	0%	-0,01%
2015	0%	0,39%
2014	0%	0,57%
2013	0%	1,09%
2012	0%	2,13%
2011	0%	2,47%

* The figures for the price rises are based on figures from Statistics Netherlands.



What if there is a deficit?

Despite all precautions, PNO Media still does not have enough money to be able to pay out all pensions in the long term. That is why we have a recovery plan in place. This plan sets out the measures we take in order to bring the policy funding ratio back to the required level of about 123%. Your pension entitlements are not expected to grow in line with price rises during the first few years. There is a moderate chance that purchased pension entitlements will have to be reduced in the next few years. We cannot reduce the pension capital.

During the past years, PNO Media reduced the pensions as follows:

	Reduction
2020	n/at
2019	n/a
2018	n/a.
2017	n/at
2016	n/a

More information about PNO Media's financial situation can be found on pnomedia.nl.

What costs do we incur?



PNO Media incurs various costs in order to administer the pension scheme. They include administration costs, for instance, which include the costs of paying out the pensions and the collection of contributions. We also incur costs for communication, such as preparing and sending this Pension 1-2-3 and the pension statements.

We also incur asset management costs. Investing assets costs money. We pay the parties whom we ask to invest assets, for instance. Furthermore, we incur transaction costs. They are the costs charged by the stock exchange for the buying or selling of shares or bonds.

A specification of the costs we incur can be found on pnomedia.nl and in the annual report.

When do you need to take action?



When you change pension administrator

If you change employer and move to a different pension scheme as a result of that, you can opt to take your accrued pension with you if the new administrator also offers a net pension scheme and cooperates in a value transfer. We refer to that as a value transfer, which must be arranged by your new pension administrator. Make sure you know what is involved in such a transfer. Whether or not a value transfer is a wise choice depends on the financial situation of your current and your new pension administrator, among other things. You no longer pay a contribution to your previous pension administrator and you carry on accruing a pension under the pension scheme of your new employer. You can also decide not to transfer your pension. When you leave the company, your pension capital is always converted into a net pension entitlement. To find out more, read the information under 'What does our pension scheme offer you?'



When you become unfit for work

It is important for you to map out how your incapacity for work will affect your pension. You do not have to notify us of your incapacity for work, as the UWV (Employee Insurance Agency) will automatically do this.



When you get married or enter into a registered partnership

Getting married or entering into a registered partnership is regarded as the same thing under your pension scheme. You have to find out if your partner is entitled to a partner's pension when you die. If you feel that the partner's pension is not good enough, make sure you organise something to supplement it.

Note: If you live together out of wedlock, your partner is not automatically entitled to a partner's pension when you die. In order for your partner to qualify, you have to meet certain conditions such as having a notarial cohabitation contract. You need to send a copy of that contract to PNO Media. More information about this can be found on pnomedia.nl.



When you get a divorce or when your registered partnership is terminated

Your ex-partner is entitled to half of the retirement pension you accrued during the marriage or registered partnership if you had left the company on the divorce date.

You can make different arrangements with your ex-partner, but they have to be documented in the divorce agreement. So as to ensure that the ex-partner receives part of the retirement pension, you or your ex-partner have to notify the pension administrator of the divorce or any different arrangements within two years.

Note: the right to part of the retirement pension does not apply to people living together out of wedlock. They have to make their own arrangements about how the pension is divided.

Your ex-partner is also entitled to the partner's pension ensuing from participation in the pension scheme you accrued until the divorce date or the date on which the registered partnership was terminated. You do not have to do anything to be entitled to a partner's pension, unless your ex-partner waives that right, in which case you do have to inform PNO Media.

Note: people living together out of wedlock may also be entitled to a partner's pension after ending their relationship.

For more information, please visit pnomedia.nl.



When you move abroad

You have to notify your pension administrator and discuss how it will affect your pension. Information about the consequences for your state pension can be obtained from the Social Insurance Bank. You can also visit www.svb.nl for more information.

Note: when you move house whilst living abroad, you also have to notify PNO Media.



When you lose your job

When you lose your job, you stop accruing pension. It is important for you to map out how your unemployment will affect your retirement pension, the partner's pension and the orphan's pension. You do not have to notify us of your unemployment.



Mijnpensioenoverzicht.nl

Once a year, you can find out how much pension you have accrued in total on www.mijnpensioenoverzicht.nl



When you want to use an option

You can find the various options under "What are your options?".

Note: once you've made your choice, it cannot be reversed. Make sure you know what is involved before you choose an option.



If you have any questions

If you have any questions about your pension scheme, please call PNO Media on 035 702 34 56, or visit pnomedia.nl.