Stichting Pensioenfonds APF

Your Defined Contributions scheme with APF Pension Fund

January 2025

Contents:

As a participant of APF Pension Fund you accrue pension over your salary. If your annual salary is higher than € 84,857, you also participate in a Defined Contributions scheme for the part of your salary exceeding this maximum. For the sake of brevity we will use the term 'DC scheme' to refer to the Defined Contributions scheme. The maximum salary limit for the DC scheme is € 137,800.
APF Pension Fund does not offer any arrangements for pension accrual over the salary part that exceeds this maximum.
In this brochure we briefly explain the workings of the DC scheme and inform you about:

- the structure of the DC scheme,
- the level of the contributions,
- the way in which the contributions are invested,
- the risks that you run under the DC scheme.

The Defined Contributions scheme

What is the DC scheme?

As a participant of APF Pension Fund your accrue pension over your annual salary. Is your fixed annual salary higher than € 84,857? Then you also accrue pension over the salary part that exceeds this maximum (up to a maximum of € 137,800) in a Defined Contributions scheme (DC scheme). Your employer pays a contribution to APF Pension Fund. This contribution is invested until your pension commencement date at which time the capital is used to purchase an extra pension for you with APF Pension Fund, except if you opt for a variable pension outside of APF. You can read more about it in this brochure.

With the contribution the employer makes a pension commitment. This means that we cannot project how much pension you will be able to purchase with this contribution at your retirement. You run a risk with the investments but you also profit when returns are high. Your pension level depends on the investment returns and the tariffs that the pension fund uses at the moment when it purchases a pension with your invested contribution.

How does the employer determine if you can participate in the DC scheme?

At the commencement of your employment and on 1st January of each following year, the employer determines if you are eligible for participation in the DC scheme on the basis of your fixed annual salary. You are eligible if your gross fixed annual full-time salary is higher than € 77,890 (2024) on 1st October of the previous year. Do you work parttime? Then the salary limit for participation in the DC scheme is determined pro rato to your parttime percentage.

The limit of the maximum accrual amount is determined by the cla parties and is adjusted periodically. The maximum accrual amount as of 1st January of any year is equal to the 101% level of salary group 57 on 1st October of the previous year.

What can you do with your DC capital?

The contributions are invested with APF Pension Fund available life cycles. Together, the contributions and the returns on investments are referred to as DC capital. When you retire and you do not want a variable pension outside of APF, we use your DC capital to purchase an extra retirement and partner's pension for you. You can also opt for 'Continue investing after your retirement date' (see text box).

Is you DC capital liable to tax?

The value of the investments is not liable to tax, so you do not need to include this on your income tax statement.

Continue investing after your retirement date

Since several years you can choose to continue investing a part of you DC capital after your retirement date, i.e. when your pension commences. This means that upon retirement you do not have to convert your entire DC capital in an extra pension with APF Pension Fund. This is referred to as 'continue investing after the retirement date'. The non-converted capital will remain invested and can thus make some extra profit. Your pension benefit from the remaining capital may become higher or lower, depending on the investment returns. If you choose this option, your pension benefit will become variable. If the purchase price of pension is high this may be an attractive option, because you no longer depend on one single moment at which the entire purchase of your pension takes place.

Your pension plan offers the possibility to continue investing after retirement since 2018. We do not offer investment after retirement ourselves and suggest that you contact an insurance company or pension premium institution upon retirement for more information. Not all parties are open to incoming transfers upon the retirement date, but there are exceptions.

We suggest you seek information about the pro's and con's of a variable pension outside of APF and which insurance company or pension premium institution is open to this option. On the internet you can find information on how investment after the retirement date works, the main advantages and disadvantages and which institutions are open to this option. As a pension fund we may not advise you in this matter. Discuss your options with a financial intermediairy before taking any decision.

The contribution

Over which salary do you receive a defined contribution?

In order to determine over which salary you will be granted a contribution the maximum accrual amount of € 84,857 is deducted from your annual salary. Then the part up to the maximum of € 137,800 is divided by 12, after which the monthly contribution is determined. Over other salary components, such as RAB, EBITDA and the sale of holidays, the defined contribution is determined in the month in which these salary components are paid out. This way you accrue a career average pension over an annual salary of € 84,857 and you are granted a defined contribution over the amount up to the maximum of € 137,800, all other income components included.

What is the level of the contribution?

If the employer has determined that you are eligible for the DC scheme and it has been decided over which part of the salary you are entitled to a monthly contribution, the level of your defined contribution will be defined. The level is age-related and the calculation is based on the following table (as of 1st January, 2025). Your age on the last day of the month of salary payment determines the contribution category in that month.

As you grow older, the contribution increases because your retirement date is approaching and returns may become less profitable over time. For the sake of completeness we note that the gross loading is used for the contribution including administration costs, the net loading is used for the contribution excluding administration costs. These costs are approximately 4.1% and intended for the administration costs of APF Pension Fund. On your salary slip you can see the monthly contribution that is paid for you, including this loading. The first column of the table above shows the percentages including the loading for administration costs. These percentages are paid by your employer each month. The percentages in the second column reflect your monthly investments.

Age category	Gross loading on 3% interest rate Contribution percentage (Percentage 2025	Net loading on 3% interest rate Contribution percentage (Percentage 2025
Up to and incl 19 years	7.2%	6.9%
20 - 24 years	8.0%	7.7%
25 - 29 years	9.3%	8.9%
30 - 34 years	10.8%	10.4%
35 - 39 years	12.5%	12.0%
40 - 44 years	14.6%	14.0%
45 - 49 years	17.0%	16.3%
50 - 54 years	19.8%	19.0%
55 - 59 years	23.2%	22.3%
60 - 64 years	27.6%	26.5%
65 - 67 years	31.9%	30.6%

Example
Suppose you are 47 years old and your annual salary, including holiday allowance, is € 96,000.

First, the monthly income minus the accrual limit amount is determined. That is the premium base.
The defined contribution is then determined on the basis of the relevant contribution percentage.
The net defined contribution percentage in this case is 16.3%

In Euro's	Monthly income	Maximum accrual amount	Contribution base	Defined contribution incl. administration costs 17.0%	Contribution to be invested 16.3%
	A	B	C	D	E
Month			(C = A-B)	(D = 17,0% x C)	(E = 16.3% x C)
January	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
February	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
March	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
April	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
May	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
June	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
July	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
August	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
September	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
October	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
November	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
December	€ 8.000,00	€ 7,071.42	€ 928.59	€ 157.86	€ 151.36
Total	**€ 96.000,00**	**€ 84,857.00**	**€ 11,143.08**	**€ 1,894.32**	**€ 1,816.32**

Who pays your defined contribution?

The major part of the defined contribution is paid by your employer. For the accrual of partner's pension, you pay an individual contribution of 0.6% over your income above the accrual percentage up to a maximum of € 137,800. You can see the amount of the defined contribution and the personal contribution on the salary specification.

How can you spend the defined contribution?

You have to use at least 60% of the defined contribution paid by your employer for your pension. The contribution is added to your DC capital every month. You can ask to have the remaining contribution paid out to you as salary. Please note that if you do this, statutory income tax and social security contributions will be deducted from the contribution. You see this reflected on your salary slip. On the 'Defined Contributions/Spending options' form (Beschikbare Premieregeling/bestedingskeuze), available on the HR portal of the employer, you can indicate if you want to have a part of the contribution paid out to you as salary. You can adjust your selection every month. Obviously the adjustment you make only applies to the contribution made available as of that moment. It is not possible to make any adjustments retroactively.

What happens after the employer has paid the contribution to APF Pension Fund?

When you start participating in the DC Scheme your contribution is by default invested on the basis of 'Life Cycle Neutral 2021'. There are two other investment portfolios that have a different risk attitude: 'Life Cycle Offensive 2021' and 'Life Cycle Defensive 2021'.

You can determine your risk attitude and related life cycle on My Pension (your personal pension portal on www.pensioenfondsapf.nl) with the help of the investment balance. The contribution is then invested based on your chosen life cycle.

Investing in life cycles

The essence of investing is to achieve returns on investments. Investing also means taking risks. But investors will only take (more) risk if there is a chance of a higher return on those investments.

Three life cycles

There are three life cycles in the DC Scheme: ‘Life Cycle Neutral 2021’, ‘Life Cycle Offensive 2021’ and ‘Life Cycle Defensive 2021’. A combination of three modules is used in each life cycle. In all life cycles, we start with share risk and interest rate risk. As the retirement date approaches, both risks are reduced. We maintain a different balance in the three life cycles between achieving sufficient returns and limiting volatility (the mobility of the pension that is possibly purchased) in the years before retirement.

Your employer pays your contribution to the DC Scheme. When you start participating in the DC Scheme your contribution is by default invested on the basis of ‘Life Cycle Neutral 2021’.

Goals of life cycles

With a life cycle, a balance is sought between return and risk:

- Achieving sufficient returns if the investment horizon is long-term to allow you to accrue sufficient capital.
- To gradually reduce the risk the closer you come to your retirement date.

Both goals apply to all three life cycles. The reasoned decision between the goals depends on the risk attitude.

Content of the life cycles

Each life cycle has three modules: Matching, Interest Rate, and Return. Each module can be seen as an overarching investment fund.

Matching Module

The goal of this portfolio is to match interest rate fluctuations on the capital market. We do so with interest-rate contracts and liquid assets.

Interest Module

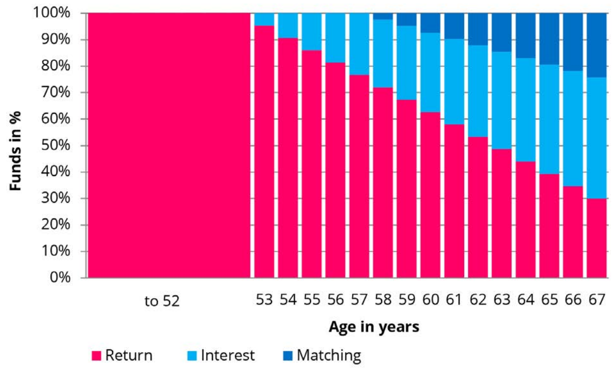
These are investments in fixed-income securities (bonds and mortgages). This will reduce the risk toward the retirement date.

Return Module

These are mainly investments in equity funds aiming to generate a sufficiently high pension benefit.

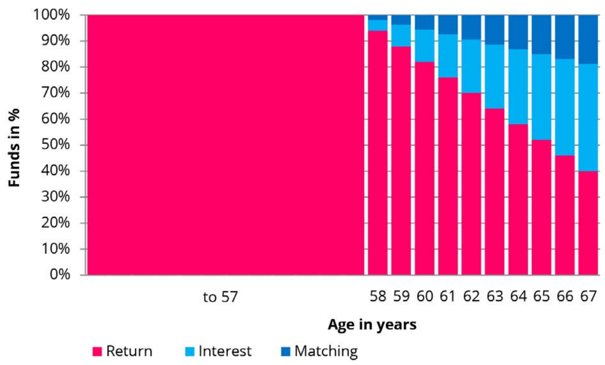
Life Cycle Neutral 2021

In this life cycle, the contribution will be fully invested in shares until you reach the age of 53. As you get older, the percentage of investments in shares decreases. We will then start investing a larger proportion in bonds, among other things. We will also limit the so-called interest rate risk from the age of 58, as you can see in the figure.



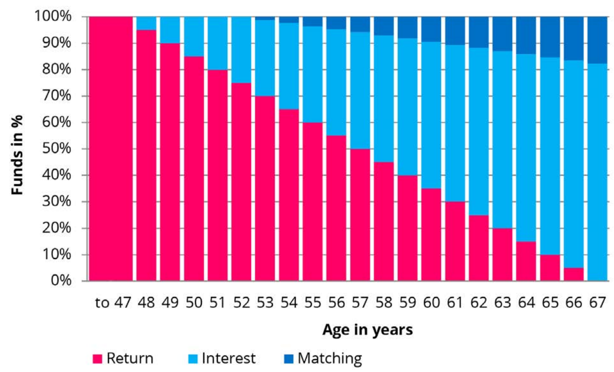
Life Cycle Offensive 2021

In this life cycle, the contribution will be fully invested in shares until you reach the age of 58. As you get older, the percentage of investments in shares decreases. We will then start investing a larger proportion in bonds, among other things. We will also limit the so-called interest rate risk from the age of 58, as you can see in the figure.



Life Cycle Defensive 2021

In this life cycle, the contribution will be fully invested in shares until you reach the age of 48. As you get older, the percentage of investments in shares decreases. We will then start investing a larger proportion in bonds, among other things. We will also limit the so-called interest rate risk from the age of 53, as you can see in the figure.



Up-to-date investment profile

It is important that the composition of the investment portfolio suits your personal situation. We therefore ask you to check every year with the help of the investment balance on My Pension if your investment profile still sufficiently suits your personal situation. The investment balance will show you immediately what happens to your investment profile if you take more or less risk.

On www.pensioenfondsapf.nl you will find your personal pension portal My Pension, log in with your DigiD.

How much investment costs do you pay?

For the investment of your DC capital, or for a switch between investment portfolios, a small percentage is charged for administration, costs (see difference between gross – net loading on page 3). The investment funds also charge management and transaction costs. These will be deducted from the return and depend on your age and chosen investment profile.

More information

Each year you receive a Uniform Pension Statement (UPO). This statement contains an overview of the accrued DC capital as of 1st of January. The statement gives an estimation of the retirement pension that can be purchased with the DC capital. TThe value of your DC capital is shown on the members portal. We publish the returns of the Life Cycles every month and fact sheets of each module are available on the members portal. Each quarter the results of the various are published on www.pensioenfondsapf.nl.

Your pension

What will be the level of your pension?

We cannot tell you in advance how much pension you will be able to purchase with the DC capital. It depends on a number of factors. When you retire, you can choose an extra pension with APF Pension Fund or a variable pension outside of APF. If you choose an extra pension with APF, your capital will be used to purchase a pension within APF Pension Fund. The amount of your extra pension depends on the investment results and the monthly purchase rates we are using at that time. These purchase rates are calculated on a monthly basis. The appendix to the pension regulations indicates the rates for January. The current purchase rates can be found on the website under "Pension plan" "Defined Contribution plan". These purchase rates include - among others - administration and payment costs. Also, a loading on the purchase rates is included to form a buffer as required by the Dutch Central Bank. The purchase rates also reflect the expected average life span; they increase in line with any increase of the administration and payment costs or with the increase of life expectancy. This means that you can purchase fewer pension in return for your capital. If you choose a variable pension outside APF, your pension will be variable and dependent on economic developments when you have already retired.

The tax authorities do not approve if you purchase more pension with your DC capital than the pension that you would have been permitted to accrue in a (fiscally limited) career average scheme. In a fiscally limited career average scheme you can accrue pension up to a maximum of 1.875% (as of 2015) of your pensionable salary per year. As of 2018 this is based on a retirement age of 68 years. Therefore, we check if the pension that you can purchase with your DC capital is within this limit. If your capital exceeds this limit, the excess capital will profit back to APF Pension Fund by virtue of tax rules.

Is the pension increased with a supplement after commencement?

Each year we try to increase the pension that you have purchased with your DC capital in line with the price developments. Supplements to the pensions in payment are funded with the investment returns. Pensions can only be increased if APF Pension Fund has sufficient financial reserves. If you make use of the possibility of continued investment after retirement, your pension can become higher or lower, depending on the economical developments once you are retired.

Can the pension be decreased after commencement?

Yes, if economic developments are bad, we may have to decrease your pension. We only do this if we have no other option. In the past few years we did not have to decrease the pensions. Due to the very strong development of the interest rate the chance of a decrease in the future has become greater. The board does its utmost to prevent a decrease in the next years, but cannot rule this out. If you make use of the possibility of continued investment after retirement, your pension may increase or decrease annually, depending on the economical developments once you are retired.

Other things you need to know

What happens if you stop working at your employer?

If you stop working prior to your retirement date, you can indicate if you want APF Pension Fund to purchase a pension with your DC capital at that moment, or if you would prefer to postpone the purchase to your retirement date. Similar to the pension from the career average scheme this pension is increased annually on the basis of the provisions in the pension regulations. Have you decided to postpone the purchase of pension to your retirement date and have you also decided to exchange a part of your pension from the career average scheme to a partner's pension? Then APF Pension Fund will use part of your DC capital to also purchase a partner's pension. The pension fund will continue investing the remaining part of your DC capital until your retirement.

Have you decided to use the DC capital for the purchase of pension on your retirement date and do you not want to exchange part of your retirement pension from the career average scheme to a partner's pension? In that case we will invest your entire DC capital until your retirement.

If you choose to continue investing (part of) your DC capital until your retirement date, you will always run an investment risk over the DC capital until your retirement. It is important that you realise this, because any choices you make earlier cannot be reversed.

Did you leave service and have you decided to transfer your pension (value transfer) from the career average scheme to the pension insurance company of your new employer? Then you cannot leave your DC capital with APF Pension Fund. We will transfer your entire pension, including your DC capital and no capital will remain with APF Pension Fund.

What happens if you and your partner separate?

The DC capital is used for the purchase of retirement pension and partner's pension. Have you and your partner decided to go separate ways? And will the pension be equalized? In that case, your former partner is entitled to a part of the DC capital that you have accrued until the divorce or separation.

How does it work?

As for the capital that you have accrued we first determine which part is intended for partner's pension if you divorce. We use this part to purchase a special partner's pension for your former partner. This has been arranged by law. From the other part we determine (only if the pension is equalized) what has been accrued during your marriage or registered partnership. That amount is divided by two. We use one part to purchase retirement pension for your former partner. Your part remains invested for you.

The following applies if you stop cohabiting:

From the capital that you have accrued we determine which part is intended for partner's pension if you separate. We use this part to purchase a special partner's pension for your former partner. Please note that in order to do this we first need to receive a written confirmation that the cohabitation has ended. The equalized partner's pension is paid out to your former partner if you die after commencement of your pension. The accrued DC capital for the purchase of retirement pension is not divided and remains entirely yours.

What happens in the event of your death?

If you die while in service, the DC capital will not be used for the purchase of a partner's pension. It is not necessary as a partner's pension has been already insured for you over your total fixed income up to the maximum limit of € 137,800, so without applying the maximum accrual amount. If you die the DC capital profits back to the pension fund. The released capital on death will be distributed among the participants in the DC Scheme after the end of the year. This is to the advantage of the living participants.

What happens if you become occupationally disabled?

If you become occupationally disabled, something changes in the DC scheme. For the part that you have been declared occupationally disabled, the maximum accrual amount ceases to exist and you accrue pension in the career average scheme. The maximum pensionable salary limit of € 137,800 in the DC scheme remains applicable. For the part that you continue working, you continue participating in the DC scheme. The conditions of the DC scheme remain applicable.

More information

For additional information please contact us.
You can reach us from Monday to Friday between 8.30 am and 12.30 pm. at telephone number:
013 462 33 12
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