

Explanation of 'Pension build-up above the salary threshold' at PME

This Pension 1-2-3 explains what you will and will not receive in our 'Pension build-up above the salary threshold' pension scheme. This supplementary pension scheme is an extension of our basic pension scheme. Pension 1-2-3 does not provide personal information about your pension. Personal information can be found in My PME at www.pmepensioen.nl/mijnpme and on your annual Uniform Pension Overview (UPO). Your total pension can be found at www.mijnpensioenoverzicht.nl. In our investment policy you can read more about how we approach [responsible investment](#).

Your pension information in layers 1, 2 and 3

Pension 1-2-3 consists of three layers.

- Layer 1 provides a brief summary of the most important information about your pension scheme above the salary threshold.
- Layer 2 provides more information about all subjects in layer 1.
- Layer 3 provides legal and policy-related information from PME.

You will find layers 2 and 3 at www.pmepensioen.nl/pensioen123. You can also request layers 2 and 3 from our [Customer Information Department](#), telephone number +31 (0)88 - 007 98 00.

What will you receive in our pension scheme?



If you are retiring, you will receive a supplementary **occupational retirement pension**. You will receive this in the month that you reach your state pension age.



If you have children when you die, your children may be entitled to a supplementary **orphan's pension**.



If you die when you are still building up pension at PME, your partner will receive a supplementary **partner's pension**.



If you become occupationally disabled for more than 35% (WIA), your pension build-up will continue. You will no longer have to pay a contribution. PME will do that for you.



If you die when you are no longer building up pension at PME, the supplementary **partner's pension** for your partner will be lower.



If you wish to know exactly what our supplementary pension scheme offers you, read the 'Pension build-up above the salary threshold' (low or high version) **rules** at www.pmepensioen.nl or request them from us.

What will you not receive in our pension scheme?



You do not build up pension at PME above the salary threshold maximum of EUR 110,111 gross per year (in 2020 on a full-time basis).



If you become occupationally disabled, you will not receive an occupational disability pension from PME. Your employer may have insured a supplement to your WIA benefit, ask your employer about this.

How do you build up pension?



You build up pension in three ways:

- A. State pension. This is the pension you receive from the government. You can read more about the state pension at www.svb.nl
- B. Pension at PME. You build up this pension via your employer. This is what this Pension 1-2-3 is about.
- C. Pension that you arrange yourself, e.g. an annuity or savings account.



Every year you build up part of your pension. The pension you are building up is the total of all those parts. This is called a career average scheme. From your retirement, you will receive this pension for as long as you live.



Every year, you build up part of your eventual pension. In the 'Pension build-up above the salary threshold' pension scheme, you build up pension from the salary threshold of (EUR 78,348 in 2020) up to a maximum of EUR 110,111 per year (in 2020).

[Employer's choice: On your salary less the salary threshold, you build up 1.875% in pension each year.]

[Employer's choice: On your salary less the salary threshold, you build up pension each year. In 2020, the build-up percentage is 1.59%].



You pay a monthly contribution for your pension. Your employer does so too. You can ask your employer how much you pay and how much the employer pays. The contribution you pay yourself is stated on your salary slip.

What options do you have?



If you change jobs and also pension administrator, you can transfer the pension you have built up to your new pension administrator.



If you wish to compare your pension scheme with another pension scheme, use the enclosed pension comparison tool (*Pensioenvergelijker*). You will also find this at www.pmepensioen.nl/pensioen123.



If you wish to exchange part of your occupational retirement pension for more partner's pension, you can do so when your pension build-up ceases at PME, or just before you retire.



If you would like to start working less, you can opt to have part of your pension commence before you retire. Request this from us three months before the desired commencement date. Discuss this with your employer.



If you would like to retire earlier or later, request this from us at least three months before the desired commencement date. Discuss this in advance with your employer.



If you wish to exchange part of your occupational retirement pension for more partner's pension, you can do so when your pension build-up ceases at PME, or just before you retire. If you wish to start with a higher or lower pension, you can do so at the time when you retire.



If you wish to exchange all or part of your partner's pension for more occupational retirement pension for yourself, you can do so just before you retire.

How secure is your pension?



The level of your pension is not fixed. We have to deal with risks that influence the level of your pension. Examples include:

- On average, people are living longer. So we have to pay out the pension for a longer period.
- Low interest rates make pensions more expensive. More money is needed to be able to pay out the same pension.
- The results of our investments may be disappointing.
- Read more about the financial situation and the funding ratio, which may have consequences for your pension, in layer 2 at www.pmepensioen.nl/pensioen123.



Each year, we try to increase your pension in line with price increases. This is called indexation. It is possible only if PME's financial situation is good enough. We have not indexed pensions in recent years.

| | Indexation | Rise in prices* |
|------|------------|-----------------|
| 2019 | 0% | 1.73% |
| 2018 | 0% | 1.36% |
| 2017 | 0% | -0.32% |

* Price increases over the period 1 July - 1 July prior to the year, based on data from the Central Bureau for Statistics.



As we have a shortfall, PME has a recovery plan involving the following measures:

- Your pension will not increase in line with price rises in the next few years.
- Your contribution and build-up rate will be determined each year.
- Your pension may be reduced. We will do this only as a last resort. We did not reduce the pensions in 2017, 2018 and 2019.

What costs do we incur?



We incur the following costs when administering the pension scheme:

- administration costs
- asset management costs

When must you take action?



Just before your retirement or if you wish to take early retirement.



If you change jobs. You can transfer your previously built-up pension to your new pension administrator.



If you become occupationally disabled.



If you are getting married, cohabiting or entering into a registered partnership.



If you are getting divorced or the cohabitation or registered partnership ends.



If you relocate abroad or relocate within a foreign country.



If you become unemployed or in the case of dismissal.



If you take interim leave, such as parental leave.



We must be notified in the event of your death.



To view your total pension from all your employers, go to www.mijnpensioenoverzicht.nl.



If you have any questions or if you are taking action and/or making choices, go to www.pmepensioen.nl or get in touch using the [contact form](#) on the website.