



Brochure

Disability



Disability

Introduction

Nobody likes the idea of becoming disabled. Even so, it is important and necessary to think about what would happen if you became partially or fully disabled in the near future. After all, this has a significant financial impact on you. In this brochure, you will read that – as a member of Pensioenfonds DSM Nederland (PDN) – you may also be eligible for non-contributory pension accrual and for a disability pension in addition to a statutory benefit.

This brochure tells you what happens if you become disabled in the near future.

Have you been disabled for a long time and have you and/or your former employer reported this to PDN in the past? You may have non-contributory pension accrual and/or you may receive a disability pension. That depends, among other things, on the degree of your disability. The conditions can be found in the letter you received from PDN when you left employment.

Have you been disabled for a long time and did you and/or your former employer not report this to PDN in the past? You may still qualify for non-contributory pension accrual or for a disability pension. Please contact PDN for more information.

Statutory benefit

WIA benefit

If you fall ill, your employer pays most of your salary for the first two years. This is stated in your employer's CLA. After these two years, the Employee Insurance Agency (UWV) will assess your degree of disability.

This is laid down in the Dutch Work and Income (Capacity for Work) Act (*Wet werk en inkomen naar arbeidsvermogen*, WIA). If you are fully disabled, meaning 80% or more, the UWV will grant you a WIA benefit up to a maximum of 75% of your last-earned wage. A maximum for this has been set in legislation. The statutory benefit never exceeds 75% of the maximum daily wage (€66,956 as at 1 January 2023).

Please visit [uwv.nl](https://www.uwv.nl) for more information on the WIA.

Leaving employment due to disability

If you receive a WIA benefit, UWV will inform PDN of this. If you then leave employment partially or fully as a result of your disability, your employer will inform PDN of this. PDN will contact you at this point to communicate the consequences this will have for your pension. Even if PDN only receives notification from the employer at a later date, this will not affect the potential impact that your leaving employment will have on your pension.

BASIC PENSION SCHEME

Non-contributory pension accrual

You will still accrue pension (on a non-contributory basis) at PDN from the time you leave employment, whether partially or fully. The pension accrual is based on your degree of disability on the date you leave employment. If you subsequently become less (or more) disabled, you may accrue less (or more) pension. PDN is also notified of this change by the UWV. You can always inform PDN as soon as anything changes with respect to your degree of disability. If PDN receives notice from the UWV (Employee Insurance Agency) about a changed degree of disability and this has consequences for your pension accrual or non-contributory pension accrual, we will inform you of this.

The table below shows the percentage of pension accrual that applies to the different disability rates:

Degree of disability	Pension accrual based on
35% to 45%	40%
45% to 55%	50%
55% to 65%	60%
65% to 80%	75%
80% to 100%	100%

You will stop accruing pension when one of the following applies:

- your WIA benefit stops and the degree of your disability falls below 35%;
- in the event of your death;
- if you retire before your State Pension Age (AOW age);
- once you reach State Pension Age (AOW age).

Statutory disability pension

If your pensionable income on the date you partially or fully leave employment is higher than the maximum daily wage, you do not receive WIA benefit over that additional pensionable income. At PDN, you will in this case be eligible for a supplement in the form of a statutory disability pension.

The disability pension will only be paid out if you are fully disabled (80% or more).

The disability pension is 70% of the pensionable pay above the maximum daily wage.

The payment of the statutory disability pension stops:

- if the percentage of disability falls below 80%;
- in the event of your death;
- if you start receiving the retirement pension earlier than your State Pension Age (AOW age);
- once you reach State Pension Age (AOW age).

You must inform PDN if your degree of disability drops below 80%.

Please note: the payment of the statutory disability pension can also stop (fully or partially) if you are to receive a PPS benefit. See below.

PPS balance (pre-pension capital)

If you have a PPS balance, you can only convert it into an extra payment of disability pension on the date you partially or fully leave employment. This benefit ends when you reach the State Pension Age (AOW age) that applies at the time the benefit takes effect.

If you do not use this option and you are no longer working when you reach your PPS age (State Pension Age [AOW age] minus three years), the PPS balance on that date must be used for a PPS benefit. For information on other options, please see the PPS brochure.

Please note: If you receive a statutory disability pension at your PPS age and your PPS benefit must take effect, this statutory disability pension will be reduced by the amount of the PPS benefit.

See attachment 2 for an overview of all advantages, disadvantages, and risks associated with your choices.

Advance payment of WIA benefit

The UWV (Employee Insurance Agency) announced that there are inspection backlogs due to a shortage of medical advisors at insurance companies. If the employer informs PDN of you leaving employment, PDN will base the allocation of your non-contributory pension accrual and your disability pension on your provisional or confirmed degree of disability as communicated to the fund by the UWV. If it subsequently transpires that this degree of disability is incorrect, PDN will adjust the allocation in the final allocation/determination of your WIA benefit. In case of overpayment of disability pension, PDN will reclaim this excess amount. On PDN's website ([PDNPensioen.nl](https://pdnpensioen.nl)) under 'Downloads' > 'Pension and other regulations', you can find more information about this in the [Revision policy](#).

NET PENSION SCHEME



PDN's Net Pension Scheme (NPS) is a voluntary scheme with which you accrue pension on your pensionable pay above the tax limit (2023:

€128,810). This amount is adjusted annually. If you are a member of the NPS, that means that you have accrued net pension capital. For more information, please see ['Net Pension Scheme \(NPS\)'](#) on the PDN website.

If you leave employment partially or fully as a result of your disability, your employer will inform PDN of this.

Non-contributory accrual of net pension capital

In the event of full or partial disability, your pension capital is still accrued (on a non-contributory basis) from the time you leave the company.

The amount of pension capital you accrue is based on your degree of disability on the date you leave employment.

If you subsequently become less (or more) incapacitated for work, you may accrue less (or more) pension capital. That is why you must inform PDN of any changes to your degree of disability.

The following table is taken into account, based on the degree of disability.

Degree of disability	Accrual of pension capital continued for
35% to 45%	40%
45% to 55%	50%
55% to 65%	60%
65% to 80%	75%
80% to 100%	100%

You will stop accruing pension capital when one of the following applies:

- your WIA benefit stops and the degree of your disability falls below 35%;
- in the event of your death;
- if you start receiving the retirement pension earlier than your State Pension Age (AOW age);
- once you reach State Pension Age (AOW age).

If you chose to insure a risk-based net partner's pension before the date you partially or fully leave employment, this partner's pension will continue to apply to you. The amount of the risk-based net partner's pension also depends on the degree of disability as shown in the table. A risk-based net orphan's pension is insured regardless of whether you choose to insure a risk-based partner's pension. This also depends on the degree of disability in the table.

Change of employer during sickness and disability

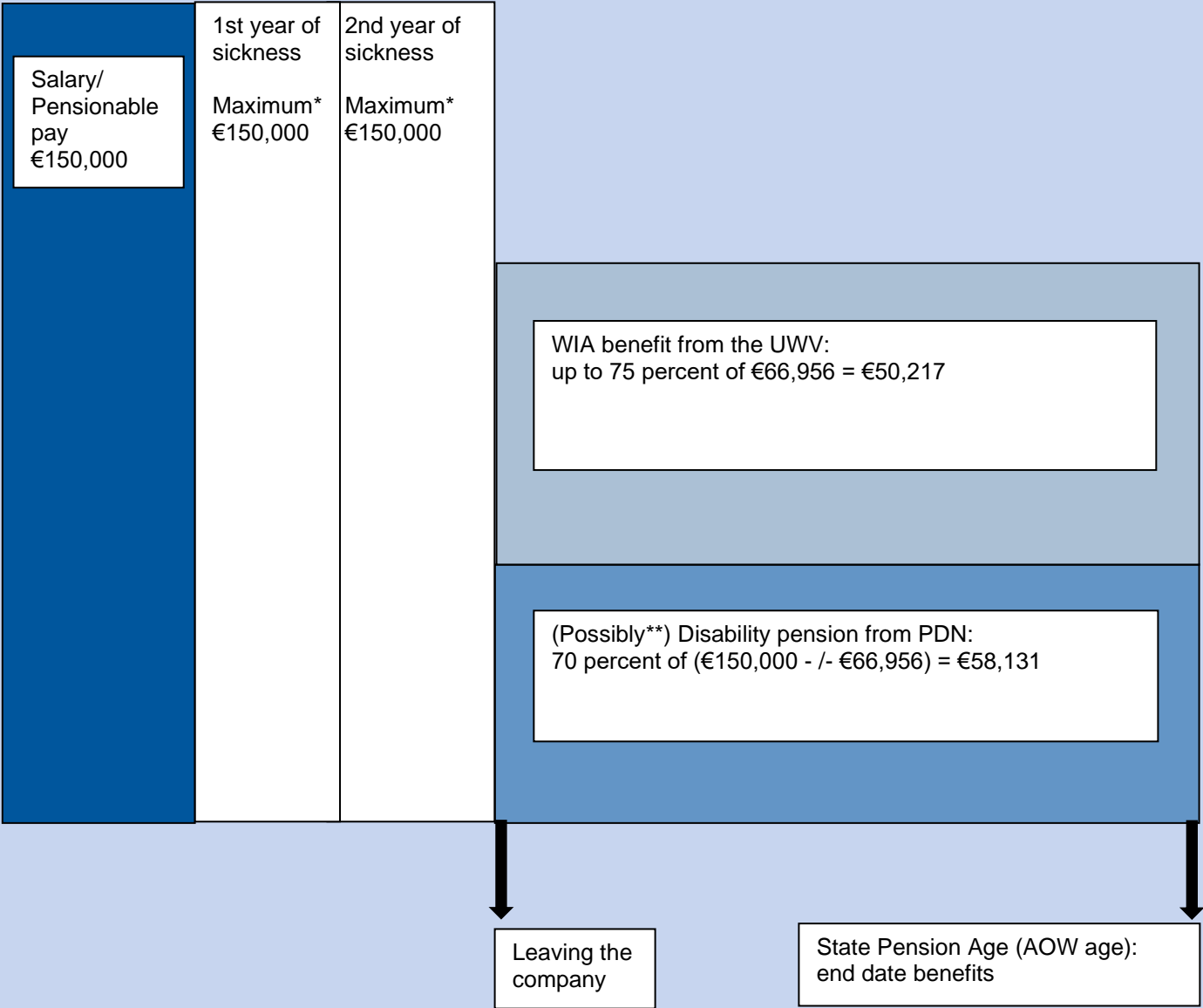
The pension schemes at PDN provide for full or partial pension accrual in the event of disability. Even if you start working for another employer, your pension accrual with PDN will remain capped at a maximum based on the degree of disability that applies when you leave employment.

If you become ill, it is also possible to start working for another employer. If you receive a WIA benefit after two years of illness, you may still qualify for non-contributory pension accrual and possibly also for disability pension with PDN.

Changing your email address in 'My PDN Pension' on time

If PDN uses your work email address to inform you that digital mail has been delivered, you will have to provide a new email address if you change employer. If you fail to do this, PDN will not be able to send email notifications about mail to your digital inbox in '[My PDN Pension](#)', which is accessible via PDN's website.

Schematic representation of income from sickness onwards



* Please note: the salary level in the 1st and 2nd year of illness is arranged in your employer's CLA.

** only in the case of full disability.

Don't be caught out when you start receiving disability pension.

WHAT DO YOU NEED TO CONSIDER?

Payment

Unlike what you may be used to, you will not receive a thirteenth or fourteenth month bonus in addition to the monthly disability pension. These benefits are already included in the calculation of the monthly benefit. The payment date of your pension is no later than the 27th of each month. For the current payment schedule, please click [here](#).

Indexation

If the fund's financial situation allows, you will receive a supplement to your benefit in line with inflation. More information is available in the '[Indexation](#)' brochure on the PDN website.

Health insurance

If you start receiving a disability pension, you can still make use of the collective health insurance. You do not have to inform ZKA of any changes.

You pay two types of contribution under the Dutch Healthcare Insurance Act. These are the '*income-dependent contribution*' and the '*nominal contribution*'. We deduct the income-related contribution from your disability pension. You pay the nominal contribution to your health insurer.

The income-related contribution is 5.43% (2023) of your disability pension up to and including a maximum of €66,956 (2023). The maximum contribution is €3,635.71 per year (2023). This contribution is deducted from your disability pension each month.

Taxes

The pension fund deducts wage tax from your disability pension.

Concurrent benefits/income

If you receive other benefits/income in addition to your disability pension, you can only have the wage tax credit applied at one institution. Even then, you may be paying too little tax. This is because the various benefit agencies do not let each other know who deducts what amounts. If you have not paid enough tax, you will receive an additional tax assessment from the Dutch Tax and Customs Administration. Depending on the amount of your pension, this can run up to a considerable sum.

An attachment to this brochure explains how a subsequent tax assessment could arise and how you can avoid it, at least in part.

Living abroad

Foreign bank account

If you live abroad, we can transfer your disability pension benefit to a foreign account. We do this in euros. Within the European Union, banks do not charge any fees for this. Banks in other countries may have different arrangements.

Wage tax

You can also apply to the Dutch Tax and Customs Authority for exemption from Dutch taxation. This will prevent you from paying double taxation, i.e. paying tax both in the Netherlands and in the country in which you are residing.

The application form for this exemption can be found on the Dutch Tax and Customs Administration (belastingdienst.nl) website. Please fill out this form, sign it, and send it to the Dutch Tax and Customs Authority. If you are entitled to an exemption, the Dutch Tax and Customs Authority will send the original exemption to you and a copy of the exemption to the pension fund. The pension fund will then not withhold income tax and social insurance contributions from your pension.

Citizen Service Number (BSN)

When making pension payments, PDN is obliged to include your Dutch Burgerservicenummer (Citizen Service Number, BSN) in its records. We cannot pay out a pension to you without this number. Your BSN will be stated on your passport, identity card, or driver's licence, if these were issued in the Netherlands.

If you do not have a BSN or if you do not know your BSN, you can request it from the Belastingdienst Particulieren / Ondernemingen buitenland, Postbus 2865, 6401 DJ Heerlen.

CAK

The pension fund will also be notified if you still owe a contribution towards your health insurance. In that case, the pension fund will register you with Zorginstituut Nederland (CAK). CAK determines the contributions you pay for your health insurance; this is a fixed contribution and an income-related contribution. You will need to bear in mind that we are instructed by CAK to deduct these contributions monthly from the disability pension. You can find more information on the [CAK's website](#).

Life certificate (in Dutch: 'attestatie de vita')

At the start of the disability pension, you must also arrange for an annual form (an 'attestatie de vita') to be completed that shows that you are still alive. You will be notified of this by the pension fund.

Report changes

Even if are disabled, you may have to contact your pension fund. If, for example, your bank account number changes, you must report this. Or if your degree of disability changes, you must report this.

If you live abroad, you will need to report matters to us more often. If you move abroad to a different address, you must let us know. More information about this is given in the brochure '[Reporting Events to PDN](#)'.

ATTACHMENT 1: Notes on additional income tax assessments

Why have I received an additional income tax assessment?

The Pension Desk is regularly called by pensioners who have a question about additional income tax assessments. 'Why have I received an additional tax assessment?' The most frequently heard comment is: 'Surely a monthly wage tax is deducted from the benefit?'. We explain below how it is possible that, despite the deduction via the wage tax, you may receive an additional income tax assessment.

Four aspects play an important role here: wage tax, wage tax credit, income tax return, and the progressive tax system.

Wage tax

This is the tax that is deducted from your salary or pension payment.

Wage tax credit

This is the discount on the wage tax payable (the part of your income on which you do not pay tax). If you receive payments from various agencies, only one of these agencies can apply the wage tax credit.

Income tax return

The total amount of wage tax withheld is reported and checked.

Tax rate

The higher your income, the higher the tax rate. Unlike income tax, wage tax does not take personal circumstances into account. When filing your income tax return, you must declare the total income you have received in a certain year.

At least two sources of income

If you are a disabled, you sometimes receive two or more benefits. When determining wage tax, no account is taken of the fact that you have multiple incomes. Each benefit agency, including PDN, determines the wage tax independently on the basis of the tax tables. Because of the progressive nature of the tax system, a situation can arise in which you have paid too little wage tax on an annual basis.

Avoiding additional tax assessments

How can you avoid being confronted with an additional tax assessment? If the additional tax is higher or almost equal to the general wage tax credit per year (this depends on your income), you can consider not having the wage tax credit applied to your statutory disability pension.

You can also choose to have PDN deduct more wage tax each month. You can send a written request to this effect to PDN, Antwoordnummer 110, 6400 VB Heerlen (or from outside the Netherlands: postbus 6500, 6401 JH Heerlen) or by emailing info.PDN@dsm.com. PDN cannot calculate the adjustment you need to make to your tax and social insurance contributions. You must calculate the adjustment yourself or with the assistance of a financial advisor, and specify this to PDN by letter or by email. Another way of avoiding an additional tax assessment is to have a provisional assessment by the tax authorities take into account the fact that the deductions from your pension are too low.



PPS balance choices in the event of disability

The advantages, disadvantages, and risks at a glance

If you have a PPS balance, you can choose what you do with your PPS balance. The following table will help you make sound choices.

When should you make your choice?

You should make your choice when you leave employment due to disability. You can then convert your PPS balance into additional disability pension. If you don't convert your PPS balance at that time, you will be required to convert your PPS balance into a PPS benefit afterwards on your PPS age (= state pension age date minus 3 years).

On the date you leave employment, you convert your PPS balance into additional disability pension (AOP)

+ ADVANTAGES	- DISADVANTAGES	- RISKS
<ol style="list-style-type: none"> 1. You do not need to request additional AOP yourself, as you will receive a timely letter from PDN. 2. You have extra money to spend. 3. Having the option to receive additional AOP may enable you to better align your income to your outgoings. 4. You receive payment from your PPS balance earlier and can also keep the money in reserve (of course, you don't have to spend this money). 5. Concurrent payment of your additional AOP with statutory benefits for disability (WIA or WAO) is permitted. 6. As you no longer have a PPS balance, a negative PPS return will no longer have any impact. 7. If you stop working at your PPS age, PDN must convert your PPS balance into a PPS benefit, which will then be deducted from your regular AOP (tax requirement). You avoid this if, on date you leave employment, the PPS balance has already been converted into (additional) AOP. 8. When indexation is awarded, your additional AOP will also increase if the benefit started prior to the indexation date. 	<ol style="list-style-type: none"> 1. It is possible that you will have no or less entitlement to benefits due to the extra income from your additional AOP. 2. You cannot (subsequently) have the retirement pension paid at the same time as your additional AOP, otherwise the additional AOP will lapse. 3. You may have to pay a higher tax rate if you receive your additional AOP together with other income (such as your WIA benefit). 4. If you die, the additional AOP stops and there will be no PPS balance available to pay to your partner. 5. When a reduction (curtailment) is applied, your additional AOP will also decrease if the benefit already started prior to the reduction date. 6. As soon as you are no longer entitled to a statutory WIA or WAO benefit, the payment of the additional AOP stops. If you later do start to receive statutory WIA or WAO benefit again, the payment of the additional AOP will not resume. 	<ol style="list-style-type: none"> 1. The higher income may leave you with no/less entitlement to allowances, requiring you to repay overpaid allowances to the tax authorities in a subsequent year; if you do not set that money aside, you may find yourself in financial difficulties. 2. The higher income from PDN may put you in a higher tax rate on your total income (PDN benefit and WIA benefit UWV). This may mean you receive an additional income tax bill and you may find yourself in financial difficulties. 3. The additional AOP may be reduced if PDN decides to reduce all members' pensions (curtailment). 4. Once you are no longer disabled and therefore no longer receive statutory WIA or WAO benefits, the payment of the additional AOP also stops. If your statutory WIA or WAO benefit resumes, this does not apply to the payment of the additional AOP.

At your PPS age (= state pension age date minus 3 years) you convert your PPS balance into a PPS benefit

As you are disabled and are therefore no longer working, you are obliged to convert your PPS balance into a PPS benefit when you reach your PPS age.

+ ADVANTAGES	- DISADVANTAGES	- RISKS
<ol style="list-style-type: none"> 1. You do not need to request your PPS benefit yourself, as you will receive a timely letter from PDN. 2. If you receive your PPS benefit, you will have more income; you can adjust your spending habits accordingly or keep the money in reserve (of course, you don't have to spend this money) 3. Concurrent payment of your PPS benefit with a statutory benefit for disability (WIA or WAO) is possible in most cases. If necessary, contact UWV to ascertain whether they will reduce your statutory benefit (PDN will not reduce your PPS benefit!). 4. When indexation is awarded, your PPS benefit will also increase if the benefit started prior to the indexation date. 	<ol style="list-style-type: none"> 1. If you are no longer working, you must have your PPS balance converted into a PPS benefit; you have no other options such as deferment or conversion, see the 'Choices for your PPS balance' brochure. 2. If your statutory WIA benefit has stopped and you are currently receiving WW benefit, the UWV will reduce your WW benefit by the amount of the PPS benefit. 3. It is possible that you will have no or less entitlement to benefits due to the extra income from your PPS benefit. 4. If you decide you want your retirement pension to be paid at the same time as your PPS benefit, this may not be possible in all cases (due to a tax requirement). You can ask the Pension Desk about this, if necessary. 5. If your PPS benefit is paid concurrently with a standard AOP, PDN will reduce your AOP (this is a tax requirement). 6. The extra income from your PPS benefit may take you into a higher tax bracket. 7. When a reduction (curtailment) is applied, your PPS benefit will also decrease if the benefit already started prior to the reduction date. 	<ol style="list-style-type: none"> 1. The higher income may leave you with no/less entitlement to allowances, requiring you to repay overpaid allowances to the tax authorities in a subsequent year; if you do not set that money aside, you may find yourself in financial difficulties. 2. The higher income from PDN may put you in a higher tax rate on your total income. This may mean you receive an additional income tax bill and you may find yourself in financial difficulties. 3. If your PPS benefit is paid concurrently with a statutory unemployment benefit (WW benefit or PAWW benefit), the UWV will reduce your statutory benefit. Inform your benefit agency (UWV or Stichting PAWW) to ensure that you do not receive so much benefit from that agency that you have to pay this back later (PDN will not reduce your benefit!). 4. If your PPS benefit is paid concurrently with a disability pension, PDN will reduce your disability pension (this is a tax requirement). 5. The PPS benefit may be reduced if PDN decides to reduce all members' pensions (curtailment).

Changing your email address in 'My PDN Pension' on time



If you have forwarded your email address to your employer so that the pension fund can send you digital mail, then you will have to provide a new email address if you change employer. If you fail to do this, PDN will not be able to send email notifications about mail to your digital inbox in 'My PDN Pension', which is accessible via PDN's website.

Contact



For questions about your pension, please see the website:

pdnpensioen.nl

or contact our Pension Desk:

tel: +31 (0)45 5788100

email: info.PDN@dsm.com

Pension Regulations



Click on the icon for more information about the disability pension and the continuation of pension accrual during disability in the pension regulations.

Net pension regulations



Click on the icon for more information about the net pension scheme in the net pension regulations.

Disclaimer

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