

How do we convert your pension scheme?

You must have heard about it: a new pension law came into force on 1 July 2023. As a result, there are new pension rules for everyone: for pension funds, insurance companies and for BeFrank. And for your employer, who must convert your pension scheme into a scheme that complies with the new Pensions Act. Your employer will make arrangements with you and your colleagues about how the pension scheme will be converted. And what is arranged for you.

BeFrank ensures that your pension scheme is converted correctly. The new Pensions Act stipulates that every pension administrator must draw up an implementation plan, which De Nederlandsche Bank must assess. The implementation plan is extensive and contains a number of pension terms that you are probably not that familiar with. That is why we have created this brochure for you. In it, we explain how we convert a pension scheme and what you can expect from us. The brochure also includes a handy glossary with explanations.

Your pension with BeFrank

Our product is an investment-based contribution scheme. The new Pensions Act calls this a 'flexible contribution scheme'. This is a pension scheme in which everyone has a personal pension fund. While the pension contribution you pay in is fixed, the amount of your pension is not. In a contribution scheme, we invest according to a lifecycle. This means that we adjust the investments according to your age and risk profile. We believe it is important that our product can be understood by everyone. And that you can easily make your own pension choices.

New Pensions Act: what will change?

Under the new pension rules, everyone will accrue a pension in a contribution scheme. This is not new to BeFrank, as the pension contribution you pay in with us is fixed. You pay the contribution into your own pension fund and make your own choices for your investments and pension. Some things will, of course, change. The main changes are:

1. The surviving dependants' pension will be simpler. This is a benefit that your partner and children, if any, receive when you pass away.
2. The contribution you pay in towards your pension is the same for everyone in the pension scheme. Your age will no longer affect the contribution.

Will you accrue less pension as a result of these changes? If so, your employer can provide compensation, a reimbursement. The new pension rules indicate which options your employer has for this. The new Pensions Act also contains rules on the information that you receive from us, such as about the transfer of your pension scheme.

This is how we are adjusting our pensions

The new Pensions Act has been a long time in the making. And things are changing quite a bit. We want to be well prepared for this. That is why we started working on the draft legislative texts in good time and drew up a plan.

This plan explains exactly how we will apply the new pension rules in our communication, My Pension app, in our pension administration and on befrank.nl. We tested this with our customers and advisors. And we're ready. Your employer can request a quotation from us and conclude a new pension scheme.

You will not notice anything until your employer has converted the pension scheme, which they must do before 1 January 2028. Most employers convert their scheme when the pension contract expires. There are also employers who convert the scheme earlier. It is all the same to us. Once the conversion is done, we will make sure you know where you stand.

Making sure everything is going well

Pension is an important employment condition. We therefore take great care when adjusting the pension product, because we don't want to make any mistakes. That's why we've looked in advance to see where things could go wrong. Will we convert your pension scheme in time? Are we informing you properly? And do we show the correct calculations on your personal pension page?

We drew up a list of risks and then put them in order. The risks with the highest probability and biggest consequences are at the top. We then described the measures we are taking to ensure that things won't go wrong. What we are already doing, for example, is providing your employer with extensive and frequent information about the conversion of a pension scheme. We also perform several checks to make sure that you see the correct amounts.

However, sometimes things may not proceed as they should. In the pension regulations and in our policy, we have described how BeFrank corrects mistakes. And what you can expect from BeFrank.

The quality of our data

What is very important to us is the accuracy of your personal data and your pension data. These are included in our pension administration. Checking the quality of data is nothing new to us; we've always done this and continue to do so. For example, we regularly carry out audits when converting pension schemes. Is the amount of the insured partner's pension correct? Are we calculating the correct pension contributions? And is this in line with the new pension scheme?

When your pension scheme is converted

If your pension scheme is converted, your employer will inform you in advance. BeFrank will of course also keep you informed. If your pension scheme has been converted and you switch to a flat contribution, we will provide you with a handy overview. This will show you exactly what you had in your old scheme and what you will get in the new scheme.

Would you like to know more now?

Visit www.befrank.nl/en/newsystem. Among other things, you will find a useful video here about the new Pensions Act. Do you have any questions about your own pension scheme? Then please contact your HR department or visit www.befrank.nl/en/contact.



Explanation of pension terms

In this brochure, we use specific pension terms. Find out what those terms mean below to help you better understand the implementation plan.

Compensation

There are several ways in which your pension scheme can be converted. If you accrue less pension after the conversion or if there is less surviving dependants' pension insured, your employer can provide 'compensation', a reimbursement. This can be done through your salary, with which you can accrue additional pension yourself. Your employer may also make additional pension contributions for you.

Flexible contribution scheme

The flexible contribution scheme is another name for a defined contribution scheme.

Surviving dependants' pension

If you pass away, your partner and children, if any, will receive a benefit. We call this the 'surviving dependants' pension'.

Pension administrator

The insurer, premium pension institution (PPI) or the pension fund that operates your pension scheme.

Contribution scheme or defined contribution scheme

A pension scheme in which everyone has a personal pension fund. While the pension contribution you pay in is fixed, the amount of your pension is not. In a contribution scheme, we invest according to a lifecycle. This means that we adjust the investments according to your age and risk profile.

Flat contribution

This means that the contribution you pay in does not depend on your age. The same percentage applies to all participants in a pension scheme, with which we calculate the pension contribution.