

VPS Interest from 1 July 2011 to 1 July 2012: 8.3%

Are you a DSM employee who accrues pension with Pensioenfonds DSM Nederland (PDN)? If so, you can save for additional pension on top of your 'normal' pension. At PDN this is called Voluntary Pension Saving, or VPS. Interest is paid on the VPS contributions and for the period 1 July 2011 to 1 July 2012 this interest has been set at 8.3%. This attractive rate of interest makes VPS even more advantageous. That's why we're sending out this Newsletter, which focuses particularly on VPS and the fiscal scope you need to be able to save.



The advantages of joining VPS

Whether VPS saving is advantageous to you depends on your personal situation. This Newsletter tells you more about this. As a result of the credit crisis and PDN's negative investment results, the interest from 1 July 2009 to 1 July 2011 was 0%, so membership of VPS was less advantageous during this period. That isn't the case now the interest for the next period has been set at 8.3%.

Joining VPS, what do you have to do?

First, find out all about VPS by reading the brochure Voluntary Pension Saving. Then fill in the VPS (application) form and send it to the DSM Business Support Center (BSC HR-NL). You need to enclose a statement of the fiscal scope you received from PDN to the form, so make a copy of the part of your UPS which shows your personal details and your fiscal scope and enclose it with the form.

My Pension and the PDN pension planner

Look at the pension planner on the PDN website to find out how much pension your VPS contributions will eventually deliver.



Contact

If you have any questions about your pension, visit the website:
www.PDNpensioen.nl or
contact our Pension Desk:
tel. 045-5788100,
e-mail: info.PDN@dsm.com.



There's a lot of confusion about what happens to your VPS contribution if you die.

This is how it works:

If you die before you retire, the VPS credit, including interest, is converted into partner's pension and/or orphans' pension. If you have no partner and/or children, the VPS credit will be paid to your heirs as a lump sum. In that case, statutory taxes will be deducted from the payment.



Why VPS?

Saving in VPS is advantageous for employees of DSM who for one reason or another find that they haven't accrued or won't accrue enough pension.

There can be a number of reasons for this, for example a pension gap when changing employer, a divorce or a period without accruing pension. VPS capital can also allow you to retire earlier with a higher pension or save for a pension top-up for other reasons.

The changes to the pension scheme resulting from the introduction of the average salary scheme on 1 January 2011 make VPS attractive for all DSM employees and particularly for employees who are likely to be promoted. In the average salary scheme, these employees accrue pension on their average salary. Joining VPS will make up for the lower pension accrual in the years before promotion.

So there's plenty of reason to (re) consider joining VPS. You can read all about VPS in the brochure 'Voluntary Pension Saving' on the PDN website (www.PDNpensioen.nl). Look for the brochure in the right-hand column under Employee / Pension Alternatives / Voluntary Pension Saving (VPS), where you'll also find the 'VPS Form' you need to complete if you want to join VPS.

Fiscal scope:

The tax office limits your contribution

Saving in VPS is advantageous from a tax point of view, as your monthly or lump-sum contribution is deducted from your gross salary. The advantage of this is that you don't pay any tax on your contribution. You only pay tax when you receive the saved contributions in the form of a pension. This deferred payment of tax is one of the reasons why the tax office sets a limit for your contributions.

So you can't save an unlimited amount with VPS. You have to have 'fiscal scope'. Fiscal scope is created by the difference between your actual pay and your pensionable pay and possibly by value transfer. From this year, you can see whether or not you have fiscal scope, and how much you have, on the Uniform Pension Statement you receive from PDN.

When determining the fiscal scope, any personal life insurance or other financial products you have, which affect the amount of your fiscal scope, are not taken into account. To avoid penalties from the tax office you must correct your fiscal scope to take account of these yourself. You aren't allowed to save any more than your fiscal scope. If you want to join the VPS scheme, and your UPS shows that you have little or no fiscal scope, read the Voluntary Pension Saving brochure to find out what you can do to have your fiscal scope recalculated.