

Information on the January 2011 payment specification

As is customary, with effect from 1 January some (legislative) changes have been introduced that will affect pension benefits and the deductions from them. As a result, the net pension benefit will differ from the amount paid out by PDN in December 2010. This Newsletter explains the changes in the healthcare insurance premium, while it also discusses a possible additional tax assessment from the Dutch Tax & Customs Administration.

Changes in healthcare insurance premium

Your healthcare insurer has informed you, or will inform you, of the changes in your healthcare insurance. Therefore, below only the changes will be discussed that affect your benefit.

An *income-dependent contribution* (employee's contribution under the Healthcare Insurance Act) of 5.65% (formerly 4.95%) is to be paid by anyone entitled to a benefit and receiving a supplementary pension such as a pre-pension, old-age pension, partner's pension, orphan's pension or disability pension. The maximum amount over which this contribution is to be paid is € 33,427 a year. Since both PDN and Sociale Verzekeringsbank, which pays out the AOW and Anw benefits, independently withhold this contribution, the total amount paid may exceed the maximum. If this is the case, any excess premium paid will be refunded to you by the Tax & Customs Administration.

Besides this income-dependent premium, each insured also has to pay a *fixed premium* (for basic and any supplementary insurance). If you are not insured with Zilveren Kruis Achmea under DSM's collective healthcare insurance scheme, or if your net benefit is lower than the premium due, you must pay this fixed premium directly to the healthcare insurer of your choice. If you do participate in the collective DSM healthcare insurance scheme, the fixed premium is deducted from your PDN pension.

PDN withholds the fixed healthcare insurance premium on the basis of data supplied by Achmea.

Any questions about the DSM collective healthcare insurance and premium withholding should therefore be addressed to **Zilveren Kruis Achmea (tel. 0900-9674)**.

Living outside the Netherlands

If you live in an EU/EEA country or treaty country, the Healthcare Insurance Commission (College van Zorgverzekeringen) has contacted you directly to determine your personal situation. Any income-dependent contribution will be withheld by PDN only on the basis of information received from this Commission.



Contact

If you have any questions about your pension, please see our website:

www.pdnpensioen.nl

or contact our Pension Desk:

tel. 045 – 5788100, or email:

info.PDN@dsm.com.

PDN pension payment dates in 2011

Month	Day
January	26
February	24
March	24
April	26
May	26
June	24
July	26
August	25
September	26
October	26
November	24
December	22

PDN Newsletter

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Additional tax assessment for 2010

If you have received benefits from more than one agency, for instance AOW pension from Sociale Verzekeringsbank (SVB) and from PDN, and your total gross income in 2010 was more than € 18,218 (upper limit of lowest tax bracket in 2010), you may receive an additional tax assessment from the Tax & Customs Administration. One reason for this is that benefit payments by these (and any other) agencies take place separately, with all agencies starting to withhold payroll tax on the basis of the percentages of the lowest tax bracket. In other words: the lowest payroll tax percentage is applied two or more times, while part of the income should possibly have to be taxed at a higher percentage.

If you have previously had to pay an additional tax assessment, you will probably receive a preliminary assessment from the Tax & Customs Administration in early 2011. This will enable you to pay the additional assessment in advance, optionally in instalments. The amount paid will be deducted from the final assessment that you receive after the end of the year.

How to avoid an additional tax assessment

How can you avoid being faced with an additional tax assessment? If the additional tax assessment is higher than or almost equal to the annual general payroll tax credit for an over-65 (€ 912 in 2011), you might consider requesting non-application of the payroll tax credit. This credit is usually applied by the government's benefits agency, which means the non-application request should be sent to SVB. Alternatively, you may ask PDN to withhold a higher monthly payroll tax amount.

A written request to this end should be sent to PDN, P.O. Box 6500, 6401 JH Heerlen, the Netherlands.

Other things worth knowing

>> In January, the annual tax report statements showing the PDN pension payments in 2010 were sent to the home addresses of pension beneficiaries. You should carefully retain this statement as you may need it when filling in your tax return form for the year 2010.

>> With effect from 1 January 2011 the withholding tables for payroll tax / national insurance contributions have been changed.

>> You receive a payment specification from PDN only if your benefit differs from that in the previous month.