



How to crossover safely ?

Lieke Werner | March 2024

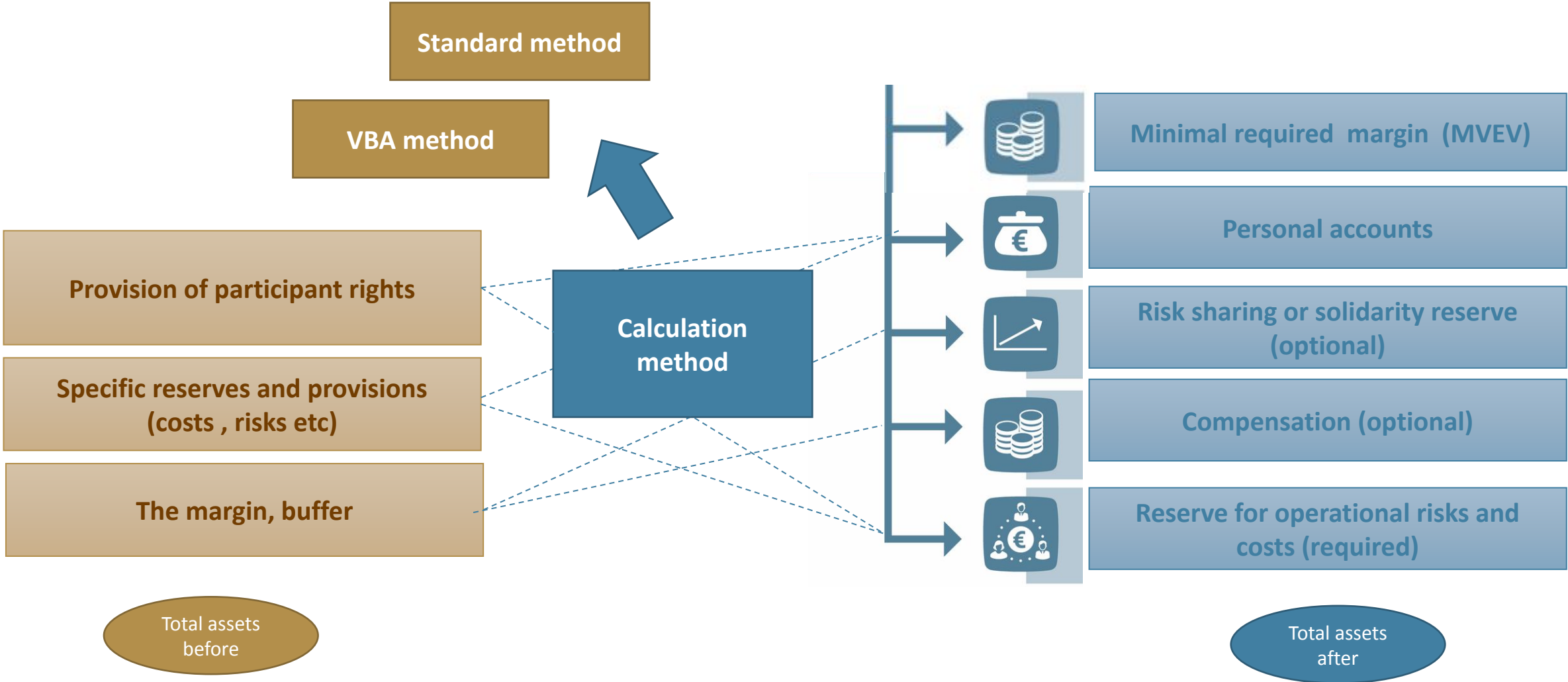


Why data and its quality is crucial for the moment of truth ?

What critical data do we use? Which calculations are required ?

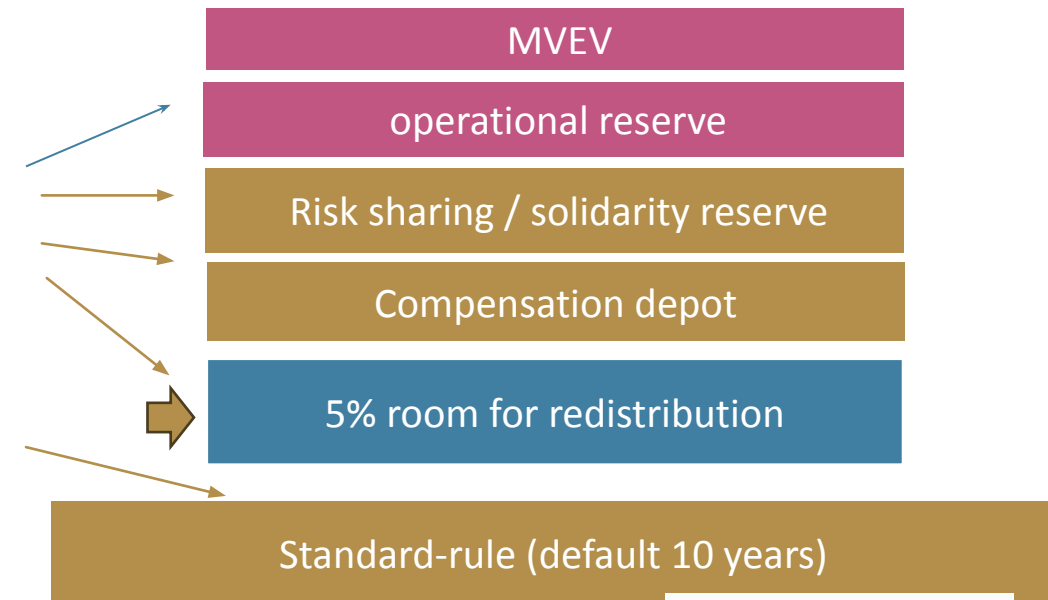
And in what order do we make them ?

The conversion of collective assets into personal accounts



De Standaard Method

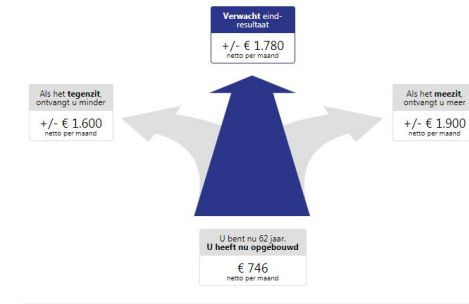
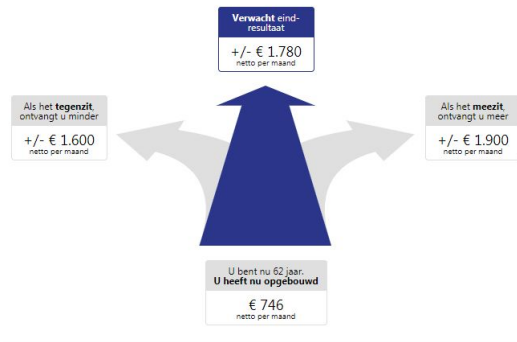
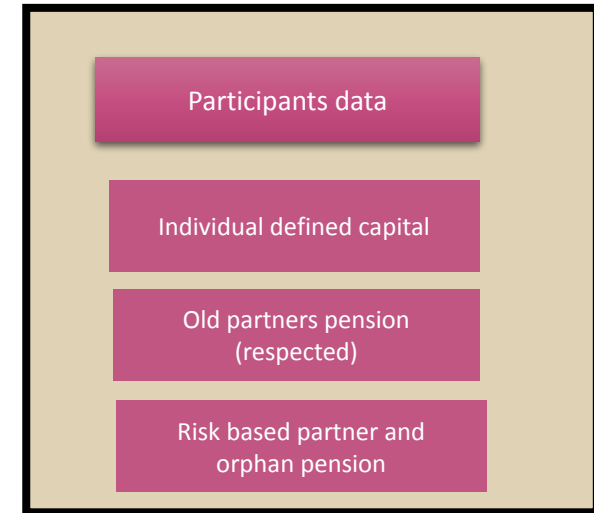
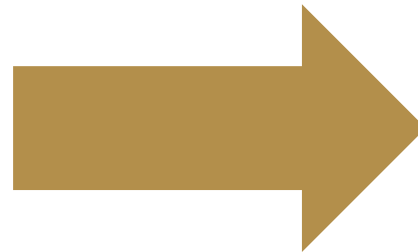
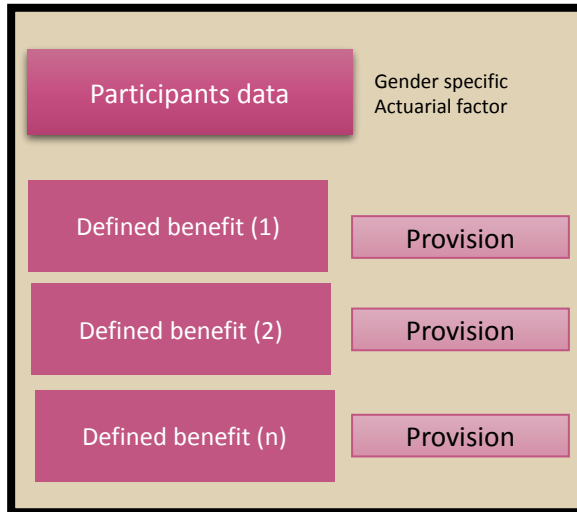
- Based on current provisions (market value) not an projections into the future (intrinsic market value).
- Is less complex and explainable (?).
- Limited space for redistribution of capital.
- Participants always minimal 95% of assets after distribution via standaardrule



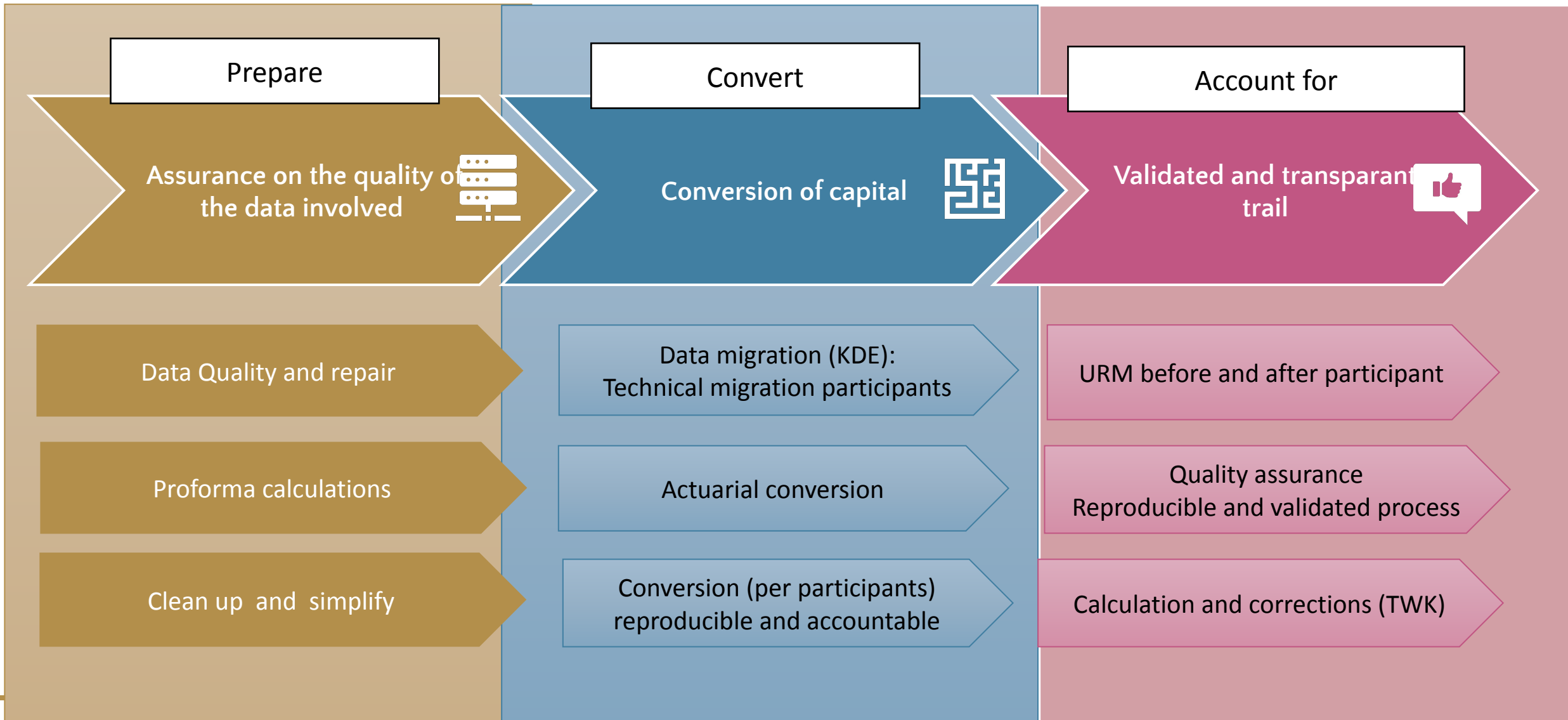
*Boldly go where no
man has gone
before*

Converting the participant rights

Participants rights before and after.



Different phases in the transition

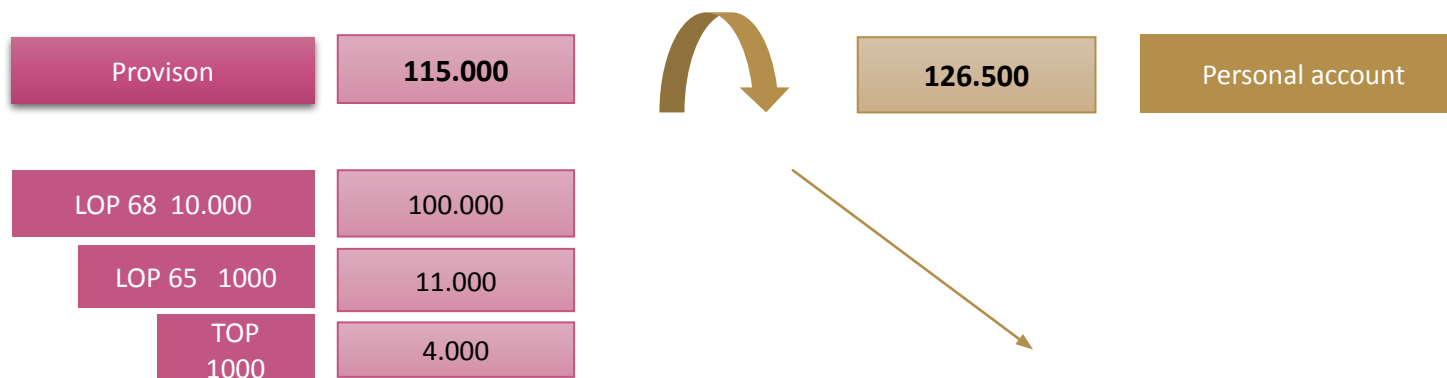


**The conversion is crucial.
It therefore must be
reproducible and
completely transparent**



The conversion of capital

The capital that is reserved per participants is the sum of all provisions
This capital has to be converted into a personal account with individual defined capital.



Can we simplify this ?

1 factor per age ? per pension ? Per status ?

Poll:

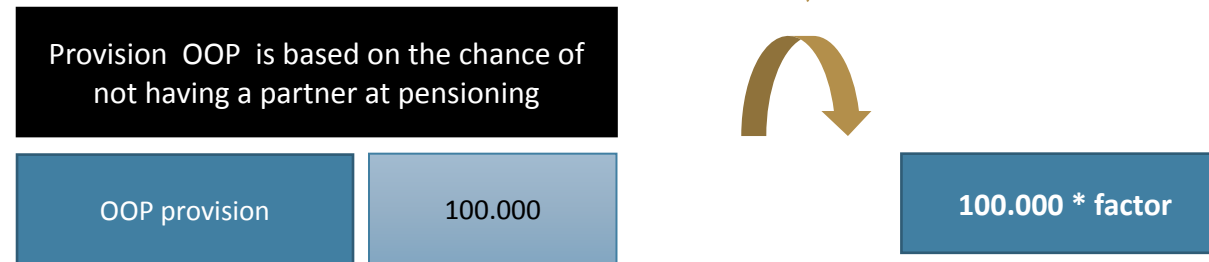
**The current provision
represents the right and
objective market value and is
therefore the only relevant fact
for transition calculations**



An example : “Ongehuwden pensioen”

Conditional old age pension depending on the marital status at retirement

3. Compensate in conversion for loss (within distribution 5%)



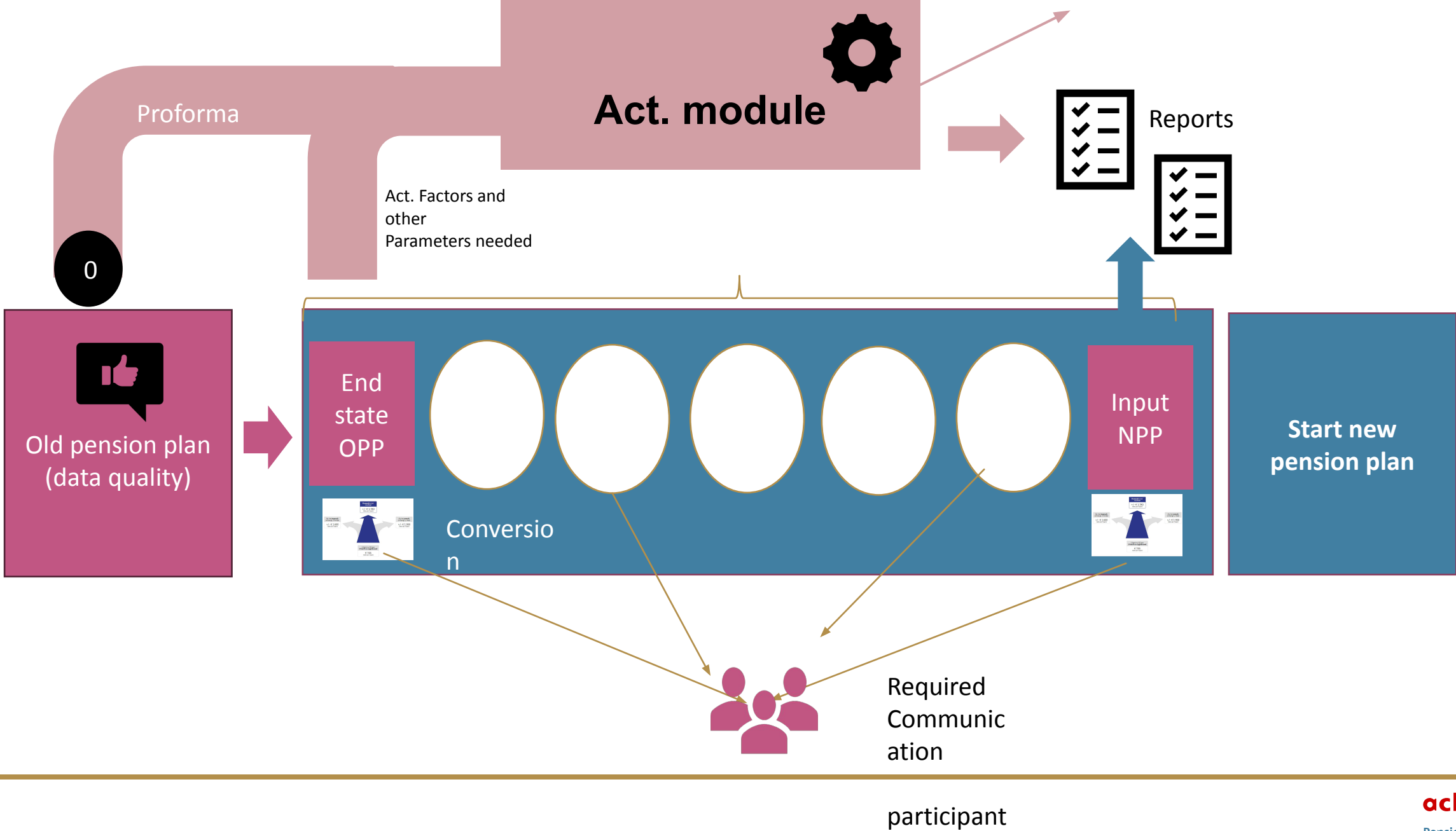
2. Convert upfront to normal pension
(permission, when, costs, other actuarial factors)

1. No compensation the provision is the right market value

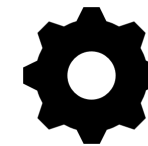
**How many steps are needed
in the conversion process
(the calculation)**



Minimal requirements (95% standard rule, 100% provision)



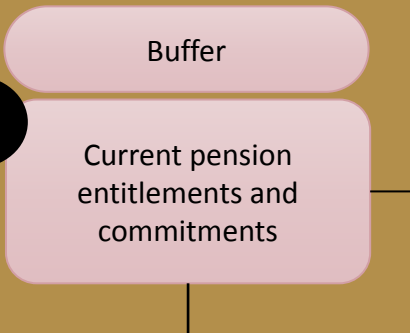
Steps in the conversion process



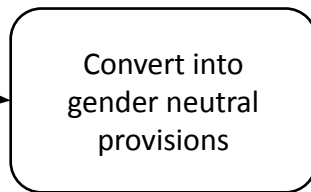
Toetsing

Assets and rights old pensionplan

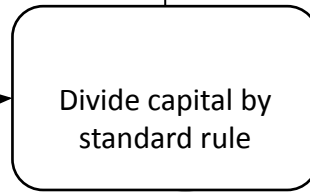
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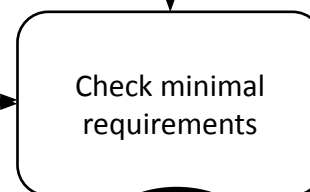
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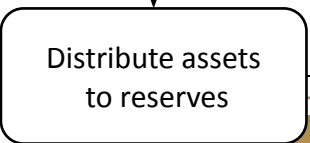
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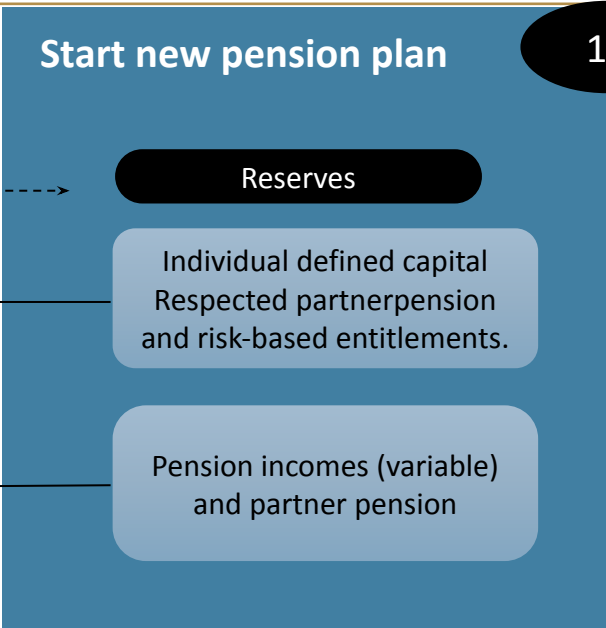
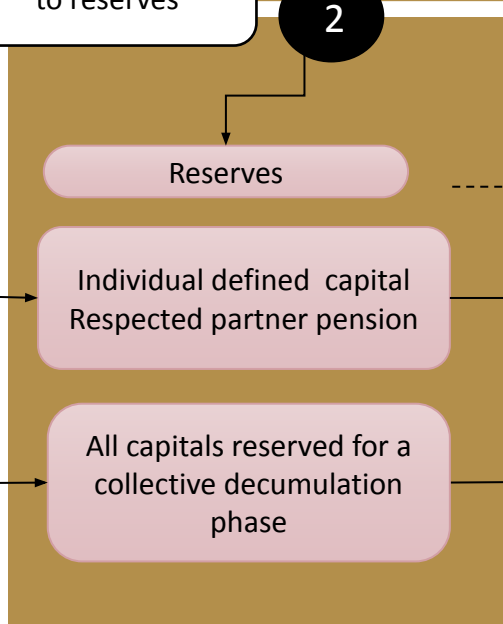
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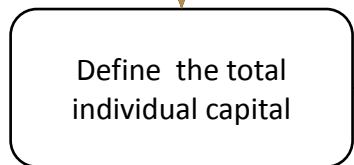
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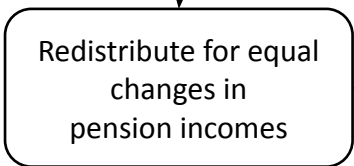
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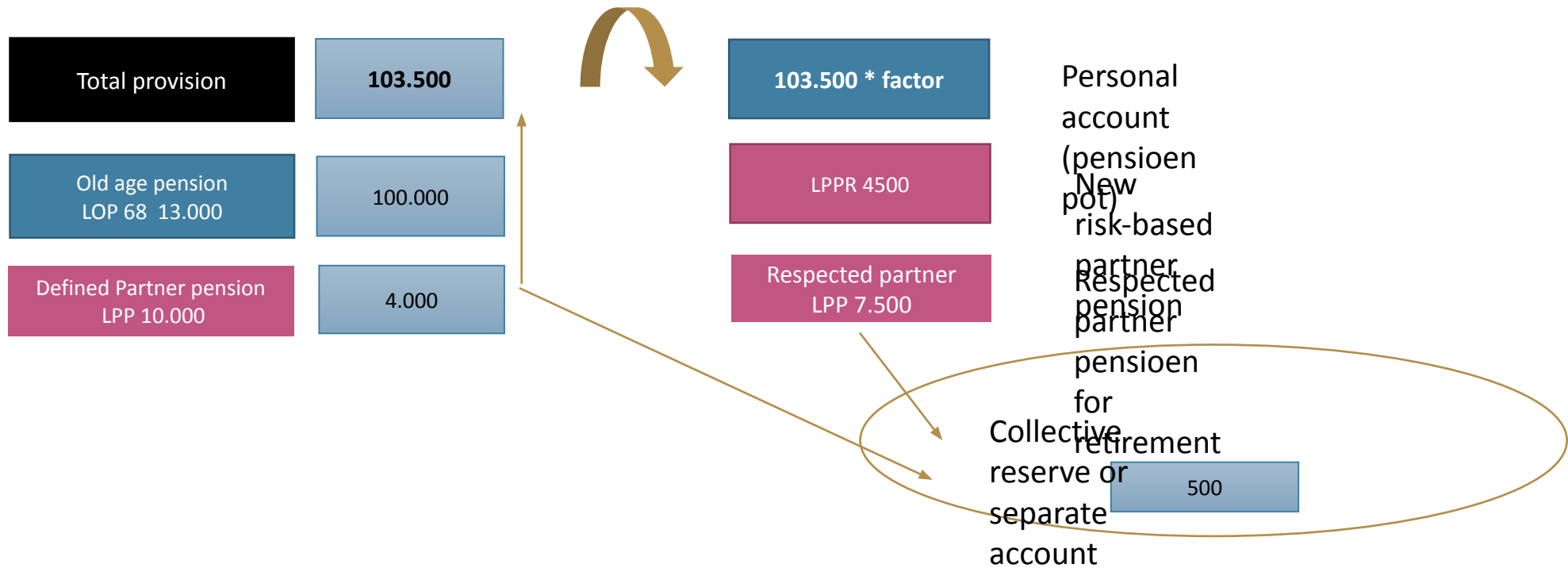
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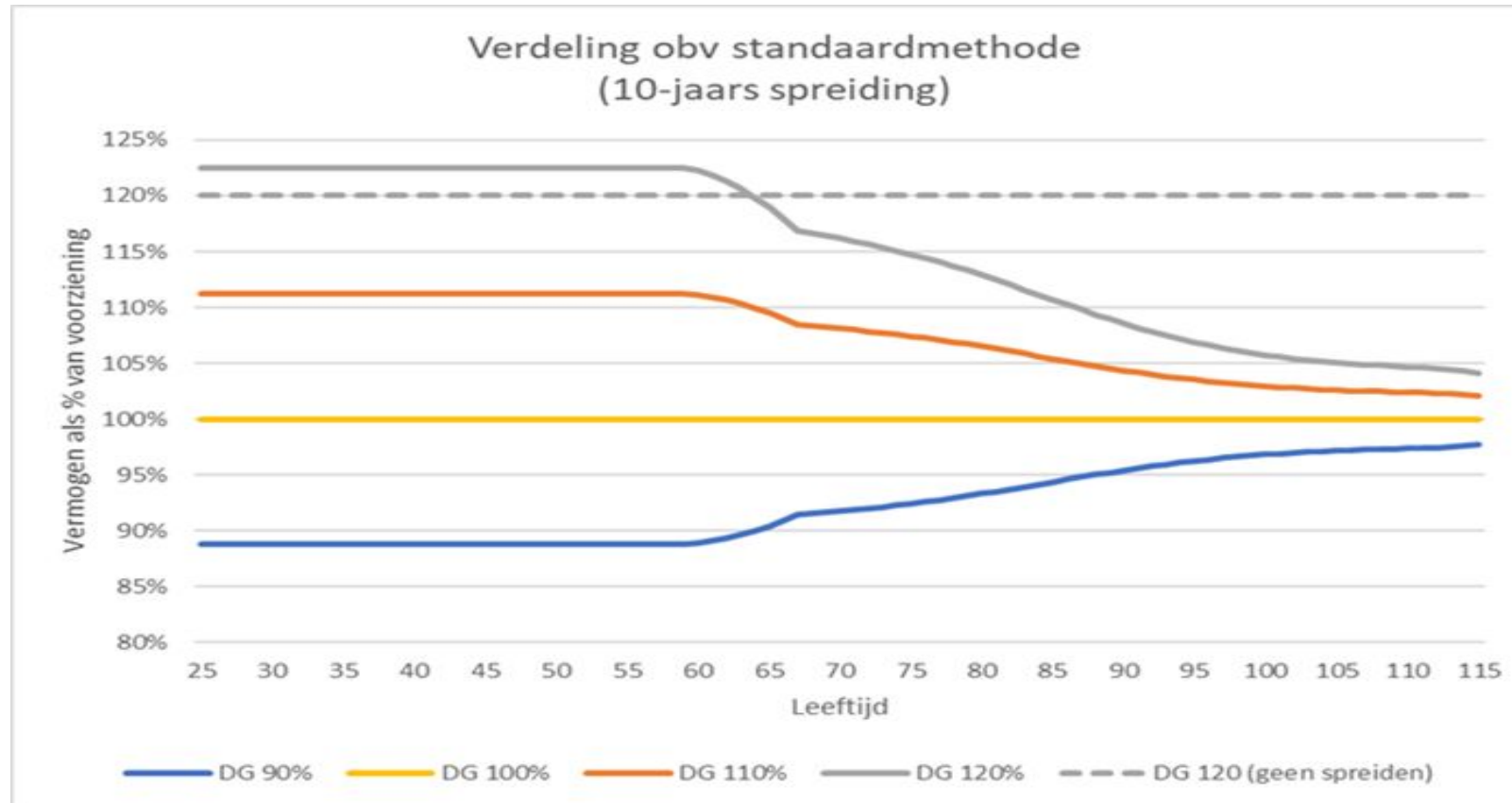
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Respected partner and orphan pensions

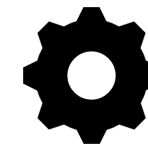
Pension Entitlements
Old plan



Standard rule: Indexation in 10 years leads to different distribution of assets per age



Steps in the conversion process



Assets and rights old pensionplan

1

Critical data :
 Marital status
 URM calculation old
 Defined benefits
 Missed indexation

Entitlement orphan and spouse
 Partner definition

3

Male / Female ratio per pension type

4

Pread period used
 Minimal required
 Capital participants

6

Required information for redistribution for
 Example salary

7

Results and controls before and after

8

Toetsing

Current assets, provisions, reserves and cash

2

Total capital, separate parts
 Marital period

8

Personal capital
 Collective capital and provision needed
 Increase rates

9

Reserves

Individual defined capital
 Respected partner pension

All capitals reserved for a collective decumulation phase

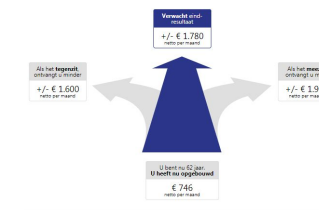
Start new pension plan

10

Reserves

Individual defined capital
 Respected partner pension and risk-based entitlements.

Pension incomes (variable) and partner pension



How do we explain this ?

The legally required communication for participants

