

VIDA NEWS

Newsletter Vidanova, 2024-02

Newsletter of your Vidanova Pension Fund Foundation.

Out of service before
retirement date?
This happens to your
pension

*Happy
Pensioners' Day*

Statistical data
Vidanova Pension
Fund

*We congratulate Mr.
John Soliano with his
new challenge*

Incapacitated for
work? Don't worry.
Let your pension be
your security

In this edition, we focus on two crucial topics for your financial security.

First and foremost, we discuss what happens to your pension when you change employers before reaching your pension date. In the article on disability and pension, we explain how our disability pension can support you during your recovery. We answer questions such as: What is disability pension? When are you eligible? And how are the costs managed? We also discuss the statistical data of the Fund as of December 31, 2023, and we say farewell to Mr. John Soliano.

We hope that these articles provide you with more clarity and contribute to your financial peace of mind. Enjoy reading!

Your best option for
pensions


vidanova
PENSION FUND





Out of service before retirement date? This happens to your pension

It used to be that you stayed with the same employer for many years. Saving for a pension was simple: you stayed with one employer and built up a pension, based on your salary and years of service. Nowadays, it's not that simple. People often don't stay with one employer for long and change pension funds more often. So, what happens to your pension? In this article, we explain what happens to your pension when you leave employment before retirement date.

When you are hired, there is often a pension plan in your employer's offer. During your employment, you save for your pension. Upon leaving employment before retirement date, you stop saving and two situations can arise: you receive a premium refund or you automatically become a participant with deferred rights.

Premium refund

Premium refund is the refund of the (employee) premium contributed to the pension fund. This refund applies when participation in the pension fund has lasted less than a certain number of years and the termination of employment is not due to death or disability.

Whether you are eligible for a premium refund depends on the duration of your employment. This duration is stipulated in the pension regulations and is usually between 1 and 5 years.

The amount of the premium refund depends on the amount of the premiums you, as a member, have paid into the pension fund up to the date of leaving employment, minus social security charges and taxes. The calculation is as follows:

$$(\text{Employee's share}) \text{ pension premium} - \text{social charges/taxes} = \text{premium refund}$$

Note: Once the premium refund is paid, you are no longer entitled to a pension.

So, if you change employers more often, and you keep getting the pension contributions you paid back, you miss out on a piece of pension. In the long run, this can have adverse consequences. In such cases, it is a good idea to look at other savings products, such as a capital insurance. By doing so, you can still ensure that you have an income when you reach retirement age.

Premium refund application process

The premium refund is paid directly to you and not through your former employer. Therefore, you must first submit a request to Vidanova Pension Fund so that we can collect all necessary information, such as your bank details. After the information collection, Vidanova will review the request and approve it if necessary. After this, the premium refund can be processed and paid out.

It is important to note that the payment date cannot be later than two years after the end of participation, nor later than the participant's retirement age. This is stipulated by law and is not a condition of Vidanova. After the expiration of two years, the premium refund expires and you can no longer claim your paid premiums.

Participant with deferred rights

If you have worked for your employer for an extended period of time, you are not eligible for a premium refund. You automatically become a participant with deferred rights if you leave employment before your retirement date.

A participant with deferred rights is a participant who is no longer actively accruing pension with a particular pension administrator and who has not yet reached retirement age. The capital already saved or the accrued pension remains with the pension fund. Depending on the type of pension plan you participate in, this capital may increase annually with a return or indexation; the latter to the extent that the pension fund indexes pensions in any year. When you reach your retirement age you will receive an old-age pension. The amount depends on the accumulated pension.

Note: If you are eligible for contribution refunds, you cannot be considered a participant with deferred rights. In case you are late in applying for premium refund, the premium refund and your rights will be forfeited.

Conclusion

It is important to review your pension regulations carefully. Here you can read back when you are eligible for a premium refund and/or when you become a participant with deferred rights. Should you be eligible for a premium refund, make sure you submit a request in a timely manner. For more information and specific details about your personal situation or about the possibilities of taking other savings products so that you are assured of an (additional) income at retirement age, consult one of our colleagues at +5999 734 4200 or at info@vidanova.net.

Example

Mrs. Martina joins Banko di Kòrsou on January 1, 2020. She leaves employment on September 1, 2021. Mrs. Martina has worked at Banko di Kòrsou for 1 year and 9 months and is eligible for a premium refund according to her pension regulations. However, she does not find this out until 2024. On July 10, 2024, she submits a request. Unfortunately, we must inform Mrs. Martina that her premium refund has lapsed and therefore she is no longer entitled to receive a premium refund.

Had she filed a claim before August 31, 2023 (two years after leaving employment), she would still have been entitled to receive a premium refund.





Life is there to be enjoyed!

On Pensioners' Day (July 25th), we look back with you, our pensioners, on all your hard work and passion over the years.

Happy Pensioners' Day

Participate in our crossword puzzle and win one of our 10 amazing prizes. More information will be sent to you via mail.



Statistical data Vidanova Pension Fund as per December 31, 2023

The following statistical data applied to the Fund on December 31, 2023.

	December 31, 2023	December 31, 2022
Sponsors	95	89
Active participants	2936	2838
Participants with deferred rights	3183	3121
Pensioners	1817	1707
Pension capital	1103 mln.	1056 mln.
Pension obligations	1039 mln.	996 mln.
Reserves	64 mln.	62 mln.
Employees	20	13
Coverage ratio	106%	106%

With a funding ratio of 106%, Vidanova has a solid financial position at the end of 2023.

Pension capital, pension obligations and reserves have increased.

Our number of participants and sponsors has also grown again in 2023 and we thank all our affiliated companies, their employees and our pensioners for the good cooperation during the past year.

We increased our staff in 2023 to better serve you.

We congratulate Mr. John Soliano with his new challenge

In the previous edition of Vida News, we introduced the new Chairman of the Supervisory Board of Vidanova Pension Fund, Mr. Soliano. However, a wonderful challenge has come his way. As of August 1, 2024, he will be appointed as the new Governor of Bonaire. An opportunity he, of course, cannot pass up.

Although we are saddened by his departure, we understand this great opportunity in his career. We will miss his valuable contribution and the pleasant collaboration.

We wish Mr. Soliano all the best with this new challenge!



Incapacitated for work? Don't worry. Let your pension be your security

Life is wonderful and at the same time unpredictable. Unforeseen situations can always happen, including disability. Fortunately, there are options available that allow you to focus stress-free on your recovery without having to think about making money. One of these options is Vidanova Pension Fund's disability pension. What is disability pension? When are you eligible? How are the costs regulated? These are all questions we will answer in this article.

What is disability pension?

An occupational disability pension (so called AO-pension) is a monthly payment you receive from your pension provider in case of disability until your recovery or retirement age. At Vidanova Pension Fund, we also have an AO-pension.

When are you eligible?

You are eligible for an AO-pension when in your pension plan, occupational disability is co-insured and you have been declared fully disabled for a considerable period of time. This means that a medical specialist or medical examiner has declared you disabled for 65% or more on purely medical grounds due to a serious illness or physical defect. As a result, you are no longer able to practice an equivalent profession or perform other work, either with your employer or elsewhere. You are not eligible for an AO-pension if you become incapacitated by your own actions, immoral or bad behavior. The latter will be assessed by the Board of Vidanova Pension Fund.

Registration process and waiting period

If you are declared disabled for 65% or more, this must be reported to us through your HR department. We advise all HR departments to report foreseeable long-term disability to us immediately, stating the first day of the long-term absence due to illness. Even if there is no official declaration of disability by a medical specialist or medical examiner at that time. The moment the rejection is final, the official declaration must still be submitted to us. The sooner your HR department notifies us, the better. In most cases there is a waiting period of two years from the moment there is a formal disapproval and it is reported to us. In some cases, the waiting period may be one year, depending on your pension plan. During the waiting period, you are considered an active member and we continue to receive your contributions.



Duration

Your AO-pension continues until no later than your retirement age. After this, the AO-pension stops and you receive an old-age pension. As long as you receive an AO-pension, you must undergo a medical examination by an expert designated by the board as often as our board deems necessary. If such an examination shows that you no longer meet the requirement of "65% or more incapacity for work and cannot perform equivalent work," the AO-pension may be withdrawn. Your old-age pension does not commence until your retirement date.

Different pension plans and AO-pension

There are different types of pension plans. First, it is good to briefly explain the terms DB-and DC-plans. These are two different types of pension plans. DB, or Defined Benefit, represents a defined pension benefit. The amount of your pension benefit is linked to your pensionable earnings and years of service. In this plan, the AO-pension is standard in your regulations. So, if you have a DB-plan, the AO-pension is

included in your package and you are entitled to an AO-pension in case of long-term disability.

A DC-plan, or Defined Contribution, is more flexible. Here, your premium is fixed, but the amount of your final pension benefit depends on various factors. Your employer designs the pension plan. He can stipulate that the AO-pension is a standard part of the plan, he can leave the choice to you, or he can decide to leave the AO-pension out of the plan altogether. If you have a DC-plan, you must first find out whether you are entitled to an AO-pension.

The 4 possibilities

Possibility 1: You have a DB-plan. The AO-pension is standard in your pension plan.

If the AO-pension is a standard part of your plan, your AO-pension is equal to the notional old-age pension you would receive if you had remained employed by your employer until retirement age. At retirement age, the retirement pension is equal to the AO-pension.

Possibility 2: You have a DC-plan. The AO-pension is in your pension plan.

With DC-plans, the AO-pension can be equal to your notional retirement pension, but it can also be a percentage of your last earned salary before you became disabled. At retirement age, there is a difference between the old-age pension and the AO-pension.

Possibility 3: You have a DC-plan. Your employer does not enable an AO-pension.

If you are not insured against disability in your pension plan, you are not entitled to an AO-pension upon declaration of full disability.

Possibility 4: You have a DC-plan. Your employer leaves the choice to you.

If you choose to be insured against disability, the AO-pension is arranged for as in option 2. If you choose not to insure against disability, then the same applies as with option 3.

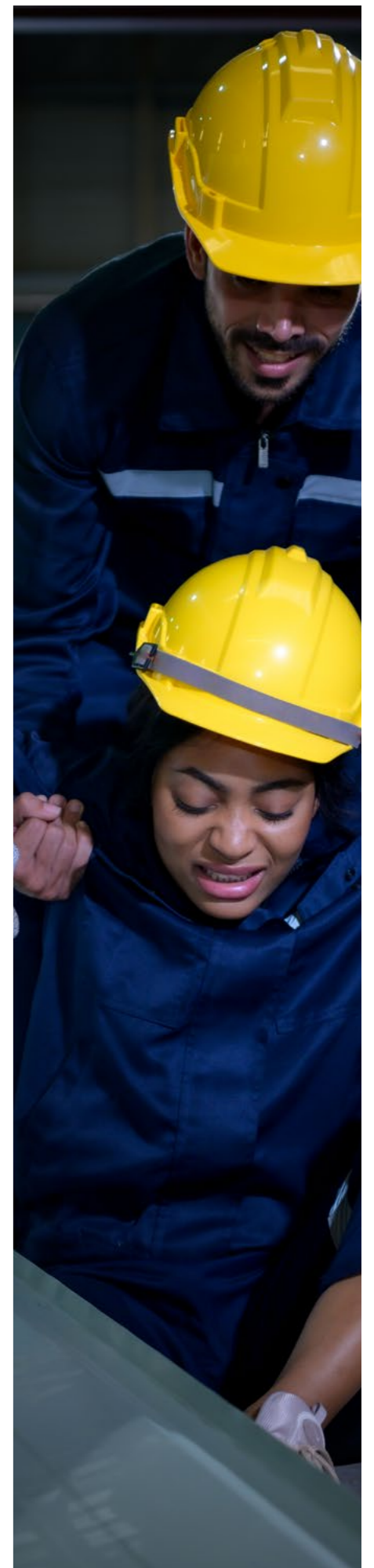
It is worth noting that, should you

become incapacitated for work and you already receive disability benefits on other grounds, the amount of those benefits will be deducted from what we pay out.

Costs

With a DB-plan, a premium is paid that covers all entitlements: retirement pension, survivor's pension and AO-pension. In a DC-plan, the cost of all risk insurance is deducted annually from the pension premium we receive. The cost of the AO-pension depends on the waiting period and retirement age. In case your employer does not offer an AO-pension and you still want to insure yourself against disability, this can still be arranged through Vidanova Life. In principle, you will bear all the costs.

In short, there are different rules attached to the AO-pension and it is also the question whether there is an AO-pension in your scheme. Do you still have questions about the AO-pension or would you like to be insured against disability? Then don't hesitate to contact one of our colleagues at +5999 734 4200. You can do this by phone or via WhatsApp. You can also reach us via email info@vidanova.net.





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