

Welcome to the KLM General Pension Fund (Algemeen Pensioenfonds KLM)! You accrue a mandatory pension with us. You do this through your employer KLM. Each employer has its own scheme. This Pension 1-2-3 explains what you receive in our pension scheme, and also what you do not. This is important to know, for example if you change your job. The Pension 1-2-3 does not contain any personal information about your pension. This information is available at mijnpensioenoverzicht.nl, in your Uniform Pension Statement and at klmgrondfonds.nl under MijnKLMpensioen.

You can read our approach to socially responsible investing in our investment policy. klmgrondfonds.nl/beleggingsbeleid.

WHAT IS IN LAYERS 1, 2 AND 3?

Pension 1-2-3 consists of 3 layers. The first layer gives you a summary of the most important information about your pension scheme. Layer 2 gives you more information on all the subjects in layer 1. Lastly, layer 3 provides legal and policy-related information on our pension fund. Layers 1, 2 and 3 are available at klmgrondfonds.nl or on request from our Pension Services Department via pensioenservice@klmgrondfonds.nl.

1. WHAT DOES OUR PENSION SCHEME PROVIDE?



If you are retiring, you will receive a retirement pension.

Normally you will receive this retirement pension when you reach the age of 68 years.



In the event of your death,

your partner will receive a partner's pension and your children will receive orphan's pension.



If you become disabled,

you will continue to accrue pension partially, but you will no longer pay a personal contribution. In addition, you will receive a disability pension if you are receiving benefit from the UWV.



If you want to know the exact details of what our pension scheme offers, read the pension regulations at klmgrondfonds.nl.

2. WHAT DOES OUR PENSION SCHEME NOT PROVIDE?

In the basic scheme, you do not accrue retirement pension, partner's pension or orphan's pension on your salary in excess of € 112,189 (2021). This is however possible in the net pension scheme. If after you leave employment you have a new partner, this new partner will not be eligible for partner's pension. The orphan's pension accrued is not intended for a child born after you leave employment at KLM.

3. HOW DO YOU ACCRUE PENSION?



You accrue pension in three ways:

A. AOW: this is the pension you receive from the government. Further information on the AOW is available at svb.nl.

B. Pension with the KLM General Pension Fund (Algemeen Pensioenfonds KLM). You accrue this pension through your employer KLM. This is the pension we discuss in this Pension 1-2-3.

C. Pension that you arrange personally, for example with the net pension scheme, an annuity or bank savings.



You accrue a piece of your pension each year. The pension you accrue is the sum of all these pieces. This is known as an average salary scheme. You receive this pension from your retirement date for as long as you live. The final amount of your pension is uncertain, because the pension plan is financed based on CDC. CDC is the abbreviation of Collective Defined Contribution.



You accrue a part of your final pension each year, on part of your salary up to € 112,189 (2021). You will not accrue pension on € 14,544 in 2021. You do not accrue pension on this threshold amount, or offset, because you will receive AOW pension from the government when you reach the age of entitlement to AOW. You accrue pension at the annual rate of 1.875% of your salary (up to € 112,189) less the state pension offset. Please note: in a CDC scheme we aim for a pension accrual of 1.875%. The premium paid by the employer is fixed. If this fixed contribution is insufficient in a year, the pension accrual in that year will be reduced. The board has set the accrual percentage for 2021 at 1.875%.



You pay a contribution for your pension each month. Your employer does the same. In our pension fund, you and your employer pay the contribution together. The contribution you pay is shown on your salary statement.

4. WHAT OPTIONS ARE AVAILABLE TO YOU?



If you change your employer, you can usually take your accrued pension with you to your new pension administrator.



If you wish to exchange part of your retirement pension for partner's pension for your partner, this is possible on your retirement date.



If you wish to compare your pension scheme, you can use the pension comparison tool.



If you wish to retire earlier or take part-time retirement, you must apply for this at least six months before the desired start date. Discuss this with your employer.



If you wish to take a higher pension initially, or indeed a lower pension, you can decide this on your retirement date.



You accrue pension on your salary up to € 112,189 (2021). If you earn more than this, you can decide to participate in the net pension scheme.



You can arrange two voluntary insurances to insure additional partner's pension. This will provide an additional income for your partner in the event of your death.

5. HOW CERTAIN IS YOUR PENSION?



The amount of your pension is not fixed. The main risks our pension fund has to deal with are listed below:

- On average, people are living longer. This means we have to pay pensions for longer periods.
- Low interest rates make pension more expensive. Our pension fund therefore needs more money in order to be able to pay the same level of pension.
- The accrual percentage of 1.875% is not fixed. If the employer's premium is not sufficient to accrue 1.875% in a year, the pension accrual in that year will be reduced.
- The results of our investments may be disappointing.
- Go to klmgrondfonds.nl for more information on our financial situation and the policy funding ratio, which could affect your pension.



We strive to increase your pension each year in line with the increase in salaries for the ground staff at KLM. This is known as indexation. This is only possible if the financial position of the pension fund is adequate. The indexation allocated to the pensions of active participants in recent years has been as follows:

	Indexation	Increase in salaries	Increase in prices*
Indexation in 2021 for 2020	0.00%	0.00%	1.27%
Indexation in 2020 for 2019	0.00%	4.57%	2.63%
Indexation in 2019 for 2018	0.80%	1.50%	1.71%

*Price index figures from Statistics Netherlands



Since we have a shortfall, we have a recovery plan.

If necessary, we will take one or more of these measures:

- Your pension will not or only partially increase in line with the increase in salaries or prices.
- Your contribution will increase.
- Your pension will be reduced. We will only do this in the most extreme circumstances.

6. WHAT ARE OUR COSTS?



The KLM General Pension Fund (Algemeen Pensioenfonds KLM) incurs the following costs for the administration of the pension scheme:

- The costs of administering the pension scheme.
- Costs of asset management.

7. WHEN DO YOU HAVE TO TAKE ACTION?



If you change your job, in most cases you can take the pension you have previously accrued with you to your new pension administrator.



If you move abroad.



If you become disabled.



If you become unemployed.



If you are getting married, starting cohabitation or entering into a registered partnership.



Check once a year how much total pension you have accrued at mijnpensioenoverzicht.nl.



If you divorce or end your cohabitation or registered partnership.



Questions? We will be pleased to help. Contact our Pension Service. Contact details are provided below.



If you work part-time or become inactive.