

GATEWAY TO
**GLOBAL
AGING
DATA**

g2aging.org

Gateway Policy Explorer: Retirement Series

Netherlands

Public Own Old-Age Benefit Plan Details

1992-2023

Authors

Alejandra Tantamango
David Knapp

Contributors

Adriaan Kalwij
Jinkook Lee
Maciej Lis[†]
Rachel Lobo
Qinyi Ouyang
Drystan Phillips
Kanghong Shao
Xidi Zhang

Version: 1.0 (December 2023)

This project is funded by the National Institutes of Health, National Institute of Aging, RO1 AG030153.

Please cite as “Gateway to Global Aging Data (2024). *Gateway Policy Explorer: Netherlands, Public Own Old-Age Benefit Plan Details, 1992-2023*, Version: 1.0 (December 2023), University of Southern California, Los Angeles. <https://doi.org/10.25553/gpe.ret.oa.nld>”

Preface

This document is intended for researchers who want to understand the evolution of policy or the policy in place at a particular point in time. This document is not intended for financial advice or to aid in decision-making. The authors have made significant effort to identify and collect historical information pertaining to these policies, to accurately represent these policies, and to communicate how policies may interact to determine legal requirements, eligibility for benefits, and/or benefits levels. The policies presented in this document focus on rules applicable to most individuals aged 50 and older from 1992. Many systems include special policies or alternative eligibility rules for specific groups. We encourage all users to complete their own review of literature in this area depending on the research questions they have in mind.

If you have feedback or questions or identify an error, please contact policy@g2aging.org.

Background — Gateway Policy Explorer: Retirement Series

The *Gateway Policy Explorer* (<http://g2aging.org/policy-explorer>) is part of the Gateway to Global Aging Data (<http://g2aging.org>) project. The *Retirement Series* captures historical policy that affects the birth cohorts of respondents in the surveys covered by the Gateway. It was motivated by the rapid evolution of policies affecting older people across the world. As the Health and Retirement Study (HRS) began in 1992 and many of the international network of studies (HRS-INS) cover more than a decade, understanding the policies in place at the time of the survey has become more demanding for researchers.

Why are we tracking past policy? Individuals make choices based on current policies and the outcomes we see today may reflect responses to past policies. When interpreting the survey responses of individuals, an understanding of the policy environment under which those individuals operate is critical. The collection of contextual information in the *Gateway Policy Explorer* aims to support researchers who want to understand or use policy changes in their research and provide context for longitudinal or cross-country differences. Over the period 2023–2026 the *Gateway Policy Explorer* will be expanded to include information on retirement, long-term care, education, and other policies affecting the life cycle.

The key dimensions to the *Gateway Policy Explorer: Retirement Series* are country and time. We prioritize data collection for each country based on its first interview wave and are continuing to expand our data collection back in time to 1992, the earliest survey date in the HRS-INS.

A separate document, like this one, is developed for each country and each broad category of policies covered in the *Gateway Policy Explorer: Retirement Series*.

Author and Contributor Disclaimers

† The opinions expressed here are those of authors and do not necessarily reflect the views of the OECD or of its member countries.

Netherlands

Own Old-Age Benefits
Plan details 1992-2023 * †

The Netherlands gives old-age benefits to older individuals through the Algemene Ouderdomswet (AOW) state pension and supplemental occupational pension systems.

Key Dates

First law: 1957

Major changes since 1992: 2005, 2012, 2020

The AOW state pension system pays beneficiaries a benefit rate based on the number of years an individual has contributed by living and working in the Netherlands.

For each year an individual lives and works in the Netherlands, they build up 2% of the full benefit rate of the Algemene Ouderdomswet (AOW) state pension. An individual that has lived and worked in the Netherlands for 50 years before the statutory retirement age for their birth cohort will be eligible to receive the full benefit rate of the AOW pension.

Until 2013, benefits start at age 65. From 2013, statutory retirement age is adjusted every year based on changes in life expectancy. Old-age public pension benefits are administered by the Social Insurance Bank (Sociale Verzekeringsbank, SVB).

Individuals that work for certain industries are eligible to receive a supplemental occupational pension. Contribution requirements and benefits vary by pension fund.

Additionally, an individual might be eligible to receive temporary benefit payments if they retire before reaching statutory retirement age depending on their labor agreements, employment contracts and time of retirement.

Contents

Chapter 1: Policy enacted 1992-2004	5
Overview	5
Contributions	5
Eligibility	6
Benefits	6
Chapter 2: Policy enacted 2005-2011	9
Overview	9
Contributions	9
Eligibility	10
Benefits	11
Chapter 3: Policy enacted 2012-2019	13
Overview	13
Contributions	13
Eligibility	14
Benefits	15

* If you have questions or suggestions, please contact policy@g2aging.org.

† Detailed information and definitions are provided in tables, formulas and a glossary at the end of this document. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: "Alt" + "←"; In Adobe Acrobat on a MAC: "command" + "←"; In Preview on a MAC: "command" + "[".

Chapter 4: Policy enacted 2020-2023	17
Overview	17
Contributions	17
Eligibility	18
Benefits	20
Tables and Formulas	23
Table 1: Employee Contribution Rate (1992-2023)	23
Table 2: Maximum Amounts Over Which Contributions Are Calculated (1992-2023)	23
Formula 1: AOW Monthly Benefit Rate	24
Box 1: Requirements for Voluntary Contributions	24
Table 3: Monthly Full Benefit Rates for the AOW Pension (1992-2023)	25
Formula 2: Early Retirement and Pre-Pension Schemes Benefit Amounts	26
Table 4: Holiday Allowance Amounts (2007-2023)	27
Table 5: Statutory Retirement Age (1992-2023)	28
Table 6: AOW Franchise (2023)	28
Table 7: Industry-wide Pension Funds Total Contributions (2023)	28
Formula 3: Total Contributions Calculation	28
Formula 4: Statutory Retirement Age Linked to Life Expectancy (2020-present)	29
Box 2: Example of SRA Linked to Life Expectancy	29
Box 3: DB Benefit Multiplier by Pension Fund (2023)	30
Formula 5: Supplemental Occupational Pension Benefit Amount	30
Sources	31
Glossary of terms	33
Notes	34
Version information	35
Additional resources	35

Chapter 1: Policy enacted 1992-2004

Overview

The Netherlands provides old-age benefits to individuals that satisfy certain age, residence and contribution requirements. The [General Old Age Pensions Act](#) (Algemene Ouderdomswet, AOW) forms the legal basis of the Dutch public old-age pension system.

For each year an individual lives and works in the Netherlands, they receive 2% of the full benefit rate of [AOW pension](#). An individual that has lived and worked in the Netherlands for 50 years before the statutory retirement age for their birth cohort will be eligible to receive the full benefit rate of the AOW pension. Old-age pension benefits are administered by the [Social Insurance Bank](#) (Sociale Verzekeringsbank, SVB).

From 1975 to 2005, a temporary benefit financed by contributions from the employer and their current employees was given to individuals that had stopped working and have not reached [statutory retirement age](#). This benefit was known as [early retirement](#) (Vervroegde Uittreding, VUT). From 2001, a new temporary benefit financed by the employee's voluntary contributions was introduced as the [pre-pension](#) (Prepensioenregeling) as a way of accruing future benefits.

Aside from the AOW Pension, individuals that work in certain industries are eligible to receive a supplemental occupational pension. Given the difficulty of collecting policy information for each individual pension fund, we have collected details of 4 large industry-wide pension funds in the Netherlands from 2020 (see policy periods from 2020, Chapter 4).

Additional reforms during this time period include:

- Pension articles Payroll Tax Act 1964 as of January 1, 2001 ([Belastingdienst.nl, 2001](#)), published and effective January 1, 2001, introduced the pre-pension system as another track towards early retirement financed by the employer contributions and voluntary employee's contributions.

Contributions

• Employee contribution rate

Employee contribution rates vary by benefit system.

[General Old Age Pension System](#) (Algemeen Ouderdomspensioen, AOW)

The contribution rates and maximum amounts over which contributions are calculated vary by year. In 1992, the contribution rate was 14.05%, and it changed annually until 1999, where it has remained at 17.90%. See [Table 1](#) for changes in contribution rates by year and [Table 2](#) for changes in maximum amounts by year.

[Early Retirement](#) (Vervroegde Uittreding, VUT)

None ^[3]

[Pre-Pension System](#) (Prepensioenregeling) (From 2001)

Contribution rates vary based on labor agreements and employment contracts.

• Employer contribution rate

Employer contribution rates vary by benefit system.

[General Old Age Pension System](#) (Algemeen Ouderdomspensioen, AOW)

None ^[1]

[Early Retirement](#) (Vervroegde Uittreding, VUT) and [Pre-Pension System](#) (Prepensioenregeling) (From 2001)

Contribution rates vary based on labor agreements and employment contracts.

• Self-employed contribution rate

Self-employed contribution rates vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

The contribution rates and maximum amounts over which contributions are calculated vary by year. In 1992, the contribution rate was 14.05%, and it changed annually until 1999, where it has remained at 17.90%. See [Table 1](#) for changes in contribution rates by year and [Table 2](#) for changes in maximum amounts by year.

Early Retirement (Vervroegde Uittreding, VUT) and Pre-Pension System (Prepensioenregeling)

Not applicable to the self-employed.

Eligibility

Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**
Age 65 ([Staatscourant, 2002, Article 7](#))
- **Does SRA vary by birth year?** Answer: No
- **Does SRA vary by sex?** Answer: No

Contribution requirements to be eligible to receive benefit

Eligibility requirements vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

An individual is eligible to receive an AOW pension if they meet the following requirements ([Staatscourant, 2002, Chapter III](#)):

- Age requirements: Must have reached [statutory retirement age \(SRA\)](#). During this policy period, SRA is 65 years.
- Residence and contribution requirements: Must have lived and worked in the Netherlands for any period within 50 years preceding SRA for their birth cohort.

Early Retirement (Vervroegde Uittreding, VUT)

An individual is eligible to receive a VUT pension if they meet the following requirements ([Tweede Kamer der Staten-Generaal, 1964, Article 38a](#)):

- Age requirements: Must be under [statutory retirement age \(SRA\)](#). During this policy period, SRA is 65 years.
- Other requirements: Must meet all of the following requirements —
 - Fulfill the requirements established in the labor agreement with the employer (e.g. number of years of service)

Pre-Pension System (Prepensioenregeling) (From 2001)

An individual is eligible to receive a pre-pension if they meet the following requirements ([Tweede Kamer der Staten-Generaal, 1964, Article 38a](#)):

- Age requirements: Must be between ages 60 and 65
- Other requirements: Must meet all of the following requirements
 - Fulfill the requirements established in the labor agreement with the employer (e.g. number of years of service)

Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before SRA?** Answer: No

Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

Payment type

- **Payment options (i.e., Annuity, cash balance, or lump sum):** Annuitable

Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: No
- **Is the formula for computing benefit entitlement [progressive](#)?** Answer: Yes
- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: Yes
- **Does the benefit entitlement depend on [national income](#)?** Answer: No
- **Does an individual receive credits for military service (above any credits normally received for employment)?** Answer: No
- **Does an individual receive credits for number of children?** Answer: No

- **Does an individual receive credits for unemployment?** Answer: No
- **Are future benefit entitlements adjusted for [cost of living](#)?** Answer: Yes
- **If so, what measure is used for adjustment?**
Measures used for adjustment vary by benefit system.

General Old Age Pension System

Minimum wage rates —the AOW pension rates are based on a percentage of the net minimum wage in the Netherlands which is adjusted every 6 months.

Early Retirement and Pre-Pension System

Indexation varies by pension fund.

Benefit formula for claiming at SRA

Benefit calculation varies by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

Pension benefits are paid monthly and the benefit amount an individual receives is based on the number of years they have lived and worked in the Netherlands, and whether they live alone or with someone else.

For each year an individual lives and works in the Netherlands, they build up 2% of the full benefit rate of the [AOW pension](#). An individual that has lived and worked in the Netherlands for 50 years will be eligible to receive the full benefit rate of the AOW pension ([Staatscourant, 2002, Article 9](#)). See [Formula 1](#) for details on how benefits are calculated.

Individuals that have lived abroad or moved to the Netherlands later in life can make voluntary contributions for the years they were not insured to receive AOW benefits ([Staatscourant, 2002, Chapter IV](#)). See [Box 1](#) for details on requirements for making voluntary contributions.

AOW benefit amounts are derived from the net minimum wage per month and are adjusted twice a year in January and July. Individuals that are single and living alone receive 70% of the net minimum wage per month while individuals that are married and/or cohabiting with someone else receive 50% of the net minimum wage per month ([Staatscourant, 2002, Article 9](#)). For couples, if both individuals are receiving an AOW pension, the amount they receive together equals 100% of the net minimum wage. [Table 3](#) provides monthly full benefit rates over time.

Early Retirement (Vervroegde Uittreding, VUT) and Pre-Pension System (Prepensioenregeling) (From 2001)

Individuals receive a benefit payment financed by their former employer and its employees for the period between the time they stopped working and the time they receive AOW benefits. The calculation of benefit amounts varies by the system chosen for pension accrual and must not exceed 85% of their last pensionable salary as follows ([Tweede Kamer der Staten-Generaal, 1964, Article 38](#)):

- **Final Salary System:** For each year an individual has worked for their employer, they receive 8.5% of their last pensionable salary. See [Formula 2](#) for details of benefit calculation.
- **Average Salary System:** For each year an individual has worked for their employer, they receive 9.15% of the pensionable salary of each relevant year. See [Formula 2](#) for details of benefit calculation.
- **Defined Contribution System:** Benefits are built proportionately over time and depend on the labor agreements and employment contracts. Individuals must have started contributing for at least 10 years before they claim a pre-pension.

Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: No

Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: No

Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Earnings test varies by benefit system.

General Old Age Pension System

No

Early Retirement and Pre-Pension System

Yes

• **Adjustment formula**Early Retirement and Pre-Pension System

If an individual decides to continue working after reaching [SRA](#), they will no longer be eligible to receive benefits.

• **If benefits are reduced while working, does it effect future benefits?** Answer: No**Additional Benefit Adjustments**• **Adjustment 1:** [Holiday Allowance](#)

- **Adjustment 1 details:** Individuals that qualify for this benefit also receive a holiday allowance every May based on what they accrued for this allowance under the [AOW Pension](#) in the past 12 months ([Staatscourant, 2002, Article 29](#)). Amounts vary based on living situation (i.e., single or married) —see [Table 4](#) for details.

Chapter 2: Policy enacted 2005-2011

Policy change in 2005

The Amendment of the Wage Tax Act 1964, the Income Tax Act 2001, the Corporate Tax Act 1969, the Work and Care Act and some other laws (Act on adjustment of tax treatment for early retirement/pre-pension and introduction of life-course savings scheme) (Tweede Kamer der Staten-Generaal, 2004), enacted September 16, 2004 and effective January 1, 2005, introduced the following changes to the old-age benefit system:

- A levy of 52% towards employer contributions to the early retirement system in addition to regular wage taxes and social insurance contributions making the early retirement system unpopular
- The Life-course Savings System (Levensloopregeling) in which individuals could save part of their gross salary to be used in unpaid leave from work (e.g. parental leave, educational leave, long-term care leave etc.) including early retirement
- Employee contribution rates are no longer tax deductible.

Overview

The Netherlands provides old-age benefits to individuals that satisfy certain age, residence and contribution requirements. The [General Old Age Pensions Act](#) (Algemene Ouderdomswet, AOW) forms the legal basis of the Dutch public old-age pension system.

For each year an individual lives and works in the Netherlands, they receive 2% of the full benefit rate of [AOW pension](#). An individual that has lived and worked in the Netherlands for 50 years before the statutory retirement age for their birth cohort will be eligible to receive the full benefit rate of the AOW pension. Old-age pension benefits are administered by the [Social Insurance Bank](#) (Sociale Verzekeringsbank, SVB).

From 1975 to 2005, a temporary benefit financed by contributions from the former employer and its current employees was given to individuals that had stopped working and have not reached [statutory retirement age](#). This benefit was known as [early retirement](#) (Vervroegde Uittreding, VUT). In 2001, the [pre-pension](#) (Prepensioenregeling) was introduced as a new option to retire early which included employee's voluntary contributions as a way of accruing future benefits. From January 1, 2005, higher taxation requirements were introduced into the early retirement system making it unpopular among employers. Thus, after 2005, the early retirement system became obsolete. To compensate for this change, the [Life-course Savings System](#) (Levensloopregeling) was introduced in which individuals could voluntarily save part of their gross salary towards periods of leave.

Aside from the AOW Pension, individuals that work in certain industries are eligible to receive a supplemental occupational pension. Given the difficulty of collecting policy information for each individual pension fund, we have collected details of 4 large industry-wide pension funds in the Netherlands from 2020 (see policy periods from 2020, Chapter 4).

Contributions

• Employee contribution rate

Employee contribution rates vary by benefit system.

[General Old Age Pension System](#) (Algemeen Ouderdomspensioen, AOW)

The contribution rates and maximum amounts over which contributions are calculated vary by year. During this policy period, the contribution rate was 17.90%. See [Table 1](#) for changes in contribution rates by year and [Table 2](#) for changes in maximum amounts by year.

[Early Retirement](#) (Vervroegde Uittreding, VUT)

None ^[3]

[Pre-Pension System](#) (Prepensioenregeling)

Contribution rates vary based on labor agreements and employment contracts.

[Life-course Savings System](#) (Levensloopregeling)

Contribution rates are determined by the insured individual and the maximum rates vary by age group as follows:

- Individuals born between December 31, 1949 and January 1, 1954: No maximum
- Individuals born before December 31, 1949: Up to 12% of the gross salary per year

- **Employer contribution rate**

Employer contribution rates vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

None ^[1]

Early Retirement (Vervroegde Uittreding, VUT), Pre-Pension System (Prepensioenregeling) and Life-course Savings System (Levensloopregeling)

Contribution rates vary based on labor agreements and employment contracts.

- **Self-employed contribution rate**

Self-employed contribution rates vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

The contribution rates and maximum amounts over which contributions are calculated vary by year. During this policy period, the contribution rate is 17.90%. See [Table 1](#) for changes in contribution rates by year and [Table 2](#) for changes in maximum amounts by year.

Early Retirement (Vervroegde Uittreding, VUT) and Pre-Pension System (Prepensioenregeling)

Not applicable to the self-employed.

Life-course Savings System (Levensloopregeling)

Not applicable to the self-employed.

Eligibility

Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**

Age 65 ([Staatscourant, 2002, Article 7](#))

- **Does SRA vary by birth year?** Answer: No

- **Does SRA vary by sex?** Answer: No

Contribution requirements to be eligible to receive benefit

Eligibility requirements vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

An individual is eligible to receive an AOW pension if they meet the following requirements ([Staatscourant, 2002, Chapter III](#)):

- Age requirements: Must have reached [statutory retirement age \(SRA\)](#). During this policy period, SRA is 65 years.
- Residence and contribution requirements: Must have lived and worked in the Netherlands for any period within 50 years preceding SRA for their birth cohort.

Early Retirement (Vervroegde Uittreding, VUT)

An individual is eligible to receive a VUT pension if they meet the following requirements ([Tweede Kamer der Staten-Generaal, 1964, Article 38a](#)):

- Age requirements: Must be under [statutory retirement age \(SRA\)](#). During this policy period, SRA is 65 years.
- Other requirements: Must meet all of the following requirements —
 - Born before January 1, 1950
 - Fulfill the requirements established in the labor agreement with the employer (e.g. number of years of service)

Pre-Pension System (Prepensioenregeling)

An individual is eligible to receive a pre-pension if they meet the following requirements ([Tweede Kamer der Staten-Generaal, 1964, Article 38a](#)):

- Age requirements: Must be between ages 60 and 65
- Other requirements: Must meet all of the following requirements —
 - Born before January 1, 1950
 - Fulfill the requirements established in the labor agreement with the employer (e.g. number of years of service)

Life-course Savings System (Levenslooppregeling)

An individual is eligible to receive a pension under the life-course savings system if they meet the following requirements:

- Other requirements: Must meet all of the following requirements —
 - Save a percentage of their annual gross salary. Maximum percentage rates vary by age group. See the *Contributions* section for details.
 - Fulfill the requirements established in the labor agreement with the employer (e.g. number of years of service)
 - Stopped working

Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before SRA?** Answer: No

Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

Payment type

- **Payment options (i.e., Annuity, cash balance, or lump sum):** Annuitable

Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: No
- **Is the formula for computing benefit entitlement progressive?** Answer: Yes
- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: Yes
- **Does the benefit entitlement depend on national income?** Answer: No
- **Does an individual receive credits for military service (above any credits normally received for employment)?** Answer: No
- **Does an individual receive credits for number of children?** Answer: No
- **Does an individual receive credits for unemployment?** Answer: No
- **Are future benefit entitlements adjusted for cost of living?** Answer: Yes
- **If so, what measure is used for adjustment?**
Measures used for adjustment vary by benefit system.

General Old Age Pension System

Minimum wage rates —the AOW pension rates are based on a percentage of the net minimum wage in the Netherlands which is adjusted every 6 months.

Early Retirement, Pre-Pension System and Life-course Savings System

Indexation varies by pension fund.

Benefit formula for claiming at SRA

Benefit calculation varies by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

Pension benefits are paid monthly and the benefit amount an individual receives is based on the number of years they have lived and worked in the Netherlands, and whether they live alone or with someone else.

For each year an individual lives and works in the Netherlands, they build up 2% of the full benefit rate of the **AOW pension**. An individual that has lived and worked in the Netherlands for 50 years will be eligible to receive the full benefit rate of the AOW pension (*Staatscourant*, 2002, Article 9). See [Formula 1](#) for details on how benefits are calculated.

Individuals that have lived abroad or moved to the Netherlands later in life can make voluntary contributions for the years they were not insured to receive AOW benefits (*Staatscourant*, 2002, Chapter IV). See [Box 1](#) for details on requirements for making voluntary contributions.

AOW benefit amounts are derived from the net minimum wage per month and are adjusted twice a year in January and July. Individuals that are single and living alone receive 70% of the net minimum wage per month while individuals that are married and/or cohabiting with someone else receive 50% of the net minimum wage per month (*Staatscourant*, 2002, Article 9). For couples, if both individuals are receiving an AOW pension, the amount they receive together equals 100% of the net minimum wage. [Table 3](#) provides monthly full benefit rates over time.

Early Retirement (Vervroegde Uittreding, VUT) and Pre-Pension System (Prepensioenregeling)

Individuals receive a benefit payment financed by their former employer and its employees for the period between the time they stopped working and the time they receive AOW benefits. The calculation of benefit amounts varies by the system chosen for pension accrual and must not exceed 85% of their last pensionable salary as follows ([Tweede Kamer der Staten-Generaal, 1964, Article 38](#)):

- **Final Salary System:** For each year an individual has worked for their employer, they receive 8.5% of their last pensionable salary. See [Formula 2](#) for details of benefit calculation.
- **Average Salary System:** For each year an individual has worked for their employer, they receive 9.15% of the pensionable salary of each relevant year. See [Formula 2](#) for details of benefit calculation.
- **Defined Contribution System:** Benefits are built proportionately over time and depend on the labor agreements and employment contracts. Individuals must have started contributing for at least 10 years before they claim a pre-pension.

Life-course Savings System (Levensloopregeling)

Benefit amounts depend on how much the individual has decided to save from their salary. Individuals can save up to a maximum of 210% of their annual gross salary in total. Depending on the financial institution and plan chosen, savings can increase based on savings interest and investment returns.

Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: No

Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: No

Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Earnings test varies by benefit system.

General Old Age Pension System

No

Early Retirement, Pre-Pension System and Life-course Savings System

Yes

- **Adjustment formula**

Early Retirement, Pre-Pension System and Life-course Savings System

If an individual decides to continue working after reaching SRA, they will no longer be eligible to receive benefits.

- **If benefits are reduced while working, does it effect future benefits?** Answer: How future benefits are affected varies by benefit system.

Early Retirement and Pre-Pension System

No

Life-course Savings System

Yes

- **If so, how does claiming and continuing to work affect future benefits?**

Life-course Savings System

After receiving a benefit, individuals can continue accruing if they return to work before reaching SRA.

Additional Benefit Adjustments

- **Adjustment 1: Holiday Allowance**
- **Adjustment 1 details:** Individuals that qualify for this benefit also receive a holiday allowance every May based on what they accrued for this allowance under the [AOW Pension](#) in the past 12 months ([Staatscourant, 2002, Article 29](#)). Amounts vary based on living situation (i.e., single or married) —see [Table 4](#) for details.

Chapter 3: Policy enacted 2012-2019

Policy change in 2012

The *Increase AOW and Retirement Age Act* ([Staatscourant, 2013](#)), enacted July 12, 2012 and effective January 1, 2013, introduced a gradual increase in statutory retirement age linked to life expectancy.

Additional reforms during this time period include:

- Payroll Tax Implementation Regulations 2011 ([Overheid.nl, 2011](#)), effective January 1, 2011, eliminated the life-course savings system for new claimants effective January 1, 2012.

Overview

The Netherlands provides old-age benefits to individuals that satisfy certain age, residence and contribution requirements. The [General Old Age Pensions Act](#) (Algemene Ouderdomswet, AOW) forms the legal basis of the Dutch public old-age pension system.

For each year an individual lives and works in the Netherlands, they receive 2% of the full benefit rate of [AOW pension](#). An individual that has lived and worked in the Netherlands for 50 years before the statutory retirement age for their birth cohort will be eligible to receive the full benefit rate of the AOW pension. Old-age pension benefits are administered by the [Social Insurance Bank](#) (Sociale Verzekeringsbank, SVB).

During this policy period, benefits for individual retiring before reaching [statutory retirement age](#) (SRA) such as the [early retirement](#) (Vervroegde Uittreding, VUT) and the [pre-pension](#) (Prepensioenregeling) were not officially abolished but were unpopular due to a 52% levy on employer contributions introduced in 2005. Since early retirement systems in this policy period (chapter) are rare, we do not include details for the [early retirement](#) (Vervroegde Uittreding, VUT) and the [pre-pension](#) (Prepensioenregeling).

From 2012, the [Life-course Savings System](#) (Levensloopregeling) in which individuals could voluntarily save part of their gross salary towards periods of leave could no longer be claimed by new claimants. From 2013, statutory retirement age is gradually increased based on changes in life expectancy.

Aside from the AOW Pension, individuals that work in certain industries are eligible to receive a supplemental occupational pension. Given the difficulty of collecting policy information for each individual pension fund, we have collected details of 4 large industry-wide pension funds in the Netherlands from 2020 (see policy periods from 2020, Chapter 4).

Contributions

• Employee contribution rate

Employee contribution rates vary by benefit system.

[General Old Age Pension System](#) (Algemeen Ouderdomspensioen, AOW)

The contribution rates and maximum amounts over which contributions are calculated vary by year. During this policy period, the contribution rate is 17.90%. See [Table 1](#) for changes in contribution rates by year and [Table 2](#) for changes in maximum amounts by year.

[Life-course Savings System](#) (Levensloopregeling)

Contribution rates are determined by the insured individual and the maximum rates vary by age group as follows:

- Individuals born between December 31, 1949 and January 1, 1954: No maximum
- Individuals born before December 31, 1949: Up to 12% of the gross salary per year

• Employer contribution rate

Employer contribution rates vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)None ^[1]Life-course Savings System (Levensloopregeling)

Contribution rates vary based on labor agreements and employment contracts.

• **Self-employed contribution rate**

Self-employed contribution rates vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

The contribution rates and maximum amounts over which contributions are calculated vary by year. During this policy period, the contribution rate is 17.90%. See [Table 1](#) for changes in contribution rates by year and [Table 2](#) for changes in maximum amounts by year.

Life-course Savings System (Levensloopregeling)

Not applicable to the self-employed.

Eligibility**Age requirements to start benefits without penalty**• **Statutory retirement age (SRA)**

Age 65 and 1 month in 2013, gradually increasing to age 66 and 4 months in 2019 ([Staatscourant, 2013, Article I](#)). See [Table 5](#) for changes in SRA over time.

• **Does SRA vary by birth year?** Answer: Yes• **Does SRA vary by sex?** Answer: No• **Details by birth year:** SRA changes by birth cohort and is gradually adjusted to life expectancy from 2013 ([Staatscourant, 2013](#)). See [Table 5](#) for changes in SRA by year.**Contribution requirements to be eligible to receive benefit**

Eligibility requirements vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

An individual is eligible to receive an AOW pension if they meet the following requirements ([Staatscourant, 2002, Chapter III](#)):

- Age requirements: Must have reached [statutory retirement age \(SRA\)](#). In 2013, SRA is 65 years and 1 month. From 2013, SRA is gradually adjusted to life expectancy and changes by year ([Staatscourant, 2013](#)). See [Table 5](#) for details.
- Residence and contribution requirements: Must have lived and worked in the Netherlands for any period within 50 years preceding SRA for their birth cohort. Individuals born on or after January 1, 1950 must have lived and worked in the Netherlands for at least 1 year.

Life-course Savings System (Levensloopregeling)

An individual is eligible to receive a pension under the life-course savings system if they meet the following requirements ([Tweede Kamer der Staten-Generaal, 2004, Section 3](#)):

- Other requirements: Must meet all of the following requirements —
 - Save a percentage of their annual gross salary. Maximum percentage rates vary by age group. See the *Contributions* section for details.
 - Fulfill the requirements established in the labor agreement with the employer (e.g. number of years of service)
 - Stopped working

Alternative eligibility requirements that permit starting benefits early, but with a penalty• **Can an individual start benefits before SRA?** Answer: No

Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

Payment type

- Payment options (i.e., Annuity, cash balance, or **lump sum**): Annuitable

Factors effecting computation of benefit entitlement

- Does the formula for computing benefit entitlement differ by birth year? Answer: No
- Is the formula for computing benefit entitlement **progressive**? Answer: Yes
- Does the benefit entitlement depend on the individual's own contribution/work history? Answer: Yes
- Does the benefit entitlement depend on **national income**? Answer: No
- Does an individual receive credits for military service (above any credits normally received for employment)? Answer: No
- Does an individual receive credits for number of children? Answer: No
- Does an individual receive credits for unemployment? Answer: No
- Are future benefit entitlements adjusted for **cost of living**? Answer: Yes
- If so, what measure is used for adjustment?

Measures used for adjustment vary by benefit system.

General Old Age Pension System

Minimum wage rates —the AOW pension rates are based on a percentage of the net minimum wage in the Netherlands which is adjusted every 6 months.

Life-course Savings System

Indexation varies by pension fund.

Benefit formula for claiming at SRA

Benefit calculation varies by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

Pension benefits are paid monthly and the benefit amount an individual receives is based on the number of years they have lived and worked in the Netherlands, and whether they live alone or with someone else.

For each year an individual lives and works in the Netherlands, they build up 2% of the full benefit rate of the **AOW pension**. An individual that has lived and worked in the Netherlands for 50 years will be eligible to receive the full benefit rate of the AOW pension (*Staatscourant, 2015, Article 9*). See *Formula 1* for details on how benefits are calculated.

Individuals that have lived abroad or moved to the Netherlands later in life can make voluntary contributions for the years they were not insured to receive AOW benefits (*Staatscourant, 2015, Chapter IV*). See *Box 1* for details on requirements for making voluntary contributions.

AOW benefit amounts are derived from the net minimum wage per month and are adjusted twice a year in January and July. Individuals that are single and living alone receive 70% of the net minimum wage per month while individuals that are married and/or cohabiting with someone else receive 50% of the net minimum wage per month. For couples, if both individuals are receiving an AOW pension, the amount they receive together equals 100% of the net minimum wage (*Staatscourant, 2015, Article 9*). *Table 3* provides monthly full benefit rates over time.

Life-course Savings System (Levensloopregeling)

Benefit amounts depend on how much the individual has decided to save from their salary. Individuals can save up to a maximum of 210% of their annual gross salary in total. Depending on the financial institution and plan chosen, savings can increase based on savings interest and investment returns.

Adjustments for starting benefits before SRA (Early claiming or retirement)

- Are benefits reduced for starting benefits before SRA? Answer: No

Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- Are benefits increased for starting benefits after SRA? Answer: No

Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Earnings test varies by benefit system.

General Old Age Pension System

No

Life-course Savings System

Yes

- **Adjustment formula**

Life-course Savings System

If an individual decides to continue working after reaching **SRA**, they will no longer be eligible to receive benefits.

- **If benefits are reduced while working, does it effect future benefits?** Answer: Yes
- **If so, how does claiming and continuing to work affect future benefits?**

Life-course Savings System

After receiving a benefit, individuals can continue accruing if they return to work before reaching **SRA**.

Additional Benefit Adjustments

- **Adjustment 1:** [Holiday Allowance](#)
- **Adjustment 1 details:** Individuals that qualify for this benefit also receive a holiday allowance every May based on what they accrued for this allowance under the [AOW Pension](#) in the past 12 months ([Staatscourant, 2015, Article 29](#)). Amounts vary based on living situation (i.e., single or married) —see [Table 4](#) for details.

Chapter 4: Policy enacted 2020-2023

Policy change in 2020

The *Act to Change the Link Between the State Pension Age and Retirement Age* (*Tweede Kamer der Staten-Generaal, 2020*), enacted July 8, 2020 and effective January 1, 2025, introduced a formula to determine changes in statutory retirement age (SRA) based on changes in life expectancy. The formula is used from 2020 to determine changes in SRA 5 years in advance and is effective beginning 2026.

Additional reforms during this time period include:

- Act on Lump Sum, RVU and Leave Savings (*Eerste Kamer der Staten-Generaal, 2020*), enacted November 20, 2020 and effective January 1, 2021, eliminated the early retirement levy of 52% for employers until December 31, 2025 for individuals that are at most 3 years below SRA and have reached an agreement in writing with their employer regarding early retirement.

Overview

The Netherlands provides old-age benefits to individuals that satisfy certain age, residence and contribution requirements. The *General Old Age Pensions Act* (*Algemene Ouderdomswet, AOW*) forms the legal basis of the Dutch public old-age pension system.

For each year an individual lives and works in the Netherlands, they receive 2% of the full benefit rate of *AOW pension*. An individual that has lived and worked in the Netherlands for 50 years before the statutory retirement age for their birth cohort will be eligible to receive the full benefit rate of the AOW pension. Old-age pension benefits are administered by the *Social Insurance Bank* (*Sociale Verzekeringsbank, SVB*).

From 2020, a formula is used to determine changes in statutory retirement age based on changes in life expectancy. Changes are determined 5 years in advance and are effective 2026. From 2021, the 52% employer's levy on contributions towards early retirement benefits has been eliminated until 2025 under certain conditions related to the employee's age and potential benefit amounts.

During this policy period, benefits for individual retiring before reaching *statutory retirement age* (SRA) such as the *early retirement* (*Vervroegde Uittreding, VUT*) and the *pre-pension* (*Prepensioenregeling*) were not officially abolished but were unpopular due to a 52% levy on employer contributions introduced in 2005. Since early retirement systems in this policy period (chapter) are rare, we do not include details for the *early retirement* (*Vervroegde Uittreding, VUT*) and the *pre-pension* (*Prepensioenregeling*). In 2021, the 52% levy on employer contributions was temporarily eliminated for employees that are at most 3 years below SRA and have reached an agreement in writing with their employer regarding early retirement. Benefits after 2021 are given under the *New Early Retirement System* (*Regeling voor Vervroegde Uittreding, RVU*).

Aside from the AOW Pension, individuals that work in certain industries are eligible to receive a *supplemental occupational pension*. Given the difficulty of collecting policy information for each individual pension fund for periods before 2020, we have collected details of 4 large industry-wide pension funds in the Netherlands for this policy period:

- *Pension Fund for Healthcare and Well-being (PFZW)*
- *Pension Fund for Metal and Technical Workers (PMT)*
- *Pension Fund for the Construction Industry (bpfBOUW)*
- *Pension Fund for the Metal and Electronics Industry (PME)*

Contributions

• Employee contribution rate

Employee contribution rates vary by benefit system.

General Old Age Pension System (*Algemeen Ouderdomspensioen, AOW*)

The contribution rates and maximum amounts over which contributions are calculated vary by year. During this policy period, the contribution rate is 17.90%. See [Table 1](#) for changes in contribution rates by year and [Table 2](#) for changes in maximum amounts by year.

Life-course Savings System (*Levenslooplegeling*)

Contribution rates are determined by the insured individual and the maximum rates vary by age group as follows:

- Individuals born between December 31, 1949 and January 1, 1954: No maximum
- Individuals born before December 31, 1949: Up to 12% of the gross salary per year

New Early Retirement System (Regeling voor Vervroegde Uittreding, RVU) (From 2021)

Contribution rates vary based on labor agreements and employment contracts.

Supplemental Occupational Pensions System ^[2]

Total contributions are calculated based on the pensionable annual salary, franchise accounting for the future AOW benefits the pensioner will receive, part-time factor and premium percentage that varies by industry. See [Table 6](#) for details on the AOW franchise, [Table 7](#) for details on premium percentages and [Formula 3](#) for details on the calculation of total contributions. The following are the premium percentages as of January 2023:

- Pension Fund for Healthcare and Well-being (PFZW): 25.80%
- Pension Fund for Metal and Technical Workers (PMT): 27.98%
- Pension Fund for the Construction Industry (bpfBOUW): 25.80%
- Pension Fund for the Metal and Electronics Industry (PME): 27.98%

Contribution distribution between employers and employees vary by industry based on collective labor agreements and employment contracts.

• **Employer contribution rate**

Employer contribution rates vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

None ^[1]

Life-course Savings System (Levensloopregeling) and New Early Retirement System (Regeling voor Vervroegde Uittreding, RVU) (From 2021)

Contribution rates vary based on labor agreements and employment contracts.

Supplemental Occupational Pensions System ^[2]

Contribution distribution between employers and employees vary by industry based on collective labor agreements and employment contracts.

• **Self-employed contribution rate**

Self-employed contribution rates vary by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

The contribution rates and maximum amounts over which contributions are calculated vary by year. In 2023, the contribution rate is 17.90% and the maximum amount is 37,149€. See [Table 1](#) for changes in contribution rates by year and [Table 2](#) for changes in maximum amounts by year.

Life-course Savings System (Levensloopregeling) and New Early Retirement System (Regeling voor Vervroegde Uittreding, RVU) (From 2021)

Not applicable to the self-employed.

Supplemental Occupational Pensions System ^[2]

Not applicable to the self-employed.

Eligibility

Age requirements to start benefits without penalty

• **Statutory retirement age (SRA)**

Age 66 and 4 months from 2020-2021. SRA increased 3 months per year since 2022 ([Staatscourant, 2023, Article 7a](#)). See [Table 5](#) for changes in SRA over time.

• **Does SRA vary by birth year?** Answer: Yes

• **Does SRA vary by sex?** Answer: No

• **Details by birth year:** SRA changes by birth cohort and is gradually adjusted to life expectancy from 2013 ([Staatscourant, 2013](#)). See [Table 5](#) for changes in SRA by year. From 2020, a formula is used to link life expectancy to SRA. Changes are calculated 5 years

in advance and changes will be effective 2026 ([Tweede Kamer der Staten-Generaal, 2020](#)). See [Formula 4](#) for details and [Box 2](#) for examples of how the formula is used.

Contribution requirements to be eligible to receive benefit

Eligibility requirements vary by benefit system.

[General Old Age Pension System](#) (Algemeen Ouderdomspensioen, AOW)

An individual is eligible to receive an AOW pension if they meet the following requirements ([Staatscourant, 2002, Chapter III](#)):

- Age requirements: Must have reached [statutory retirement age \(SRA\)](#). In 2023, SRA is 66 years and 10 months. From 2013, SRA is gradually adjusted to life expectancy, and from 2020, a formula is used to determine whether SRA should be adjusted in 5 years after its calculation date ([Tweede Kamer der Staten-Generaal, 2020](#)). See [Table 5](#) for changes in SRA by year and [Formula 4](#) for the link between life expectancy and SRA.
- Residence and contribution requirements: Must have lived and worked in the Netherlands for any period within 50 years preceding SRA for their birth cohort. Individuals born on or after January 1, 1950 must have lived and worked in the Netherlands for at least 1 year.

[Life-course Savings System](#) (Levensloopregeling)

An individual is eligible to receive a pension under the life-course savings system if they meet the following requirements ([Tweede Kamer der Staten-Generaal, 2004, Section 3](#)):

- Other requirements: Must meet all of the following requirements —
 - Save a percentage of their annual gross salary. Maximum percentage rates vary by age group. See the *Contributions* section for details.
 - Fulfill the requirements established in the labor agreement with the employer (e.g. number of years of service)
 - Stopped working

[New Early Retirement System](#) (Regeling voor Vervroegde Uittreding, RVU) (From 2021)

An individual is eligible to receive an early retirement pension without their employer be levied if they meet the following requirements ([Eerste Kamer der Staten-Generaal, 2020, Article V](#)):

- Age requirements: Must be at most 3 years below [statutory retirement age \(SRA\)](#)
- Other requirements: Must meet all of the following requirements —
 - Employers and employees must have agreed before December 31, 2025 on an early retirement plan in writing for an employee that reaches SRA before December 31, 2028.
 - Fulfill the requirements established in the labor agreement with the employer (e.g. number of years of service)

[Supplemental Occupational Pensions System](#) ^[2]

An individual is eligible to receive a supplemental occupational pension if they meet the following requirements:

- Age requirements: Same as AOW State Pension age requirements for the pension funds shown below. It might not always be the same across other pension funds.
- Other requirements: Must meet all of the following requirements —
 - Work for an employer that is part of an industry-wide pension fund. Employment length varies by pension fund. Four example funds are —
 - * [Pension Fund for Healthcare and Well-being \(PFZW\)](#): Any length from age 15 to retirement
 - * [Pension Fund for Metal and Technical Workers \(PMT\)](#): Any length from age 18 to retirement
 - * [Pension Fund for the Construction Industry \(bpfBOUW\)](#): Any length from age 18 to retirement
 - * [Pension Fund for the Metal and Electronics Industry \(PME\)](#): Any length from age 18 to retirement

Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before SRA?** Answer: Reduction of benefits for early claiming vary by benefit system.

[General Old Age Pension System, Life-course Savings System and New Early Retirement](#) (From 2021)

No

[Supplemental Occupational Pensions System](#) ^[2]

Yes

Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

Payment type

- Payment options (i.e., Annuity, cash balance, or **lump sum**): Annuitable

Factors effecting computation of benefit entitlement

- Does the formula for computing benefit entitlement differ by birth year? Answer: No
- Is the formula for computing benefit entitlement **progressive**? Answer: Yes
- Does the benefit entitlement depend on the individual's own contribution/work history? Answer: Yes
- Does the benefit entitlement depend on **national income**? Answer: No
- Does an individual receive credits for military service (above any credits normally received for employment)? Answer: No
- Does an individual receive credits for number of children? Answer: No
- Does an individual receive credits for unemployment? Answer: No
- Are future benefit entitlements adjusted for **cost of living**? Answer: Yes
- If so, what measure is used for adjustment?

Measures used for adjustment vary by benefit system.

General Old Age Pension System

Minimum wage rates —the AOW pension rates are based on a percentage of the net minimum wage in the Netherlands which is adjusted every 6 months.

Life-course Savings System and New Early Retirement System (From 2021)

Indexation varies by pension fund.

Supplemental Occupational Pensions System ^[2]

Indexation varies by pension fund based on their financial position.

Benefit formula for claiming at SRA

Benefit calculation varies by benefit system.

General Old Age Pension System (Algemeen Ouderdomspensioen, AOW)

Pension benefits are paid monthly and the benefit amount an individual receives is based on the number of years they have lived and worked in the Netherlands, and whether they live alone or with someone else.

For each year an individual lives and works in the Netherlands, they build up 2% of the full benefit rate of the **AOW pension**. An individual that has lived and worked in the Netherlands for 50 years will be eligible to receive the full benefit rate of the AOW pension (*Staatscourant, 2023, Article 7a*). See *Formula 1* for details on how benefits are calculated.

Individuals that have lived abroad or moved to the Netherlands later in life can make voluntary contributions for the years they were not insured to receive AOW benefits (*Staatscourant, 2023, Chapter IV*). See *Box 1* for details on requirements for making voluntary contributions.

AOW benefit amounts are derived from the net minimum wage per month and are adjusted twice a year in January and July. Individuals that are single and living alone receive 70% of the net minimum wage per month while individuals that are married and/or cohabiting with someone else receive 50% of the net minimum wage per month. For couples, if both individuals are receiving an AOW pension, the amount they receive together equals 100% of the net minimum wage (*Staatscourant, 2023, Article 9*). In 2023, an individual that is single and living alone receive a monthly gross AOW benefit of 1430.80€ and an individual that is married and living with someone else receive a monthly gross AOW benefit of 973.86€. *Table 3* provides monthly full benefit rates over time.

Life-course Savings System (Levensloopregeling)

Benefit amounts depend on how much the individual has decided to save from their salary. Individuals can save up to a maximum of 210% of their annual gross salary in total. Depending on the financial institution and plan chosen, savings can increase based on savings interest and investment returns.

New Early Retirement System (Regeling voor Vervroegde Uittreding, RVU) (From 2021)

Benefit amounts depend on the terms of the labor agreements and employment contracts between the employer and employee. In order to be eligible, the benefit amount received must not be larger than the gross net monthly AOW pension benefit paid to a

single individual living alone.

[Supplemental Occupational Pensions System](#) ^[2]

Benefit amounts for individuals starting benefits at their [SRA](#) are based on the sum of an individual's accrued contributions while they were working and contributing to the fund. Individuals do not accrue any pension above the salary limit which is 128,810€ in 2023. The benefit multiplier changes by pension fund and salary amounts. See [Box 3](#) for details of the multiplier for select pension funds and [Formula 5](#) for details of how the benefit amounts are calculated.

Individual that decide to start benefits before their [SRA](#) receive a lower monthly pension amount since pension benefits are distributed over a longer period of time while individuals that decide to start benefits after their [SRA](#) receive a higher monthly pension amount since pension benefits are distributed over a shorter period of time.

Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: Reduction of benefits for early claiming vary by benefit system.

[General Old Age Pension System, Life-course Savings System and New Early Retirement](#) (From 2021)

No

[Supplemental Occupational Pensions System](#) ^[2]

Yes

- **Is so, what is the earliest eligibility?**

[Supplemental Occupational Pensions System](#) ^[2]

- [Pension Fund for Healthcare and Well-being \(PFZW\)](#):
 - * Born before January 1, 1965: Age 55
 - * Born in or after January 1, 1965: 5 years prior to [SRA](#)
- [Pension Fund for Metal and Technical Workers \(PMT\)](#): 10 years prior to [SRA](#)
- [Pension Fund for the Construction Industry \(bpfBOUW\)](#): 5 years prior to [SRA](#)
- [Pension Fund for the Metal and Electronics Industry \(PME\)](#): Age 55

- **Adjustment formula**

[Supplemental Occupational Pensions System](#) ^[2]

Individuals that decide to start benefits before their [SRA](#) receive a lower monthly pension amount since pension benefits are distributed over a longer period of time. The actuarial adjustments for claiming before [SRA](#) are not published.

Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: Delayed claiming varies by benefit system.

[General Old Age Pension System, Life-course Savings System and New Early Retirement](#) (From 2021)

No

[Supplemental Occupational Pensions System](#) ^[2]

Yes

- **If so, what is the latest claiming age where benefits are adjusted?** Answer:

[Supplemental Occupational Pensions System](#) ^[2]

The last year benefits are increased after the [SRA](#) vary by fund. For select funds —

- [Pension Fund for Healthcare and Well-being \(PFZW\)](#): 5 years after [SRA](#)
- [Pension Fund for Metal and Technical Workers \(PMT\)](#): 5 years after [SRA](#)
- [Pension Fund for the Construction Industry \(bpfBOUW\)](#): Age 70
- [Pension Fund for the Metal and Electronics Industry \(PME\)](#): 5 years after [SRA](#)

- **Adjustment formula**

[Supplemental Occupational Pensions System](#) ^[2]

Individuals that decide to start benefits after their [SRA](#) receive a higher monthly pension amount since pension benefits are distributed over a shorter period of time. The actuarial adjustments for claiming after [SRA](#) are not published.

Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Earnings test varies by benefit system.

General Old Age Pension System and Supplemental Occupational Pensions System ^[2]

No

Life-course Savings System and New Early Retirement System (From 2021)

Yes

• **Adjustment formula**Life-course Savings System and New Early Retirement System (From 2021)

If an individual decides to continue working after reaching **SRA**, they will no longer be eligible to receive benefits.

- **If benefits are reduced while working, does it effect future benefits?** Answer: How future benefits are affected varies by benefit system.

Life-course Savings System

Yes

New Early Retirement System (From 2021)

No

- **If so, how does claiming and continuing to work affect future benefits?**

Life-course Savings System

After receiving a benefit, individuals can continue accruing if they return to work before reaching **SRA**.

Additional Benefit Adjustments

- **Adjustment 1: Holiday Allowance**
- **Adjustment 1 details:** Individuals that qualify for this benefit also receive a holiday allowance every May based on what they accrued for this allowance under the **AOW Pension** in the past 12 months ([Staatscourant, 2023, Article 29](#)). Amounts vary based on living situation (i.e., single or married) —see [Table 4](#) for details.

Tables and Formulas

Table 1: Employee Contribution Rate (1992-2023)

Period	Contribution Rate
1999-2023	17.90%
1998	16.50%
1997	15.40%
1996	15.40%
1995	14.25%
1994	14.25%
1993	14.00%
1992	14.05%

Source: [Staatscourant \(2022\)](#) - Regulations for determining premium percentages for employee and national insurance schemes, maximum premium wage employee insurance and surcharge childcare allowance 2023

Table 2: Maximum Amounts Over Which Contributions Are Calculated (1992-2023)

Period	Maximum Amount
2023	37,149 €
2022	35,472
2021	35,129
2020	34,712
2019	34,300
2018	33,994
2017	33,791
2016	33,715
1992-2015	Unknown

Source: [Belastingdienst.nl \(2023\)](#) - How much do you have to pay?

Note: Unknown amounts will be added in a future version.

Formula 1: AOW Monthly Benefit Rate

$$B_{OA(AOW),i,t} = \begin{cases} AOW^{MAX_{i,t}} & \text{if } T_i \geq 50 \\ 2\% \times T_i \times AOW^{MAX_{i,t}} & \text{if } T_i < 50 \end{cases}$$

- $AOW_{OA,i,t}$ = Individual i 's monthly benefits from the [AOW Pension](#) in year t
- $AOW^{MAX_{i,t}}$ = Full benefit rate of the AOW pension for individual i in period t —see [Table 3](#)
- T_i = Number of years individual i has been insured by living and working in the Netherlands

Source: [Rijksoverheid.nl \(2022b\)](#) - Will I receive state pension if I came to live in the Netherlands later?

Box 1: Requirements for Voluntary Contributions

Individuals that have lived abroad or moved to the Netherlands between age 15 and their statutory retirement age are eligible to make voluntary contributions for past years if they meet the following requirements:

- Must have started living and working in the Netherlands for any period within the 50 years preceding the statutory retirement age (SRA) for their birth cohort —for SRA changes by year, see [Table 5](#)
- Must have not reached SRA when they make the voluntary contributions
- Must make the voluntary contributions within 10 years after first coming to live or work in the Netherlands
- Must have been insured by living or working in the Netherlands for at least 5 years except in the following situations:
 - Have been insured for a public old age pension in another country of the European Union
 - Have first lived in the Netherlands on the basis of a work and residence permit that was not covered by AOW insurance

Sources: [Sociale Verzekeringsbank \(2022\)](#) - Conditions for buying back insurance

Table 3: Monthly Full Benefit Rates for the AOW Pension (1992-2023)

Effective Dates	Single and Living Alone	Married and Living with Another Adult	Effective Dates	Single and Living Alone	Married and Living with Another Adult
January 2023	1430.80 €	973.86 €	July 2007	978.73 €	673.83 €
July 2022	1334.94	914.15	January 2007	956.18	653.73
January 2022	1316.77	901.07	July 2006	.	.
July 2021	1301.43	889.70	January 2006	.	.
January 2021	1292.50	883.67	July 2005	.	.
July 2020	1270.67	870.03	January 2005	.	.
January 2020	1255.87	859.55	July 2004	920.17	630.66
July 2019	1228.22	843.78	January 2004	921.12	631.67
January 2019	1215.81	835.04	July 2003	913.42	627.04
July 2018	1181.36	814.74	January 2003	906.14	622.26
January 2018	1173.33	807.88	July 2002	880.86	606.78
July 2017	1136.13	775.49	January 2002	869.24	598.07
January 2017	.	.	July 2001	1859.96 f	1281.96 f
July 2016	1144.72	788.81	January 2001	1832.08	1261.07
January 2016	1138.15	783.87	July 2000	1753.55	1214.93
July 2015	1113.56	767.39	January 2000	1728.51	1198.17
January 2015	1111.55	765.95	July 1999	1702.88	1174.43
July 2014	1104.95	762.88	January 1999	1684.70	1162.27
January 2014	1099.84	760.00	July 1998	1639.22	1131.77
July 2013	1086.52	750.93	January 1998	1638.56	1123.27
January 2013	1084.86	750.35	July 1997	1554.92	1079.37
July 2012	1083.56	756.39	January 1997	1542.21	1069.79
January 2012	1079.93	752.12	July 1996	1489.96	1034.74
July 2011	1074.83	748.55	January 1996	1468.51	1019.28
January 2011	1067.47	743.60	July 1995	.	.
July 2010	1057.11	735.75	January 1995	.	.
January 2010	1052.23	732.84	July 1994	.	.
July 2009	1048.09	730.64	January 1994	.	.
January 2009	1038.39	723.23	July 1993	.	.
July 2008	1011.89	697.37	January 1993	.	.
January 2008	999.72	688.70	July 1992	.	.
			January 1992	.	.

Source: [Sociale Verzekeringsbank \(2023b\)](#) - Previous AOW amounts

Notes:

1. The benefit rates shown here are gross amounts.
2. Benefit amounts include the [AOW Income Support](#) which was introduced in January 2015.
3. Missing amounts, indicating by a period (.), will be added in a future version.

Formula 2: Early Retirement and Pre-Pension Schemes Benefit Amounts

$$B_{OA(ER,PP),i,t} = \begin{cases} 8.5\% \times T_i \times FS_i & \text{if using the final salary system} \\ 9.15\% \times \sum_{s=\text{first year worked}}^t (T_i \times AS_{i,t}) & \text{if using the average salary system} \end{cases}$$

- $B_{OA(ER,PP),i,t}$ = Individual i 's monthly benefits from the final salary system in year t
- T_i = Number of years individual i has worked for their employer
- FS_i = Last pensionable salary individual i received before retiring
- $AS_{i,t}$ = Pensionable salary of individual i for each relevant year t worked

Source: [Tweede Kamer der Staten-Generaal \(1964\)](#) - Payroll Tax Act 1964

Table 4: Holiday Allowance Amounts (2007-2023)

Effective Dates	Rate Single individuals	Rate Married individuals
July 2023	76.08 €	54.34 €
January 2023	71.77	51.25
July 2022	69.30	49.51
January 2022	70.54	50.39
July 2021	71.13	50.80
January 2021	71.93	51.37
July 2020	69.19	49.42
January 2020	72.04	51.46
July 2019	69.97	49.98
January 2019	72.44	51.75
July 2018	70.40	50.29
January 2018	71.42	51.01
July 2017	70.26	50.18
January 2017	71.61	51.15
July 2016	72.48	51.77
January 2016	71.56	51.12
July 2015	71.21	50.85
January 2015	69.32	49.51
July 2014	70.87	50.61
January 2014	70.16	50.11
July 2013	69.73	49.81
January 2013	69.12	49.36
July 2012	59.16	42.25
January 2012	60.87	43.47
July 2011	56.98	40.70
January 2011	58.62	41.87
July 2010	56.93	40.66
January 2010	56.97	40.69
July 2009	56.71	40.50
January 2009	56.50	40.36
July 2008	53.53	38.24
January 2008	53.68	38.35
July 2007	54.06	38.62
January 2007	54.36	38.83

Source: [Sociale Verzekeringsbank \(2023b\)](#) - Previous AOW amounts**Notes:**

1. Amounts shown here are what a beneficiary accrues per month. Holiday allowance payments are given each year in May.
2. Amounts for the period before 2007 will be added in a future version.

Table 5: Statutory Retirement Age (1992-2023)

Period	Statutory Retirement Age	Birth Cohort
2023	66 + 10 months	June 1, 1956 - February 28, 1957
2022	66 + 7 months	September 1, 1955 - May 31, 1956
2021	66 + 4 months	September 1, 1954 - August 31, 1955
2020	66 + 4 months	September 1, 1953 - August 31, 1954
2019	66 + 4 months	January 1, 1953 - August 31, 1953
2018	66	April 1, 1952 - December 31, 1952
2017	65 + 9 months	July 1, 1951 - March 31, 1952
2016	65 + 6 months	October 1, 1950 - June 30, 1951
2015	65 + 3 months	November 1, 1949 - September 30, 1950
2014	65 + 2 months	December 1, 1948 - October 31, 1949
2013	65 + 1 month	January 1, 1948 - November 30, 1948
1992 - 2012	65	January 1, 1927 - December 31, 1947

Source: [Rijksoverheid.nl](https://rijksoverheid.nl) (2022) - State pension age based on the June 2019 agreement in principle

Table 6: AOW Franchise (2023)

Pension Fund	Amount
Pension Fund for Healthcare and Well-being (PFZW)	14,714 €
Pension Fund for Metal and Technical Workers (PMT)	16,322
Pension Fund for the Construction Industry (bpfBOUW)	16,322
Pension Fund for the Metal and Electronics Industry (PME)	16,322

Source: [PFZW.nl](https://pfzw.nl) (2023a) - Calculate Premium

Note: Amounts shown here are yearly.

Table 7: Industry-wide Pension Funds Total Contributions (2023)

Pension Fund	Amount
Pension Fund for Healthcare and Well-being (PFZW)	25.80%
Pension Fund for Metal and Technical Workers (PMT)	27.98%
Pension Fund for the Construction Industry (bpfBOUW)	25.80%
Pension Fund for the Metal and Electronics Industry (PME)	27.98%

Source: [PFZW.nl](https://pfzw.nl) (2023a) - Calculate Premium

Formula 3: Total Contributions Calculation

$$TC_{i,t} = \left(\text{Salary}_{i,t} - \text{AOW}_{i,t} \right) \times \text{PTF}_{i,t} \times \text{Premium}_{i,t}$$

- $TC_{i,t}$ = Individual i 's total contribution paid by the employer and employee in year t
- $\text{Salary}_{i,t}$ = Individual i 's pensionable annual salary in year t
- $\text{AOW}_{i,t}$ = Franchise in year t accounting for future AOW benefits individual i will receive —see [Table 6](#)
- $\text{PTF}_{i,t}$ = Part-time Factor for individual i in year t
- $\text{Premium}_{i,t}$ = Premium percentage in year t for the pension fund individual i is part of —see [Table 7](#)

Source: [PFZW.nl](https://pfzw.nl) (2023b) - How do I calculate?

Note:

1. The pensionable annual salary includes holiday pay and any end-of-year bonuses
2. The part-time factor amount is calculated by dividing the contract hours by the standard hours

Formula 4: Statutory Retirement Age Linked to Life Expectancy (2020-present)

$$SRA_{i,t+6}^{\text{Adjusted}} = \begin{cases} SRA_{i,t+5}^{\text{Adjusted}} & \text{if } V_{i,t+5} < 0.25 \\ SRA_{i,t+5}^{\text{Adjusted}} + 0.25 & \text{if } V_{i,t+5} \geq 0.25 \end{cases}$$

- $SRA_{i,t+6}^{\text{Adjusted}}$ = Adjusted SRA for individual i in year $t + 6$ when the change in SRA is effective
- $SRA_{i,t+5}^{\text{Adjusted}}$ = Adjusted SRA for individual i in the **Adjustment Year** which is $t + 5$
- $V_{i,t+5}$ = Increase in SRA in year $t + 5$ which is determined 5 years ahead at time t :

$$V_{i,t+5} = 2/3 \times (L_{i,t+5} - 20.64) - (SRA_{i,t+4}^{\text{Adjusted}} - 67)$$

- $L_{i,t+5}$ = Estimated remaining life expectancy at age 65 as expected in the Adjustment Year which is $t + 5$. 20.64 is the estimated remaining life expectancy at age 65 as expected for the year 2024
- $SRA_{i,t+4}^{\text{Adjusted}}$ = Adjusted SRA in the year prior to the Adjustment Year which is $t + 4$. 67 is the applicable SRA in the year prior to when the calculated SRA linked to life expectancy becomes effective which is year 2024

Source: Tweede Kamer der Staten-Generaal (2020) - Amendment of the General Old Age Pensions Act and the Wage Tax Act 1964 in connection with the change in the link between the state pension and target retirement age and the increase in life expectancy (Act to change the link between the state pension age and retirement age)

Note: Changes in SRA were introduced gradually from 2013. This formula is used from 2020 to determine changes in SRA for the Adjustment Year 2025.

Box 2: Example of SRA Linked to Life Expectancy

The following examples illustrate cases following **Formula 4** in which the Statutory Retirement Age (SRA) might increase based on changes in life expectancy at age 65.

SRA remains the same:

Let $t=2022$ for which $t + 4=2026$ and $t + 5=2027$. Thus, whether SRA is increased in 2027 is determined by:

- $L_{i,2027} = 20.93$
- $SRA_{i,2026}^{\text{Adjusted}} = 67$

$$V_{i,2027} = 2/3 \times (20.93 - 20.64) - (67 - 67) = 0.19 < 0.25$$

Therefore, SRA will remain at age 67 in 2027.

SRA increases by 3 months:

Let $t=2023$ for which $t + 4=2027$ and $t + 5=2028$. Thus, whether SRA is increased in 2028 is determined by:

- $L_{i,2028} = 21.05$
- $SRA_{i,2027}^{\text{Adjusted}} = 67$

$$V_{i,2028} = 2/3 \times (21.05 - 20.64) - (67 - 67) = 0.27 > 0.25$$

Therefore, SRA will increase to 67 years + 3 months in 2028.

Source: Tweede Kamer der Staten-Generaal (2020) - Amendment of the General Old Age Pensions Act and the Wage Tax Act 1964 in connection with the change in the link between the state pension and target retirement age and the increase in life expectancy (Act to change the link between the state pension age and retirement age)

Box 3: DB Benefit Multiplier by Pension Fund (2023)

Pension Fund for Healthcare and Well-being (PFZW): 1.750%

Pension Fund for Metal and Technical Workers (PMT)

- Salary is below 86,202€: 1.826%
- Salary is between 86,202€ and 128,810€: Employer chooses from the following percentages:
 - Build-up rate low: 1.420%
 - Build-up rate high: 1.760%

Pension Fund for the Construction Industry (bpfBOUW)

- Salary is below 68,005.40€: 1.738%
- Salary is between 68,005.40€ and 128,810€: bpfBOUW agrees on the multiplier with employers that choose to participate in the BeterExcedent scheme.

Pension Fund for the Metal and Electronics Industry (PME)

- Salary is below 86,202€: 1.815%
- Salary is between 86,202€ and 128,810€: Employer chooses from the following percentages:
 - Build-up rate low: 1.310%
 - Build-up rate high: 1.746%

Source: [PFZW.nl](https://pfzw.nl) (2023b) - How do I calculate?

Formula 5: Supplemental Occupational Pension Benefit Amount

$$B_{OA(SOP),i,t} = \frac{1}{12} \times \sum_{s=\text{first year worked}}^t \left(\text{Multiplier}_{i,s} \times \frac{N_{i,s}^{\text{work}}}{N_{i,s}^{\text{max}}} \times \min \left\{ \text{Earn}_{i,s} - \text{AOW}_{i,s}, \text{Salary Limit}_s - \text{AOW}_{i,s} \right\} \right)$$

- $B_{OA(SOP),i,t}$ = Individual i 's monthly benefits from a supplemental occupational pension in year t
- $\text{Multiplier}_{i,t}$ = Benefit multiplier of the fund individual i is part of in year t
- $N_{i,t}^{\text{work}}$ = Number of days individual i worked in year t
- $N_{i,t}^{\text{max}}$ = Maximum number of days individual i could have worked in year t
- $\text{Earn}_{i,t}$ = Total salary amount of individual i in year t
- $\text{AOW}_{i,t}$ = Franchise in year t accounting for future AOW benefits individual i will receive —see [Table 6](#)
- Salary Limit_t = Annual salary limit, which varies by year and is 128,810€ in 2023

Source: [bpfBOUW \(2015\)](#) - Pension Regulations

Note: Benefit amounts are adjusted based on longevity and mortality factors. These details will be added in a future version.

Sources

This section records key sources consulted when we collected the institutional details reported in this document. Archived versions of these sources are available at the Gateway Policy Explorer website (<http://g2aging.org/policy-explorer>).

Belastingdienst.nl (2001). Pension articles Payroll Tax Act 1964 as of January 1, 2001. Available in Dutch only. As of November 29, 2023. [\[Link\]](#)

Belastingdienst.nl (2023). How much do you have to pay?. Available in Dutch only. As of April 17, 2023. [\[Link\]](#)

bpfBOUW (2015). Pension Regulations. Available in Dutch only. As of July 31, 2023. [\[Link\]](#)

bpfBOUW (2023). Retirement 1-2-3. Available in Dutch only. As of May 10, 2023. [\[Link\]](#)

Eerste Kamer der Staten-Generaal (2020). Act on lump sum, RVU and leave savings. Available in Dutch only. As of November 29, 2023. [\[Link\]](#)

Ministerie van Sociale Zaken en Werkgelegenheid (1991). Determination of premium percentages for AAW, AOW, and AWW and Notional AAW as of 1 January 1991. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Ministerie van Sociale Zaken en Werkgelegenheid (1993). AOW, AWW and AAW premium percentages and the notional AAW premium percentage as at 1 January 1993. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Ministerie van Sociale Zaken en Werkgelegenheid (1994). Determination of premium percentages for aow, aww and aaw and the fictitious premium percentage for aaw as of 1 January 1994. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Ministerie van Sociale Zaken en Werkgelegenheid (1996). Determination of premium percentages AOW, AWW, AAW as of January 1, 1996. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Ministerie van Sociale Zaken en Werkgelegenheid (1997). Determination of premium percentages AOW, ANW and AAW as of 1 January 1997. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Ministerie van Sociale Zaken en Werkgelegenheid (1998). Regulation establishing premium percentages for AOW and ANW as of 1 January 1998. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Ministerie van Sociale Zaken en Werkgelegenheid (1999). 1999 Determination of the premium percentage for general old-age insurance. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Ministerie van Sociale Zaken en Werkgelegenheid (2000). Regulation determining premium percentages for employee insurance schemes and national insurance schemes 2000. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Ministerie van Sociale Zaken en Werkgelegenheid (2023). Regulation for determining premium percentages for employee and national insurance schemes, maximum premium wage [...] and surcharge for childcare allowance 2023. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Overheid.nl (2011). Payroll tax implementation regulations 2011. Available in Dutch only. As of November 29, 2023. [\[Link\]](#)

PMEPensionen.nl (2023). Explanation of PME Pensioenfonds pension scheme. Available in Dutch only. As of May 10, 2023. [\[Link\]](#)

PFZW.nl (2023a). Calculate premium. Available in Dutch only. As of May 10, 2023. [\[Link\]](#)

PFZW.nl (2023b). How do I calculate?. Available in Dutch only. As of May 10, 2023. [\[Link\]](#)

Rijksoverheid.nl (2007-2023). Social Insurance Benefit Amounts. Available in Dutch only. As of September 22, 2023. [\[Link\]](#)

Rijksoverheid.nl (2022a). State pension age based on the June 2019 agreement in principle. Available in Dutch only. As of March 30, 2023. [\[Link\]](#)

Rijksoverheid.nl (2022b). Will I receive state pension if I came to live in the Netherlands later?. Available in Dutch only. As of April 4, 2023. [\[Link\]](#)

- Rijksoverheid.nl (2023). What are the consequences if I continue working after my AOW (pre)pension or VUT?. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Sociale Verzekeringsbank (2022). Conditions for buying back insurance. Available in Dutch only. As of April 4, 2023. [\[Link\]](#)
- Sociale Verzekeringsbank (2023a). AOW Rates July 2023. Available in Dutch only. As of April 12, 2023. [\[Link\]](#)
- Sociale Verzekeringsbank (2023b). Previous AOW amounts. Available in Dutch only. As of April 12, 2023. [\[Link\]](#)
- Sociale Verzekeringsbank (2023c). Working after your state pension age. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1995). Determination of pension and benefit amounts AOW/AWW as of 1 January 1996. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1996a). Determination of state pension amounts as of 1-1-1997. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1996b). AOW amounts as of 1 July 1996. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1997a). Determination of AOW benefits as of 1 July 1997. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1997b). Revision of state pension amounts as of 1 January 1998. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1998a). Adjustment scheme AOW amounts. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1998b). Revision of amounts referred to in Articles 9 and 29 of the General Old Age Pensions Act. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1998c). Revision of state pension amounts as of 1 July 1998. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1999a). Adjustment scheme AOW amounts. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (1999b). Adjustment scheme AOW amounts. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2000a). Revision amounts as referred to in Articles 9 and 29 of the AOW. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2000b). Scheme containing adjustment of the AOW amounts. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2001a). Revision amounts referred to in Articles 9 and 29 of the General Old Age Pensions Act. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2001b). Revision amounts as referred to in Articles 9 and 29 AOW. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2002). General Old Age Pensions Act. Available in Dutch only. As of October 5, 2023. [\[Link\]](#)
- Staatscourant (2002a). Revision of old-age pension and holiday allowance AOW. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2002b). Revision of amounts under the General Old Age Pensions Act. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2003a). Revision AOW amounts. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2003b). Revision of old-age pension and holiday allowance AOW. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2004a). Regulation of the State Secretary for Social Affairs and Employment of 23 March 2004, Social Insurance Directorate, no. SV/V&V/O4/18034, revising the amounts of old-age pension and holiday allowance under the General Old-age Act. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2004b). Regulation of the State Secretary for Social Affairs and Employment of 15 June 2004, Social Insurance Directorate, no. SV/V&V/O4/40286, revising the amounts of old-age pension and holiday allowance under the General Old-age Act. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)
- Staatscourant (2013). Increase AOW and Retirement Age Act. Available in Dutch only. As of April 14, 2023. [\[Link\]](#)

Staatscourant (2015). General Old Age Pensions Act. Available in Dutch only. As of October 5, 2023. [\[Link\]](#)

Staatscourant (2017). Announcement from the Minister of Social Affairs and Employment dated 14 June 2017, 2017-0000102271, announcing the amounts amended as of 1 July 2017 in the General Child Benefit Act, the General Surviving Dependents Act, the General Old Age Pensions Act and the Temporary AOW bridging benefit scheme. Available in Dutch only. As of April 5, 2023. [\[Link\]](#)

Staatscourant (2022). Regulations for determining premium percentages for employee and national insurance schemes, maximum premium wage employee insurance and surcharge childcare allowance 2023. Available in Dutch only. As of April 4, 2023. [\[Link\]](#)

Staatscourant (2023). General Old Age Pensions Act. Available in Dutch only. As of April 14, 2023. [\[Link\]](#)

Tweede Kamer der Staten-Generaal (1964). Payroll Tax Act 1964. Available in Dutch only. As of November 27, 2023. [\[Link\]](#)

Tweede Kamer der Staten-Generaal (1998). Amendment of the Wage Tax Act 1964, the Income Tax Act 1964, the Social Insurance Coordination Act and, in connection therewith, some other laws in response to the proposals of the working group on the Fiscal Treatment of Pensions (Fiscal Treatment of Pensions Act); Explanatory memorandum. Available in Dutch only. As of November 30, 2023. [\[Link\]](#)

Tweede Kamer der Staten-Generaal (2004). Amendment of the Wage Tax Act 1964, the Income Tax Act 2001, the Corporate Tax Act 1969, the Work and Care Act and some other laws (Act on adjustment of tax treatment for early retirement/pre-pension and introduction of life-course savings scheme). Available in Dutch only. As of November 27, 2023. [\[Link\]](#)

Tweede Kamer der Staten-Generaal (2020). Amendment of the General Old Age Pensions Act and the Wage Tax Act 1964 in connection with the change in the link between the state pension and target retirement age and the increase in life expectancy (Act to change the link between the state pension age and retirement age). Available in Dutch only. As of April 14, 2023. [\[Link\]](#)

Glossary of terms

This section summarizes key definitions from the main text. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: “Alt” + “←”; In Adobe Acrobat on a MAC: “command” + “←”; In Preview on a MAC: “command” + “[”.

Adjustment Year: Year for which the calculation linking SRA and life expectancy is calculated.

Annuitable System: A pension system that provides a periodic payment for life after the benefit begins.

AOW Income Support: Extra benefit payment given on top of the AOW pension. It was introduced in January 2015.

AOW Pension: The public old-age benefit system that pays benefits to individuals above the statutory retirement age that have lived and worked in the Netherlands.

Cash Balance System: A pension system that provides each individual an account that is drawn down over time.

Claimable Benefit: A pension where the beneficiary must actively file a claim for benefits with the government’s pension authority.

Cost-of-Living Adjustments (COLA): Adjustments after an individual begins receiving benefits that increase benefit payments, typically in line with consumer prices or average earnings.

Earliest eligibility: Earliest age and/or years of contributions required to be eligible to start receipt of a particular type of benefit. Earliest eligibility is the same as statutory eligibility in countries where there is no benefit penalty for claiming before the statutory retirement age.

Early Retirement: System in place from 1976 to 2005 through which individuals working in certain industries became eligible to receive temporary benefits if they had stopped working and had not reached statutory retirement age.

Holiday Allowance: Extra benefit accrued per month and given to ANW, AOW or AIO recipients in May.

Latest claiming age: Latest age where a benefit may be claimed such that benefit payments are increased as an incentive for delaying

the start of benefits past the statutory retirement age. Latest claiming age is the same as statutory retirement age in countries where there is no benefit to delayed claiming. Not applicable for non-claimable benefits.

Life-course Savings System: System that allows individuals to save part of their gross salary towards periods of leave. Used for early retirement.

Lump Sum Benefit: A pension system that provides an individual with a one-time or limited number of payments. Lump sum benefits are distinct from annuitable or cash balance benefits because they do not continue past a specified time frame. Lump sum benefits use varies by country, but they are sometimes used as death benefits, incentives to delay claiming, or payments to individuals with an insufficient contribution history to be eligible for annuitable benefits.

National Income Measure: In some pension systems, the benefit is dependent on a national income measure, such as average wages. We indicate a pension system depends on the national income measure if the benefit paid is determined by a national income measure (as opposed to an individual's earnings history). For example, the benefit level for the United Kingdom Basic State Pension depends on a level set by the government and does not depend on an individual's earnings. This distinction does not include systems that adjust annual benefits based on a national income measure or index past earnings using a national income measure.

New Early Retirement System: Benefit given to individuals that decide to retire at most 3 years before reaching statutory retirement age (SRA) who have an agreement signed with their employer that allows early retirement.

Pension Fund for Healthcare and Well-being (PFZW): Pension fund exclusively for healthcare workers in the Netherlands.

Pension Fund for Metal and Technical Workers (PMT): Pension fund exclusively for metal and technical workers in the Netherlands.

Pension Fund for the Construction Industry (bpfBOUW): Pension fund exclusively for individuals that work in the construction industry in the Netherlands.

Pension Fund for the Metal and Electronics Industry (PME): Pension fund exclusively for individuals that work in the metal and electronics industry in the Netherlands.

Pre-Pension System: Benefit given to older adults retiring before reaching statutory retirement age (SRA). They must be under age 60. Benefits are based on the insured individual's voluntary contributions and their employer's contributions.

Progressive Benefit: A benefit is progressive if people with lower earnings have a greater replacement rate for their contributions.

Qualified Benefit: A benefit is qualified if an individual must continue to meet certain standards, such as a means test, to continue receipt of benefits.

Social Insurance Bank: Dutch institution that implements public insurance systems on behalf of the government.

Statutory Retirement Age (SRA): The age at which individuals are eligible to receive their full benefit. In the United States, this is known as the normal retirement age. In the United Kingdom, this is known as the state pension age.

Supplemental Occupational Pensions System: Benefit given to older adults retiring from work who have accrued pension with a private occupational pension fund.

Notes

This section reports notes from the main text. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: "Alt" + "←"; In Adobe Acrobat on a MAC: "command" + "←"; In Preview on a MAC: "command" + "[".

1. Employers are only responsible for contributing to certain employee insurance schemes such as unemployment, disability, and sickness benefits. Employers do not pay for national insurance schemes such as the state pension.
2. Individuals that work in certain industries are eligible to receive a supplemental occupational pension. Given the difficulty of collecting policy information for each individual pension fund for periods before 2020, we have collected and report details of 4 large industry-wide pension funds in the Netherlands: Pension Fund for Healthcare and Well-being (PFZW), Pension Fund for Metal

and Technical Workers (PMT), Pension Fund for the Construction Industry (bpfBOUW), Pension Fund for the Metal and Electronics Industry (PME). This is only a selection of the many occupational pensions in the Netherlands.

3. Individuals that are receiving a benefit from the Early Retirement System (Vervroegde Uittreding, VUT) do not make own contributions towards their own pension. Benefits are financed by contributions from their former employer and its current employees.

Version information

Current Version: 1.0 (December 2023)

Version History

- 1.0 (December 2023): First version

Additional resources

The following resources provide additional details for the interested reader:

Sociale Verzekeringsbank —AOW pension in brief. Available at: <https://www.svb.nl/en/aow-pension/aow-pension-in-brief>

Features: Online portal developed by the Sociale Verzekeringsbank to give a general overview of the Dutch state pension.

Social Security Administration —Social Security Programs Throughout the World: Europe, 2002-2018 . Available at: <https://www.ssa.gov/policy/docs/progdesc/ssptw/index.html>

Features: Online portal that provides information on the qualifying conditions and benefits of the Dutch state pension for different time periods such as 2002, 2004, 2006, 2008, 2010, 2012, 2014, 2016, and 2018.

European Commission Employment, Social Affairs and Inclusion —Netherlands Retirement Pension. Available at: <https://ec.europa.eu/social/main.jsp?catId=1122&langId=en&intPagelId=4993>

Features: Official website from the European Commission. It provides a general overview on how an individual could qualify and apply for a state pension in the Netherlands.