International Affairs
Sociale Verzekeringsbank (SVB)

Presentation for future claimants of a Dutch national old age pension (AOW pension)
Boston, Saturday, November 18, 2017
Who are we?

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Who are we?

Organization:

Sociale Verzekeringsbank (Social Insurance Bank, SVB) of The Netherlands:

- In partnership with the Social Security Administration (SSA) in Baltimore, Maryland
- We are not a bank in the normal sense of the word, but a social security organization
- We are responsible for a number of national insurance schemes, including:
  - Old age pension (AOW), survivor benefit and child benefit
- Information on all the schemes can be found (in Dutch, English and 7 other languages) on [www.svb.nl](http://www.svb.nl)
SVB
Our organization

- Headquarters in Amstelveen
- 11 regional offices
- 3,000 employees

Our office in Groningen is responsible for clients living in the USA
**Beneficiaries living in the USA**

<table>
<thead>
<tr>
<th>Act</th>
<th>Beneficiaries (September 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOW (old age pension)</td>
<td>16,743 / €4,216,938</td>
</tr>
<tr>
<td>Anw (survivor benefit)</td>
<td>24 / €15,265</td>
</tr>
<tr>
<td>AKW (child benefit) (Q2 of 2016)</td>
<td>1,010 / €244,517,52</td>
</tr>
</tbody>
</table>

But: there may be many more who could be entitled to an AOW pension and do not know about their entitlement!
National Old Age Pensions Act

AOW
## The Dutch old age pension system: 3 pillars

<table>
<thead>
<tr>
<th>Pillar 1</th>
<th>Pillar 2</th>
<th>Pillar 3</th>
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<tr>
<td>National Pension Scheme (AOW)</td>
<td>Company Pension Schemes</td>
<td>Private savings Investments</td>
</tr>
<tr>
<td>Government</td>
<td>Employers Employees</td>
<td>Individuals</td>
</tr>
<tr>
<td>Pay as you go</td>
<td>Capital funding</td>
<td>Tax credits</td>
</tr>
<tr>
<td>SVB</td>
<td>Pension funds Insurance companies</td>
<td>Individuals</td>
</tr>
</tbody>
</table>

This presentation will only be about Pillar 1
The basics
National Old Age Pensions Act

Since 1957

Pension age increasing
2018: 66 years
2021: 67 years
2022: 67 years + 3 months
2023: dependent on life expectancy

# Years insurance
Find out your pension age

The AOW pension will be paid as from the exact date you reach your AOW pension age. The AOW pension age depends on your date of birth. You can see what your AOW pension age is at www.svb.nl/aow

For websites: Find out your AOW pension age:
https://www.svb.nl/int/nl/aow/wat_is_de_aow/wanneer_aow/index.jsp
Grounds for insurance under the AOW scheme

National Old Age Pensions Act

- Living in NL
- Living abroad, but working & paying tax in NL
National Old Age Pensions Act (1)

- Pension accrual period: 50-years period preceding pension age date
  1 year of insurance = 2% of the full pension
  50 years = 50 x 2% = 100%
- Flat rate pension, related to the Dutch statutory minimum wage
- Paid out to eligible pensioners living in the USA
National Old Age Pensions Act (2)

Maximum Gross pension amounts (monthly as of July 2017)

<table>
<thead>
<tr>
<th>Situation</th>
<th>% of minimum wage</th>
<th>Maximum gross amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living alone</td>
<td>70%</td>
<td>€1,161.69</td>
</tr>
<tr>
<td>Living together</td>
<td>50%</td>
<td>€801.05</td>
</tr>
</tbody>
</table>

These amounts include the AOW top-up of €25.56 (maximum amount, may be reduced depending on number of years of insurance)
National Old Age Pensions Act (3)

- Two adult persons, married or unmarried, living together:
  - Sharing accommodation (unless both still rent or own their own house)
  - Both persons contribute to the household financially or otherwise (e.g. care)
  - Same or opposite gender
  - No first degree blood relationship
  - No commercial relationship
Your SVB pension statement

How much insurance for the AOW pension have I built up so far?
- Request a SVB Pension Statement via www.svb.nl
- Log in with your DigiD personal access code.

No DigiD?
- Go to www.svb.nl and click on: ‘How much AOW pension will you get?’
- You will find an application form (PDF) that you can print out and send to us by post.

For websites: you can request an SVB Pension Statement here: https://www.svb.nl/int/nl/aow/hoogte_aow/hoeveel_u/
Information for future AOW pension claimants living in the USA

• The social security agreement between the USA and the Netherlands

• How to claim an AOW pension?

• Taxation of the AOW pension
Agreement between the Kingdom of the Netherlands and the United States of America on Social Security (1)

- Effective: November 1, 1990
- Improves social security protection for people who work or have worked in both countries
- It helps many people who, without the agreement, would not be eligible for monthly retirement, disability or survivors benefits under the social security system of one or both countries
- It also helps people who would otherwise have to pay social security taxes to both countries on the same earnings
- The agreement covers social security taxes (including the U.S. Medicare portion) and social security retirement, disability and survivors benefits. It does not cover benefits under the U.S. Medicare program or Supplemental Security Income program
- Each country pays its own benefits

https://www.ssa.gov/international/Agreement_Pamphlets/netherld.html
Agreement between the Kingdom of the Netherlands and the United States of America on Social Security (2)

Territory of the U.S.:
- All U.S. States
- District of Columbia
- Puerto Rico, Virgin Islands, Guam, U.S. Samoa

But not:
- The Bahamas, Barbados, Bermuda, Cayman Islands, West Samoa

Territory of the Netherlands:
- Kingdom of the Netherlands within Europe
Agreement between the Kingdom of the Netherlands and the United States of America on Social Security (3)

Administrative procedures (in general):

- under the Agreement, the U.S. Social Security Administration (SSA) and the Sociale Verzekeringsbank (Social Insurance Bank, SVB) of the Netherlands are social security partners.
- claims are processed by the social security organization of the country where the claimant resides.
- United States residents who wish to claim U.S. or Dutch benefits therefore must:
  - visit the SSA website or visit or write any local SSA office, or
  - submit a claim for Dutch benefits to any SSA office by completing form SSA-2490.
  - the form is sent to SSA Baltimore for verification and then forwarded to the SVB in the Netherlands
Administrative procedures (1): how to find information to claim a Dutch Old Age Pension

On [www.ssa.gov](http://www.ssa.gov) you can find how to claim your AOW pension under “Online services”.

**Tip:** Make sure you submit your AOW pension claim in plenty of time before you reach your AOW pension age – ideally, *6 months* before reaching your pension age – so that we have time to establish your insurance periods under the AOW scheme.

For websites: [Claiming an AOW pension if you live outside the Netherlands](http://www.ssa.gov)

[https://www.svb.nl/int/nl/aow/aanvragen/aow_aanvragen_also_buiten_nederland_woont/](https://www.svb.nl/int/nl/aow/aanvragen/aow_aanvragen_also_buiten_nederland_woont/)
Administrative procedures (2): AOW pension claims from the USA if you have also completed insurance periods in the USA

- Go to the SSA website: [www.ssa.gov](http://www.ssa.gov)
- Apply for a Internet Retirement Claim. You will get a receipt which proves you filed a claim.
- Answer the questions about insurance periods abroad (in this case, periods of living or working in the Netherlands)
- No reaction from SSA within one month: contact your local Social Security Office ([www.ssa.gov](http://www.ssa.gov))

If you do not want to use the SSA website:
- Visit your local Social Security Office
Administrative procedures (3): AOW pension claims from the USA if you have not completed any insurance periods in the USA

If you have never worked in the USA, you will not be entitled to a U.S. retirement pension under your own record. However:

- You should still claim your Dutch AOW pension via a local Social Security office.
- The local Security Office will send your claim via SSA Baltimore to the SVB office in Groningen.
- Keep your receipt to monitor your claim. If you are not informed within a month please contact your local Social Security office again.
- By any problems: Contact the SVB Office in Groningen directly:
  - By telephone, Mondays to Fridays from 8 a.m. to 5 p.m. (Dutch time)
  - Old age pension department, telephone No.: +31 50 316 9010
  - Overview of AOW pension rights, telephone No.: +31 50 316 9010
  - Postal address: Postbus 18606, 3501 CR Utrecht, the Netherlands
  - E-mail: international.aow.Groningen@svb.nl
Administrative procedures (4): AOW pension claims from the USA if you have not completed any insurance periods in the USA

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Administrative procedures (5): DigiD code

How to apply for a DigiD code when you live in the USA?

Via the DigiD website. You can collect your DigiD code at a DigiD service desk in the Netherlands or abroad, but only if:

• you have Dutch nationality, and
• a valid Dutch passport or ID card, and
• a Dutch social security number (‘Burgerservicenummer’, BSN), and
• you are listed in the Register for Non-Residents (RNI), and
• you have a mobile phone on which you can receive text messages, and
• you have an email address
Administrative procedures (6): DigiD code

How to apply for a DigiD code when you live in the USA and you (are about to) receive an AOW pension?

Via “My SVB”. But only if:
• you have received a letter from the SVB which states that you will receive an AOW pension, or
• you already receive an AOW pension and you have a Dutch social security number (‘Burgerservicenummer’, BSN) or SoFi number.
U.S.-Dutch Tax Agreement

- The USA has a variety of taxes, the most common are federal state or/and local taxes.
- The U.S.-Dutch tax agreement is *not* applicable to state taxes.
- States may decide themselves what taxes to levy and how much.
- Dutch old age pension (AOW) and survivor benefit (Anw) are only taxable in the Netherlands. Tax will not be deducted if the pension or benefit amount is below the taxation threshold.
- The AOW top-up is taxable in the USA.
- NB: the tax agreement was changed in 2015. As from that year, the tax credit can no longer be applied to AOW pensions paid to the USA. This means that an amount in tax will always be deducted from an AOW pension.

“I WANT YOU TO PAY YOUR TAXES”
Windfall Elimination Provision (WEP)

A Dutch pension may affect your U.S. benefit.

If you qualify for social security benefits from both the United States and the Netherlands and you did not need the agreement to qualify for the U.S. benefit, the amount of your U.S. benefit may be reduced.

This is a result of a provision in U.S. law that can affect the way your benefit is calculated if you also receive a work-related pension that was not covered by U.S. Social Security. If your Dutch AOW pension is only based on periods of residence in the Netherlands, the WEP is not applicable (if necessary, ask the SVB to confirm this!).

For more information, visit www.socialsecurity.gov and get a copy of Windfall Elimination Provision, (Publication No. 05-10045).

If you are outside the United States write to SSA at the address in the "For more information" section.
Let us know if you have any questions