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Early Retirement in the Netherlands

1. Introduction

Overview

The public system of early retirement:

- In the Netherlands there has been a 'dramatic shift' in early retirement policy (Anderson 2009: 12). After decades of encouraging early retirement with generous conditions, one of the most rigorous policies in the EU-15 is pursued by the state and the social partners. Early retirement is not possible via state pension. Public pathways into early retirement like disability and unemployment insurance have mainly been closed (Anderson 2009: 12; Van Oorschot 2007).

The role of collective labor agreements (CLAs) in early retirement:

- VUT (*Vervroegde Uittreding*, early exit) rules were constituted by collective labor agreements (CLAs), together with other terms of employment. They were consequently set by negotiations between the unions and employers' organizations and were administered by pension funds. Participation was therefore mandatory for employees (Euwals et al. 2007: 4).
- After 1997 the early retirement schemes called VUT have been replaced by collective pre-pension schemes that are much less generous than the VUT. The costs for early

retirement have been individualized and occur now in occupational schemes without fiscal support. The transition from VUT to pre-pension schemes is still going on (Anderson 2009: 12; Van Oorschot 2007).

- The new pre-pension schemes are also arranged by collective agreements (Van Oorschot 2007: 250). Progressive retirement can be part of pre-pension schemes that were introduced in the eighties and are regulated in CLAs. In 1997, 15 per cent of the CLAs contained such provisions as reduced working hours per week or providing extra days off (EIRO 2001: Progressive Retirement Arrangements). The legal right to work part-time, which is also relevant for older workers, is also arranged in CLAs. In 1997, this was the case in 51 per cent of the CLAs, including the public sector (EIRO 2001: Progressive Retirement Arrangements).

Levels of bargaining

- Early retirement rules are set by social partners' negotiations at sectoral level (Euwals et al. 2007: 4). The sectoral agreements can serve as framework for agreements which means that the details of the provisions can be negotiated at company level (Van het Kaar 2009: 6). The national level is important for coordinating. According to Van het Kaar (2009: 6), these central agreements that often take the form of recommendations, are concluded within the Labor Foundation (*Stichting van de Arbeid, StvdA*).

Actors

Trade unions:

- There are three main trade union confederations involved in collective bargaining on early retirement:
 - The Dutch Trade Union Federation (*Federatie Nederlands Vakbeweging, FNV*) is the largest confederation with 15 affiliated trade unions with around 1.2 million employees organized. The largest affiliated union is the Allied Unions (*FNV Bondgenoten*) which is a merge of trade unions in industry, transport, agriculture and services. The confederation, however, only coordinates the bargaining process.
 - The second largest confederation is the Christian Trade Union Federation (*Christelijk Nationaal Vakverbond, CNV*) with around 360,000 members. The CNV has 11 affiliated trade unions in sectors such as manufacturing, transport, defense, services, the public sector, education, and healthcare.
 - The third largest is the Federation for Managerial and Professional Staff (*Vakcentrale voor Middelbaar en Hoger Personeel, MHP*) which has around 175,000 members (Van het Kaar 2009: 4-5.)

Employers' associations:

- There are two important employers' associations involved in negotiations on early retirement.
 - The Confederation of Netherlands Industries and Employers (*Vereniging van Nederlandse Ondernemingen-Nederlands Christelijk Werkgeversverbond*, VNO-NCW) is the only confederation in industry and services and includes about 180 sectoral organizations. Also, most of the largest companies in the country are part of this confederation. However, they often bargain at company level.
 - Small and medium-sized companies are organized in the Dutch Federation of Small and Medium-sized Enterprises (*Midden- en Kleinbedrijf Nederland*, MKB-Nederland) (Van het Kaar 2009: 5).

Critical junctures

Definition: Critical Junctures are years or time periods when important decisions on the development of the collectively negotiated early retirement scheme were made.

There are four critical junctures:

- First, in the late 1970s the social partners established a collective scheme for VUT (Ebbinghaus 2006: 129). This scheme permitted the employees to leave the labor market before the official pensionable age (EIRO 2009: Netherlands, Early Retirement). The first VUT schemes only financed one 'bridge' year until reaching the pension age. However, later it got extended to five years of preretirement, which shows the changing character from temporary to semi-permanent. The push factors behind it were the social partners that were looking for a more social opportunity for young job-seekers than disability or unemployment (Ebbinghaus 2006: 129). The idea behind the implementation of VUT was to handle the inflexibility of the basic pension scheme which is defined to begin at the age of 65. Furthermore, in times of high unemployment new pathways into retirement became necessary. The new VUT scheme introduced the possibility of early retirement at the age of 60, after 10 years of uninterrupted employment. Hereby, the replacement rate amounted at least to 80 per cent (Rein/Turner 2001: 133).
- Second, VUT got very popular in the 1980s as a result of the tightening of public disability insurance criteria. This development led to more costs and higher contributions (from 0.6 per cent in 1981 to 2.4 per cent in 1992 in the private sector). As a bipartite consensus was needed and the system was very fragmented into various branch agreements, a reform was difficult (Ebbinghaus 2006: 221)

- Third, in 1997 in the course of state pension reform and amendments in government tax policy (Ebbinghaus 2006: 221), the government and the Foundation of Labor (StvdA) agreed to reverse the trend to early exit behavior by replacing VUT by capital-based pre-pension schemes which are less generous (Van Oorschot 2007: 247-248). Nevertheless, there exist different transitional arrangements, which means the shift is still being executed. Most experts agree that the average age of early exit is increasing (De Klerk 2001; Euwals et al. 2004; Groot/Heyma 2004; OECD 2005, quoted in Van Oorschot 2007: 250; Wolthoff/van Vuuren 2004).
- The latest critical juncture concerns the years 2005/2006 when the abolishment of tax deductability of pre-pension schemes and introduction of the life-course savings scheme was decided. Hereby, the responsibility for early retirement has been transferred from the collective to the individual (Anderson 2009: 12).

2. Important Collective Agreements (Examples)

The following examples were selected as they belong to the biggest CLAs:

- Pre-pension: Pre-pension of the CLA horticulture (*Collectieve Arbeidsovereenkomst voor de open Teelten*), from 1st of July 2006 to 31st of December 2008, is regulated by the rules of procedure (Pensioenreglement Bedrijfspensioenfonds Voor De Landbouw 2010: 26-28) of the agricultural sector fund (*Bedrijfspensioenfonds voor de Landbouw*, BPL):
 - Pre-pension which was built before 2007 is paid from the month on in which the employee turns 64. According to article 35, another starting date can be chosen. Furthermore, prepension is paid from the day on that the employment relationship ends between the age of 64 and the date of pension, unless another employment relationship is contracted with another employer (also if not from the same sector).
 - Prepension ends on the day when the regular pension starts or on the last day of the month in which the concerned worker dies (in case he dies before entering the regular pension age).
 - Pre-pension cannot be purchased before reaching the age of 60. A later pre-pension can only be purchased if the employment continues until the date the pre-pension starts. If the employee continues working part-time, the pre-pension is proportionally postponed.
 - If the employee starts to purchase pre-pension before the first day of the month he reaches the age of 64, the amount of pre-pension will be reduced and there will not be any further building of the pre-pension amount. However, there will be a further building of occupational and partner pension (if the employee is still participant).

- If the pre-pension begins later than the first day of the month in which the employee turns 64, the amount is recalculated and, therefore, increases. Furthermore, there will be a further building of occupational pension and partner pension until the entering of the occupational pension or until pre-pension is equal to 100 per cent of the last salary because of the postponement. Probable remaining amounts will transferred into a higher occupational pension, unless the employee has chosen to purchase pre-pension as soon as it has reached the related limit of 100 per cent.
- If the employee has chosen to purchase pre-pension earlier than the first day of the month in which he turns 64, on the starting date the amount which has to be recalculated is multiplied by the percentage of the table which is shown below which refers to the age of the employee on the chosen starting date. If the starting date of pre-pension does not fall into the month in which the concerning age is reached, a different exchange rate than in the table will be used, an exchange rate which fits to the age of the employee on the starting date (within an exactitude of months).

Table 1 Pre-Pension Exchange Rate Related to the Age of Commencement

<i>Pre-pension: Age of Commencement</i>	<i>Exchange Rate</i>
60	18%
61	23%
62	32%
63	49%

Source: Pensioenreglement Bedrijfspensioenfonds Voor De Landbouw 2010: 27.

- If the employee has chosen for a pre-pension starting date later than the first day of the month in which he turns 64, on the chosen starting date the amount which has to be recalculated is multiplied by the percentage of the table below which refers to the age of the employee on the starting date (exactitude of months).

Table 2 Pre-Pension Exchange Rate Related to the Age of Commencement

Age of Pre-Pension Commencement	Exchange Rate
64,1	110%
64,2	121%
64,3	135%
64,4	153%
64,5	175%
64,6	205%
64,7	248%
64,8	311%
64,9	416%
64,10	627%
64,11	1260%
65	105%

Source: Source: Pensioenreglement Bedrijfspensioenfonds Voor De Landbouw 2010: 28.

- The exchange rates mentioned in the two tables above are in force from 2009 until 2011.
- VUT-Transition: The CLA hotel and restaurants (*Collectieve Arbeidsovereenkomst Vervroegd Uittreden voor het Horecabedrijf 2010*; also called *CAO SOHOR 2010*), from January 2010 to December 2010, includes the following aspects concerning VUT (*CAO SOHOR 2010: 14-15*):
 - It applies to employees who are born in the year 1948 and have reached the age of 62 and who have been employed during at least 15 years at one or more employers before the leaving date. The same applies to seasonal workers who have worked for at least 180 months at one or more employers. Furthermore, the early retirement has to fit to the periods for which transitional payments are defined.
 - Periods of employment at companies/employers that are not covered by this agreement can be acknowledged by the board of the foundation that administers this early retirement payments.
 - Periods in which the employee was paid by the disability insurance are counted as requested working years.

- A period of a maximum of six months and in total not more than 24 months during which the employee was unemployed through no fault on his own and received unemployment payments will be included in the year counting.
- Not counted are periods during which the company/employer of the worker received exemptions related to implementing (collectively binding declared) regulations of this CLA or earlier CLAs concerning VUT, being commissioned by the Ministry of Social Affairs and Employment or the board of the branch commission. Furthermore, not counted are periods in which the employer/the company was not member of the SUHOR (the former branch early retirement fund) or the SOHOR.
- The regulation does not apply to:
 - people who receive a complete social insurance payments;
 - people who receive a continuing salary during a sickness period;
 - people who are entitled to another early retirement agreement;
 - people who are covered by termination/redundancy payments.
- Part time pension: the CLA of the Metal working sector (*Collectieve Arbeidsovereenkomst in de Metalektro*) 2007-2010 contains the following regulations on part time pension (Stichting Pensioenfonds van de Metalektro 2006: 31-32):
 - Part time pension means that the employee retires partly. In the remaining employment time the employee continues working for the company and still builds occupational pension.
 - A request of part time pension has to be handed in at least three months before its start.
 - Part time pension is possible for a minimum of three months.
 - The starting date can lie between the first of the month in which the employee turns 55 and three months before the month when the employee turns 70.
 - The starting date for the remaining occupational pension can lie between three months after starting date of the part time pension and the first day of the third month preceding the month when the employee turns 70. However, the starting date cannot be later than the date when the complete pension reaches its fiscal maximum.
 - The percentage of the specific part time pension conducts at least 20 per cent of the complete pension at the moment of choice. A chosen percentage cannot be reduced anymore.
 - According to the starting date, the pension is actuarially adjusted. This happens in the same way as for early retirement.

3. Sector: Important Sectors

- Experimental VUT-schemes in the 1970s were first introduced in the construction and education sectors (1976), later in harbor, metal and industry sectors in 1977 (Anderson 20.11.2009, interview).
- The main sectors with industrial action are the industry and construction, commercial services, transport and communication. Healthcare and education are seen as non-profit sectors (Van het Kaar 2009: 8).
- VUT schemes are set up by CLAs in the industry and service sectors, which implies that the details of the schemes have a wide variation (Van Oorschot 2007: 250).
- Progressive retirement is mostly found in the civil and commercial services (EIRO 2001: Progressive Retirement Arrangements).

Concrete examples for changes from the VUT system to a flexible pre-pension system:

- Dutch Railways (*Nederlandse Spoorwegen*, NS), the 1997/98 collective bargaining round: With the new system employees can retire at the age of 62. However, Employees with 40 or more years of service and employees over the age of 55 still have the possibility of early retirement as it was regulated in the former early retirement arrangement until 2015 (Van het Kaar 1998: Changes in Early Retirement Schemes).
- Insurance sector: In June 1998 the collective bargaining negotiations were blocked because the early retirement system (VUT) should be substituted by a flexible pre-pension scheme (Van het Kaar 1998: Changes in Early Retirement Schemes).
- Hotel and Catering Industry: This sector switched to a flexible pre-pension scheme in 2000. Employees are worse off in the new system: They can retire only from 61 years upwards compared to the retirement age of 58 in the old system, retaining 80 per cent of their final wage (Van het Kaar 1998: Changes in Early Retirement Schemes).
- A concrete example of (progressive) part-time pension arrangement is the health care sector with its Pension Fund for Care and Well-Being PFZW (*Stichting Pensioenfonds Zorg en Welzijn*, formerly called PGGM/*Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen*) fund. An employee who is born before 1949 and took part in the pension scheme for over 10 years can use the part-time arrangement at the age of 58-60. The earlier an employee shortens the working time before the age of 60, the more the employee has to work after the age of 60 (EIRO 2001: Progressive Retirement Arrangements).
- Table 3 shows the percentages of CLAs by different early retirement types in the year 2006.

Table 3 Percentage of CLAs with Early Retirement Regulation 2006

Sector	VUT- Regulation	VUT-Transition Arrangement	Pre-pension Regulation	No Regulation
Agriculture, Fishing	0%	100%	100%	0%
Industry	10%	33%	52%	29%
Construction	0%	25%	75%	0%
Trade, Hotel and Restaurant Industry	24%	31%	31%	21%
Transport and Communication	19%	44%	69%	25%
Services	17%	28%	50%	22%
Other Services	7%	36%	50%	7%
Total	14%	36%	51%	18%

Source: Beeksma et al. 2007: 26.

4. Structure, Organization and Mode of Administration

- Early retirement schemes are administered by pension funds, specific early retirement funds or by insurance enterprises. Large industry sectors and some big companies have their own pension funds (Euwals et al. 2006: 10).
- In sectoral schemes the executive boards of the funds are composed of equal amounts of representatives of unions and employers' organizations (Van het Kaar 2004b: Overview of the System of Occupational Pensions).
- In company schemes the executive boards consist of representatives appointed by the employer and representatives appointed by the works council and/or the employees (Van het Kaar 2004b: Overview of the System of Occupational Pensions).
- The social partners are not involved in insurance schemes (Van het Kaar 2004b: Overview of the System of Occupational Pensions).
- The largest industry-wide pension fund is the National Civil Pension Fund (*Stichting Pensioenfonds ABP*, ABP). The ABP fund sets the standard and is often trend-setting for other pension funds (Anderson 20.11.2009, interview).
- The medical sector fund PFZW (formerly called PGGM) is the second largest pension fund in the Netherlands (OECD 2008: 246). PGGM administers collective pension

schemes for the healthcare and social work sector (www.pggm.nl). It is, however, also a public fund (Anderson 20.11.2009, interview).

- The Pension Fund for the Dutch Engineering, Mechanical and Electrical Contracting Sector (*Pensioenfonds Metaal & Techniek*, PMT) serves the employees in the craft metal working sector (Anderson 2009: 31).
- The PMA (*Pensioenfonds van de Metalektro*) administers the pensions of the metal working sector (*grootmetaal*) (Anderson 2009: 32-33).
- Post/Telecom: www.tpgknppensioen.nl (in Dutch).
- Agriculture: www.bplpensioen.nl (in Dutch).
- Catering Industry: This fund is mandatory for the Dutch hospitality and catering industry since 1964. It is an independent organization since 2004 with employers' pension scheme accounts under its own management. The fund is owned by the industry and managed by its representatives. The governing board is composed of representatives of the employer's association Dutch Royal Hospitality Industry (*Koninklijke Horeca Nederland*, KHN) and two trade unions FNV *Horecabond* and CNV *Bedrijvenbond* (www.pensioenfondshoreca.nl).

5. Role of the State: Financial Support, Legislation, and Extension Procedures

- The government does not provide tax incentives for early retirement anymore. Instead, it promotes a long-term leave wage fund to provide up to 3 years of leave and tax incentives for occupational pensions for workers at the age of 63 or older if they have contributed 40 or more years (Ebbinghaus 2006: 221).
- In 2006, the government introduced the so-called life-course savings scheme (*Levensloopregeling*) so that employees can save on a tax-free and voluntary basis max. 12 per cent of their annual income up to a max. sum of 210 per cent of their annual earnings to finance periods of care leave, education and early retirement (Van Oorschot 2007: 252-253).
- The law on Mandatory Participation in Sectoral Pension Funds (*Wet betreffende de verplichte deelneming in een bedrijfspensioenfonds*, BPF) from 1949 allows the Ministry of Social Affairs to require a whole sector to join the same pension fund under the condition that a formal request is made (Anderson 2007: 728).

6. Financial Structure of the Collectively Negotiated Schemes

- Initially, VUT payments followed a PAYG scheme with wage bill contributions by the companies. It was used as the favorite instrument for early retirement in the context of company restructuring activities. During the 1990s, one in five persons between the age of 60 and 64 (around 120,000 people) received VUT payments in this framework (Ebbinghaus 2006: 129).
- The popularity of the VUT schemes led to more costs and higher contributions, from 0.6 per cent in 1981 to 2.4 per cent in 1992 in the private sector (Ebbinghaus 2006: 221).
- The VUT schemes are in transition from PAYG defined benefit early retirement to flexible defined contributions by lowering the financial incentives of early exit (Ebbinghaus 2006: 169).
- Table 4 shows the development of the VUT contributions as a part of the wage sum.

Table 4 Development of the VUT Contribution as a Part of the Wage Sum

<i>Year</i>	<i>Total</i>	<i>Employees</i>
1982	1,0	0,2
1983	1,8	0,4
1984	2,0	0,6
1985	1,9	0,6
1986	2,4	0,6
1987	2,5	0,6
1988	2,5	0,6
1989	2,8	0,7
1990	2,9	0,8
1991	3,0	0,9
1992	3,3	1,1
1993	3,6	1,2
1994	3,8	1,4
1995	4,0	1,5
1996	4,2	1,6
1997	4,2	1,7
1998	3,9	1,6
1999	3,7	1,3
2000	3,3	1,3
2001	3,4	1,2
2002	3,7	1,3

Source: Trampusch 2004: 33.

7. Benefits and Measures of the Collectively Negotiated Schemes

Benefits of VUT:

- With the introduction of the VUT system its provisions offered early retirement from the age of 55 and retaining 80 per cent of their gross salary. This percentage has been reduced to 70 per cent in recent years (EIRO 2001: Progressive Retirement Arrangements).

- VUT schemes have a pay-as-you-go basis. Most VUT schemes pay 75 to 80 per cent of previous wages of employees that have been working in the correspondent sector for at least 10 years (Van Oorschot 2007: 250).
- Early retirement schemes apply before the age of 65 (Euwals et al. 2007: 4).
- Usually, the workers retire between the age of 58 and 60. Most of the employees benefit from this opportunity as a continuation of work does not lead to a higher pre-pension level if the person retires later (Van Oorschot 2007: 250).
- If an employee benefits from a VUT pre-pension the accrual of occupational pension rights continues during the VUT period (Van Oorschot 2007: 250).

Benefits of new pre-pension schemes:

- These schemes are capital funded, and compared to the pay-as-you-go basis of the VUT schemes the taking-up of a pre-pension constitutes a considerable reduction of the retirement pension. The level of the pre-pension is lowered the earlier the pre-pension is demanded. This leads also to a decline of the retirement pension (Van Oorschot 2007: 250).
- Pre-pension schemes are designed for claiming pension at the age of 62, after 40 years of uninterrupted employment. The amount of the pension is 70 per cent of the former wage. Working longer than the age of 62 increases the pre-pension as well as the retirement pension. The latter can reach 100 per cent of gross earning if the person works until the age of 65 (Van Oorschot 2007: 250).

Progressive retirement:

- The eligibility for progressive retirement is dependend on age and the number of years worked in the correspondent company. Practically, most employees progressively retire from the age of 60. Looking at the existing CLAs, employees can reduce the working week between 15 and 27 hours. Usually, the entry age is at the age of 60, the regular pension starts at 65 (EIRO 2001: Progressive Retirement Arrangements).

8. Coverage Rates of the Collectively Negotiated Schemes

- The change from VUT to pre-pension schemes has mainly been realized. In 1995 about 80 per cent of the workers were covered by VUT schemes. In contrast, in 2007, 87 per cent were covered by pre-pension schemes, whereas only 2 per cent fell in the VUT category (De Klerk 2001; Euwals et al. 2004; Groot/Heyma 2004; OECD 2005, quoted in Van Oorschot 2007: 250; Wolthoff/van Vuuren 2004).

- Table 5 shows the development of the amount of CLAs that deal with VUT, the amount of covered employees, and the amount of covered employees including collectively binding declared CLAs.

Table 5 Amount of Sectoral CLAs on VUT, Amount of Covered Employees, Amount of Employees Including Collectively Binding Declared CLAs

<i>Year</i>	<i>Amount of CLAs on VUT</i>	<i>Covered Employees</i>	<i>Covered Employees Including Collectively Binding Declared CLAs</i>
2000	79	1,616,000	2,061,000
2001	81	1,704,500	2,340,500
2002	78	1,815,000	2,497,500
2003	85	1,943,500	2,645,500

Source: Trampusch 2004: 34.

- In 2003, 106 out of 132 collective agreements studied by the Labor Inspectorate (covering 83 per cent of employees) had concluded flexible retirement arrangements and only 16 collective agreements contained only a VUT provision (Grünell 2004: Other relevant developments).
- The majority of the workers have access to early retirement schemes that are negotiated the same manner as supplementary pensions (Anderson 2007: 728).

9. The Politics around the Collectively Negotiated Schemes

Linkages to Public Reform Policies

We have not found any evidence.

Linkages to Wage Agreements and Wage Policy (e.g. Wage Restraint, Tripartite Agreements) and Other Agreements

- The abolishing of the VUT scheme had an impact on pension bargaining as employees wanted to get compensation for it (Anderson 20.11.2009, interview).
- Through the life-course savings scheme of 2006 employees can save up money for periods of care, education and early retirement (Van Oorschot 2007: 252).

Actors' Strategies and Conflicts among and between Them (State, Political Parties, Employers, Trade Unions)

- The government tried to change the incentive structure of early retirement schemes since the late 1990s to reverse the trend towards early exit. The set of measures that were presented by the government in 2004 mostly contained 'soft' measures that aim at facilitating or promoting rather than forcing for the fight against early exit. The only 'hard' measure was the exemption of employers from paying the standard disability insurance contribution for newly hired employees of 50 years or older (Van Oorschot 2007: 252). The other ways to early exit, disability and unemployment were restricted by the government (Van Oorschot 2007: 253). 'The government explicitly intended this soft approach, since in its 2004 brief it took as a point of departure that its social partners were primarily responsible for increasing the labor participation of older workers' (Van Oorschot 2007: 252).
- In November 2004, the social partners and the government have concluded a social agreement on early retirement and disability pension insurance. The government no longer provides tax incentives for early retirement, but will promote a long-term leave wage fund to provide up to three years of leave and tax incentives for occupational pensions for workers at the age of 63 or older if they have contributed 40 or more years (Ebbinghaus 2006: 221).
- In 2006, the government introduced the so called life-course savings scheme (*Levensloopregeling*), so that employees can save on a tax-free and voluntary basis max. 12 per cent of their annual income up to a maximum sum of 210 per cent of their annual earnings to finance periods of care leave, education and early retirement (Van Oorschot 2007: 252-253). The proposition for this legislation came from the center-right government. The largest union federation FNV opposed the exclusion of early retirement in the *levensloopregeling*. The federation only stopped its opposition after a compromise with the government that early retirement will also be included in the scheme. Presently, however, this scheme has only a minor impact and only few people take part as there is only one year of opportunity to build a savings account (Van Oorschot 2007: 252-253). Anderson (20.11.2009, interview), however, thinks that it only has a slow take off period and can have a bigger impact in the future.

10. Recent Developments and Other Interesting Information

- The Dutch early retirement domain fits to the trend across Europe: On the one hand, older people are encouraged to stay in employment. On the other hand, restricting early

retirement is practiced in many other countries like Austria, Finland, France and Germany (Van het Kaar 2004a: The Growing Importance of Collective Bargaining).

- The age of 65 is still the retirement standard. However, the trend goes towards flexible retirement. The flexibility options are negotiated by the social partners, but the concrete conversion depends on negotiations between employers and employees at company level (Fraterman 08.04.2010, interview).
- The current flexibility debate also contains the issue of continuing with work after the age of 65 if the employee wants to do so. In this case, the employee's pension amount grows. Another aspect of flexibility is part-time retirement. The advantage is that the employee still saves for complete retirement. Furthermore, the employee can still decide to stop working earlier than the age of 65. In this case, the employee draws from second pillar-pension and, thus, reduces the long-term pension amount. Additionally, the employee can draw more money until he turns 65 to compensate the missing first pillar payments. Though, he reduces his total pension amount after the age of 65 (Fraterman 08.04.2010, interview).

11. Contacted Experts

We thank the following experts and colleagues for providing information and answering very specific questions:

- Anderson, Karen, 20.11.2009, Associate Professor at the University of Nijmegen, Netherlands.
- Fraterman, Ap, 09.04.2010, Policy Secretary at the VNO-NCW, telephone interview.

12. List of Abbreviations

- ABP: *Stichting Pensioenfonds ABP* (National Civil Pension Fund)
- BPF: *Wet betreffende de verplichte deelneming in een bedrijfspensioenfonds* (Law on Compulsory Participation in a Company Pension Fund)
- BPL: *Bedrijfspensioenfonds voor de Landbouw* (pension fund of the agriculture sector)
- CAO: *Collective Arbeidsovereenkomst* (Collective Labor Agreement)
- CLA: collective labor agreement
- CNV: *Christelijk Nationaal Vakverbond* (Christian Trade Union Federation)
- DB: defined benefit
- DC: defined contribution
- EIRO: European Industrial Relations Observatory On-Line

- ETUC: European Trade Union Confederation
- EU: European Union
- FNV: *Federatie Nederlandse Vakbeweging* (The Dutch Trade Union Federation)
- KHN: *Koninklijke Horeca Nederland* (Dutch Royal Hospitality Industry)
- LTO Nederland: *Land- en Tuinbouworganisatie Nederland* (Dutch Federation of Agriculture and Horticulture)
- MHP: *Vakcentrale voor Middelbaar en Hoger Personeel* (Federation for Managerial and Professional Staff)
- MKB-Nederland: *Midden- en Kleinbedrijf Nederland* (Dutch Federation of Small and Medium-sized Enterprises)
- NS: *Nederlandse Spoorwegen* (Dutch Railways)
- OECD: Organisation for Economic Co-operation and Development
- PAYG: pay as you go
- PGGM (today: PFZW): *Stichting Pensioenfonds Zorg en Welzijn* (Pension Fund for Care and Well-Being)
- PFZW: *Stichting Pensioenfonds Zorg en Welzijn* (Pension Fund for Care and Well-Being, formerly known as PGGM)
- PMA: *Pensioenfonds van de Metalektro* (Pension Fund for Metal and Electro)
- PMT: *Pensioenfonds Metaal & Techniek* (Pension Fund for the Dutch Engineering, Mechanical and Electrical Contracting Sector)
- SER: *Sociaal-Economische Raad* (Socio-Economic Counsel)
- SOHOR: *Stichting Overgangsregeling vervroegd uittreden voor het Horecabedrijf* (Foundation for the Transitional of Early Retirement in the Hotel and Restaurant Industry).
- StvdA: *Stichting van de Arbeid* (Labour Foundation)
- VNO-NCW: *Vereniging van Nederlandse Ondernemingen-Nederlands Christelijk Werkgeversverbond* (Confederation of Netherlands Industries and Employers)
- VUT: *Vervroegde Uittreding* (early exit)

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