



Nike Pension plan 2018

Welcome to the Nike Pension Fund! From the moment you join Nike, you will be building up a pension via the Nike Pension Fund. Every employer has its own pension scheme or schemes. This Pension 1-2-3 explains what the Nike Pension plan offers you. This is important to know, for instance, when you change employer. Pension 1-2-3 does not contain any personal information about your pension; however, this can be found on *Mijnpensioen.nl* (Dutch only) or on the annual *Uniform Pensioen Overzicht* (UPO), the Nike Pension Statement.

What's in layers 1, 2 and 3?

Pension 1-2-3 consists of 3 layers. Layer 1 briefly sets out the most important information about your pension plan. Layer 2, this leaflet, gives a more comprehensive explanation of the information found in layer 1. Layer 3 contains all legal and policy-related information. The information from all layers can be found in "I build up a pension" on our website, *Nikepensionfund.nl*.

Want to learn more? Check out layer 3 of Pensioen 1-2-3 on www.Nikepensionfund.nl
You can contact us on 088 1308225 or Nikepensions@conduent.com
Curious to know how much pension you will enjoy? www.mijnpensioenoverzicht.nl



What does our pension scheme offer you?

Upon turning 68 and if you stop working at Nike, you will receive a pension.

You accrue pension by your participation in the Nike Pension Plan.

The pension payment you will receive, pays out monthly and for the rest of your life.

Your old-age pension supplements your state retirement pension.

The state pension (AOW) no longer starts at age 65. You can see your precise AOW-age on the website of the Social Insurance Bank, the SVB (Dutch only), *Svb.nl*.

Your pension is accrued through savings.

Our pension scheme is a defined contribution scheme. A capital is accrued by contributions you and your employer make into a personal retirement savings account.



How much pension you will receive is unknown at this moment.

This will be determined at your retirement date. The pension payment will depend on the contributions you and Nike have made, the return on your investments in the account and the price for purchasing your pension payments; also known as an annuity.

The value of the account, the pension capital, is shown on the annual Nike Pension Statement (UPO). You will also find an estimate of your pension payment on the portal of our investment manager, *Mijnpensioen.NNIP.com* and on *Mijnpensioenoverzicht.nl* (Dutch only).

You are also insured for a partner pension and an orphan's pension as long as you work at Nike.

Depending on your salary and years of service at Nike, your partner receives a partner pension as from the month after you have passed away, for as long as he or she lives. Your children will receive an orphan's pension until the age of 18. The costs of this insurance are paid by Nike.

On the annual Nike Benefit Statement (UPO) and on *Mijnpensioenoverzicht.nl* (Dutch only) you can find an indication of the pension entitlements your partner and children will receive after you would have passed away. More information can be found on our website in the Nike Dutch Pension Plan which is in layer 3 of Pension 1-2-3.

If you pass away and you no longer work at Nike

If you pass away after you have left Nike, your partner will receive a (possibly lower) partner pension depending on the value of your personal retirement savings account. The partner and orphan's pension is taken out at an insurance company chosen by your partner by converting the value of your personal retirement savings account into a pension. The pension payment will depend on the contributions you and your employer have made, the return on your investments in the account and the price the insurance company will charge for purchasing the partner pension.



If you pass away during retirement.

Do you want your partner to get a partner pension if you die after you retire? That is possible and also common. However this is a choice you will make upon retirement.

You can use a part of your pension capital to purchase, alongside an old-age pension, a partner pension. Your partner will receive this pension after your death as long as your partner is alive. How much this partner pension will be, can only be determined when you purchase the partner pension at your retirement date. If you decide to purchase a partner pension, you will receive a lower old-age pension. Your partner must agree if you would choose not to purchase such partner pension.

Sometimes, partners and children may be eligible for a state benefit from the Surviving Dependents Act (*Anw-uitkering*). Check out the website of the SVB (Dutch only), *Svb.nl* to see whether your next of kin meet the conditions for getting an *ANW-uitkering*.



You may receive a disability pension from us.

If you suffer from long-term disability and meet the eligibility criteria, the Dutch government will pay you an income after two years of illness. The income, set by the *Uitvoeringsinstituut Werknemersverzekeringen* (UWV), is limited to 70% of the social security threshold or your salary, whichever is lower. If your salary is higher than this threshold, the Nike Pension Fund will top-up the government's payment up to 70% of your fixed salary. Once the payment starts, the amount will remain at this level until you recover or until your eligibility ceases.

During your disability, both your contribution and Nike's contribution to your personal retirement savings account will continue to be paid by the Nike Pension Fund. Similarly, your death in service benefits will also continue. Your eligibility to this is subject to the government's Disability Insurance Act. In the Nike Dutch Pension Plan, in layer 3 of Pension 1-2-3 you can read what kind of arrangement the pension fund offers in detail.



If you would like to know in detail what our pension plan offers you, please read the Nike Dutch Pension Plan in layer 3 on our website. Contact us in case you would you like to receive the scheme information in paper format.



What does our pension not include?

All your entitlements regarding the Nike Pension Plan are included in the pension plan regulation. You accrue an old-age pension, a partner pension and an orphan's pension. Furthermore, should you become disabled, your pension plan provides for a supplement to the state disability benefit. The eligibility and amount of the supplementary disability pension will depend on your income and degree of disability. Besides, you will continue to build up pension, but your contribution obligation is taken over by us.

This chapter "*What does our pension not include?*" is obligatory to include by law.



How do you build up a pension?



You accrue pension in three ways:

A. State pension: General Old Age Pension Act (*Algemene Ouderdomswet, AOW*)

Every year you have lived or worked in the Netherlands, you accrue a state pension. You accrue this over 50 years. At which age you receive this pension, depends on your date of birth and is subject to change. Also the amount is not the same for everyone. The state pension amounts are adjusted annually. More information can be found on the website of the SVB (Dutch only), Svb.nl.

B. Pension through your employer

You are accruing pension at Nike. Every year you receive the Nike Pension Statement (UPO) from us, which indicates the amount of your personal retirement savings plan & an estimate of what your pension payment will become should you continue working at Nike until your target retirement date. For an overview of your total pension you can go to Mijnpensioenoverzicht.nl (Dutch only). This website provides you with the pension entitlements you accrued at other employers in the Netherlands and the state pension of the government.

C. Pension you arrange yourself

You can also arrange a pension yourself and supplement your overall pension. Examples: you can do this via bank savings or an insurance such as an annuity. Whether this is necessary depends on your personal situation. A financial advisor can help you to make choices. More information can be found on Nibud (Dutch only), nibud.nl.



You accrue pension through a defined contribution scheme

Each year, contributions are made into your personal retirement savings account. Those contributions will be invested. With the capital gained, you subsequently buy an old-age and partner pension in form of an annuity at an insurance company. This concept is also known as a defined contribution scheme.

We invest for you

We apply your contributions of your personal retirement savings account to an investment mix according to your age.

The investment mix is custom made by us. Are you almost 68? You will not want to take too much risk with your pension capital. Investment risk and volatility are therefore reduced in proportion to your age and the closer you come to retirement. This is called Life Cycle Investing; if you want to learn about our investments, consult layer 3 or download the Investment Brochure on our website.

Using a Neutral profile.

We invest by default through the Life Cycle, profile Neutral.

Would you like another profile? There are three options open to you. It is important that your choices are made in accordance with your risk profile, which you need to determine.

Would you like to allocate your capital completely yourself? Then the self-select personal allocation option is open to you. You can self-select funds out of a range of funds. It is important that your choices are made in accordance with your risk profile, which you need to determine. Consult our Investment Brochure, should you want to know how it works in more detail.



Fixed Salary

Your defined contribution is based on your annual gross salary plus your holiday allowance. This so called fixed salary is capped fiscally at an amount which is Euro 105,075 (in 2018).

Pension base

However, the part for which no contribution is determined, is called the state pension *offset*, as you will receive a state pension as well. The offset is set each year and is Euro 13,344 (in 2018). Hence the defined contribution % is being applied to your annual gross salary plus holiday allowance minus the offset, to the so called pension base.

The defined contribution % to be paid by the employer depends on your age and is set as follows:

An example

Suppose your fixed salary is Euro 40,000, the offset is Euro 13,000, you work 50% part-time and your age is 37. The contribution calculation is as follows:

- 1) The table reads that the % for age 37 is 6.6%.
- 2) We need to apply that % to the Pension Base. Pension base: 40,000 – 13,000 = 27,000
- 3) You work part-time, so the pension base needs to be multiplied by 50%.
- 4) Over that amount you apply the percentage of 6.6% subsequently.

Age	Nike contribution
21 to 25	2.8%
25 to 30	3.9%
30 to 35	5.1%
35 to 40	6.6%
40 to 45	8.3%
45 to 50	10.4%
50 to 55	12.7%
55 to 60	15.7%
60 to 65	19.4%
65 to 68	22.6%

Outcome of contribution determination: (27,000 x 50%) x 6.6% = Euro 891

If you want to know how it works in detail, consult layer 3 or download our Pension Brochure and/or the Nike Pension Plan on our website.

You and your employer are contributing to your pension plan every month. At Nike you pay 4% of the pension base yourself. Your employer deducts your contribution from your salary. The contribution you pay in detail is shown on your payslip. Nike pays a % according to the age related contribution table here above. The contributions are invested through your personal retirement savings account to accrue pension capital. Your employer pays the costs for partner and orphan's pension.





What choices do you have?

You may transfer accrued pension at your previous employer to us. This is called an incoming value transfer. If you want to transfer your accrued pension, please download the form 'Pension Value transfer request' from our website, complete it and send it to us.

If you cease to be an employee at Nike, then your accrued personal retirement savings account becomes portable. You may then choose to transfer your savings to the pension provider of your new employer. Contact your new provider to ask how to action an outgoing value transfer.

If you opt for a value transfer

You will assemble your pension you have accrued at your previous employer to one place, managed by your pension provider.



If you do not opt for a value transfer

Your accrued pension at your previous employer remains with the pension provider of your previous employer. You will no longer contribute to that pension but will receive that pension, once you retire.

A well-informed decision

Not all pension providers are equally sound financially. Besides that, pension plans differ per employer. Does your new employer have a better arrangement in case you pass away? Is your previous pension a so called defined benefit plan and does it align with inflation?

The pension comparison tool -see our downloads- may be helpful to you to find these answers.

We welcome each incoming value transfer but note that, for so called defined benefits you transfer, you will receive only extra partner and orphans pension.

Not sure what is best for you? Please consult your financial advisor.



Do you want to compare different pension schemes? Check out our downloadable pension comparison tool on our website.

Besides your obligatory contribution, our plan allows you to make voluntary contributions as well. As a side-benefit, you may derive extra partner pension and orphan's pension. The voluntary contribution will be based on your salary to a fiscal maximum of EUR 105,075 (in 2018). The voluntary amount which can be deposited cannot exceed the % corresponding the age bracket of the contribution table below. The % will be applied to the Pension Base.

If you want to know how it works in detail, consult layer 3 or download our Pension Brochure and/or the Nike Pension Plan on our website. Do you want to enrol? Check out our website; download & fill in the "Voluntary Contribution Enrolment"-form and return it to the HR Service Desk.



An example

Suppose your fixed salary is Euro 40,000, the offset is Euro 13,000, you work 50% part-time and your age is 37. The contribution calculation is as follows:

- 1) The table reads that the voluntary % for age 37 is 1.4%.
- 2) We need to apply that % to the Pension Base. Pension base: 40,000 – 13,000 = 27,000
- 3) You work part-time, so the pension base needs to be multiplied by 50%.
- 4) Over that amount you apply the percentage of 1.4% subsequently.

Outcome of contribution determination:

(27,000 x 50%) x 1.4% = Euro 189

Age	Employee	Nike	Voluntary	Total
21 to 25	4.0%	2.8%	0.9%	7.7%
25 to 30	4.0%	3.9%	1.0%	8.9%
30 to 35	4.0%	5.1%	1.3%	10.4%
35 to 40	4.0%	6.6%	1.4%	12.0%
40 to 45	4.0%	8.3%	1.7%	14.0%
45 to 50	4.0%	10.4%	1.9%	16.3%
50 to 55	4.0%	12.7%	2.3%	19.0%
55 to 60	4.0%	15.7%	2.6%	22.3%
60 to 65	4.0%	19.4%	3.1%	26.5%
65 to 68	4.0%	22.6%	4.0%	30.6%



If you are on the Dutch payroll and you receive a bonus, you can use part of the bonus to optimize your pension. As a side benefit, you may derive extra partner pension and orphan's pension.

You benefit from a tax free pension contribution.

The amount you set to contribute to your personal retirement savings account will be deducted from your bonus before it is taxed. Your pension in payment later, will be taxed.

The amount you can contribute is capped.

Any allocation from your bonus will be based in the assumption that your salary + bonus does not exceed the fiscal maximum of Euro 105,075 (in 2018). Besides, the amount which can be deposited cannot exceed the % corresponding to the age bracket of the contribution table below. The % will be applied to your bonus.

Do you want to enrol? Check out our website; download & fill in the "PSP contribution enrolment"-form and return it to the HR Service desk.



An example

Suppose you work part-time, your bonus is Euro 3,000 and your age is 37. The contribution calculation is as follows:

1. The table reads that the bonus % for age 37 is 12.0%.
2. We need to apply that % to the bonus.
3. The fact that you work part-time does not matter.

Outcome of contribution determination: Euro 3,000 x 12.0% = Euro 360

Age	Percentage
21 to 25	7.7%
25 to 30	8.9%
30 to 35	10.4%
35 to 40	12.0%
40 to 45	14.0%
45 to 50	16.3%
50 to 55	19.0%
55 to 60	22.3%
60 to 65	26.5%
65 to 68	30.6%

If you want to know how it works in detail, consult layer 3 or download our Pension Brochure and/or the Nike Pension Plan on our website.



We invest your pension contributions of your personal retirement savings account through our investment managers in an investment mix according to your age. We call this the Life Cycle investment mix. The contributions to that account will automatically be invested for you. Do you prefer to invest yourself? You can do so by self-selecting funds out of a range of funds. It is important that your choices are made in accordance with your risk profile, which you need to determine. Check out the website of our investment manager, *Mijnpensioen.NNIP.com*, and read our Investment Brochure.

At your date of retirement, your personal retirement savings account becomes available.

The law requires that you purchase a lifelong annuity at an insurance company by applying your personal retirement savings account. In return for your personal retirement savings account, you will receive an amount per month for as long as you live.

You are free to choose this annuity provider. We call this shopping.

You decide on the form of the annuity.

You may want not to receive a monthly pension in payment, but a quarterly one. You may want to start off by receiving more in the first 5 years and then less, or you opt for equal portions.



You will receive an old-age pension yourself. It is common practice that you purchase a partner pension at the same time. Your partner will receive a pension, in case you pass away. Should you not want to purchase a partner pension, you can supplement the partner pension to your old-age pension. You will receive more, but your partner will not have an income after you pass away. Your partner needs to consent to this.

Please contact us timely to learn more about the options and you may want to consider the advice of a financial advisor.



	<p>There is a possibility at Nike to retire early or to postpone the retirement date. The retirement date at Nike is currently 68.</p> <p>You want to retire earlier Maybe you would rather stop working earlier. You can take early retirement at 57, but consequently you will get a lower pension, as you will receive your pension longer.</p> <p>You want to retire later If your manager agrees to this, you can also work longer. You can take deferred retirement up to 5 years after your AOW age. You will then likely receive a higher pension.</p> <p>Discuss this timely with your manager, but ultimately 6 months in advance of your intended retirement date.</p>
	<p>In case of an unpaid leave, participation in the pension plan is ended. For the corresponding period, the employer will no longer contribute to the personal retirement savings account. You remain insured for partner pension and orphan's pension.</p> <p>You can decide to continue paying your obligatory contribution, only in case of a parental leave. As a side-benefit, you may derive extra partner pension and orphan's pension. Do you want to enrol? Contact the HR Service desk.</p>
	<p>The maximum amount of salary from which pension is derived, is capped by law (€105,075 in 2018). If you earn more than that maximum, you may want to join separate, external arrangements. Nike refers to commercial market providers. Also check Nike Pension Statement (UPO), "factor A" for any additional amount you can contribute through your salary, which might be fiscally attractive to you and benefit your Nike Pension Plan.</p> <p>Download & fill in the "Additional Contribution Factor A"-form and return it to the HR Service desk.</p>
	<p>Consult "<i>When do you need to take action?</i>" in order to know all other options you have, especially at life events (for example cohabitation or divorce).</p>



How secure is your pension?



You run personal risk with your pension

The value of your pension is undetermined at this stage. You only know your pension payment when you retire. Your pension is fixed the moment you buy your lifelong annuity, by transferring the value of the personal retirement savings account to an insurance company of your choice in return for an annuity.

The price of the annuity is not known yet.

The price you will pay depends on:

- the value of your personal retirement savings account;
- the market interest;
- life expectancy in the Netherlands;
- the costs your annuity provider will charge.



What are the costs?



To run the pension fund, 4 types of costs are incurred. The administration, accountancy & advisory costs are paid by Nike. The investment management costs are paid by you and deducted from your personal retirement savings account.

The average investment costs can be found in the Investment Brochure, which you can download. If you invest in the Life Cycle mix, the costs depend on your age, because of the corresponding underlying investment funds. If you choose the self-select personal allocation option, the costs depend on the investment funds you have chosen.



When do you need to take action?



If you change employer, you need to consider what to do with any accrued pension built up with your previous employer. In case a value transfer is possible, it may be beneficial if you transfer your accrued pension to your current employer. Alternatively you may want to keep your built-up pension with one provider. Inform your new pension provider if you want to transfer your built-up pension.

Consider your decisions carefully

Not all pension providers are equally sound financially. Besides, pension plans differ per employer. If you opt for a value transfer, do not look to numbers in isolation, but take the plan as a whole.

- Does your new employer have a better arrangement in case you pass away?
 - Is your old pension a so called defined benefit plan and does it align with the pace of inflation?
- The pension comparison tool -which you can download from the website- may be an aid to you.

Not sure what is best for you and cannot work it out yourself? Please consult your financial advisor.



Becoming disabled

Do you suffer from long-term disability and meet the eligibility criteria? Contributing to the personal retirement savings account will (partially) continue. Besides, you are entitled to a (partial) disability pension from us, subject to conditions.

Let us know and send us the information from the *Uitvoeringsinstituut Werknemersverzekeringen* (UWV) in case your level of disability changes.

You want to read more? Check out the Nike Dutch Pension Plan in layer 3. Check also the website of the UWV (Dutch only), *Uwv.nl*.



If you get married or enter into a legally registered partnership

Your partner will be entitled to a partner pension. You do not need to enroll your partner with us for that purpose. The Dutch municipality does this.

If you are cohabiting

It is open to you to enroll your partner as your partner pension beneficiary, provided certain requirements are met.

If you live abroad, or have married abroad you register your partner with both us and HR through the "Me-portal"; in addition you must have sent in an extract document from the local municipality where the local population register is held.

In order to make your partner qualify for the pension, you must register your partner with both us and HR through the "Me-portal" and have sent a cohabitation contract and a joint household which have existed for at least 6 months, or alternatively if the duration of the joint household has existed for at least 3 years.

The following documents need to be sent to the Nike Pension Fund:

In case of a registered partnership for at least 6 months:

- a copy of your and your partner's ID;
- and a copy of the partnership contract for registered partnerships.

In case you have lived together for 3 years or more:

- a copy of your and your partner's ID;
- and a copy of the registration document from the city hall for unregistered partnerships.

After the receipt of the necessary documents, we will change your marital status in our administration and send you a confirmation. This will also then be reflected in your Uniform Pension Statement.

For the exact requirements consult the downloadable Nike Dutch Pension Plan on our website.



	<p>Your ex-partner will be entitled to a special partner pension in case of your decease. The moment you stop cohabiting, get a divorce or end your registered partnership, your ex-partner will be granted part of your pension capital for a special partner pension, unless you explicitly have agreed otherwise. This is in accordance with the Dutch Pension Act.</p> <p>Your old-age pension/your retirement personal savings account can be split and set aside. The moment you get a divorce or end your registered partnership, your pension accrued for the period of marriage or registered partnership may be split and half of it may be set aside for your ex-partner. It depends on what you have agreed earlier or upon divorce. Send us a copy of the divorce settlement agreement or a copy of the notary deed; alternatively you can download the form “<i>Verdeling ouderdomspensioen bij scheiding</i>” at Rijksoverheid.nl. If we receive one of the documents within two years after your divorce, we will divide your pension accrued for the period of marriage or registered partnership between yourself and your ex-partner according to the agreement you made. In this case your ex-partner will have an own pension. This does not apply In case of cohabitation. Dividing old-page pension is only possible upon agreement, explicitly and formally.</p>
	<p>Are you moving within the Netherlands? Your municipality will inform us. Are you moving abroad? In this case we are unable to keep track of where you are or your personal status, unless you inform us. Please inform us of:</p> <ul style="list-style-type: none">- Moves to and outside the Netherlands- Life events (decease, divorce, etc.) <p>Moving abroad may also affect your state pension (AOW). Your state pension depends on the number of years that you live or work in the Netherlands. Please call the Social Insurance Bank for more information or check the website of SVB (Dutch only), Svb.nl.</p>
	<p>If you become unemployed, contributions into your personal retirement savings account will discontinue. Think carefully of the implications. If you do not make arrangements, the pension payments for you and partner will be adversely affected.</p>
	<p>If you are being allowed to take an unpaid leave, contributions into your personal retirement savings account will discontinue. Think carefully of the implications.</p> <p>It is open to you to continue your obligatory contribution in case of parental leave. See “<i>What choices do you have?</i>”.</p>
	<p>If you want to make changes to your plan, see “<i>What choices do you have?</i>”. You have several options. Often you can make choices only once. Make sure you have all the information before you make a choice. You may want to consult a financial advisor.</p>
	<p>Once a year: check out and consult Mijnpensioenoverzicht.nl in order to assess whether your pension will suffice. It also gives insight in what pension you accrued at previous employers.</p>
	<p>Contact us in case you have questions, or if you want to take action regarding your plan.</p>