

## The Utrecht University life-course savings scheme

### Article 1 Definitions

For the purpose of this scheme, the terms below are defined as follows:

- a. Employer: The Executive Board of Utrecht University;
- b. Employee: An individual who is in the employment of the employer;
- c. Participant: An employee who is participating in the life-course savings scheme;
- d. Objectives: The objectives referred to in Article 7 of the Regulations on the Individual Terms of Employment Scheme for Utrecht University;
- e. Sources: The sources referred to in Articles 2 to 5 of the Regulations on the Individual Terms of Employment Scheme for Utrecht University;
- f. Life-course savings provision: The provision ensuing from the life-course savings scheme referred to in Article 2;
- g. Institution: The institution with which an employee wishes to hold their life-course savings provision, which institution must be in compliance with the conditions set out in Section 19g of the 1964 Wages and Salaries Tax Act (*Wet op de Loonbelasting 1964*);
- h. Life-course savings account: A life-course savings escrow account opened with an institution in the name of the participant, onto which the salary withheld is paid;
- i. Life-course insurance: Insurance taken out by an institution in the name of the participant, onto which the salary withheld is paid;
- j. Salary under the life-course savings scheme: The salary withheld plus the income generated from them and the returns achieved from both on a life-course savings account, or the value of the policy with life-course insurance;
- k. Life-course credit: The credit for leave on a life-course savings account or the capital sum insured.

### Article 2 Objective

The objective of this life-course savings scheme is to make a provision for a period of extra leave subject to the conditions set out in Section 19g of the Wages and Salaries Tax Act, or an increase in the old age pension accrued, subject to the tax constraints applicable.

### Article 3 Participation

1. Each employee in the employment of the employer as referred to in Article 1 a has the right to participate in the life-course savings scheme;
2. Participation is arranged by completing and signing the relevant application form. On this form, an employee specifies the deposits (sources) to be paid onto the life-course savings account or life-course insurance. No payroll tax or income-related contribution refund under the Healthcare Insurance Act (*Zorgverzekeringswet*) will be due on the deposits, but the customary premiums for employee insurance schemes will be.
3. The participant can temporarily stop the withholdings referred to in Paragraph 2. A request of this nature must be made in writing at least two months before the commencement date envisaged. It is possible to reinstate the withholdings too. In this situation, the provisions of Paragraph 2 will apply *mutatis mutandis*.

### Article 4 Conditions for participation

1. By signing the application form, the participant is declaring their agreement with the provisions of this scheme.

2. On their application form, the participant will specify the institution with which the provision is to be held and state that they are saving solely with a view to taking a period of unpaid leave.  
On their application form, the participant will declare that they do not have any claims under a life-course savings scheme with one or more previous employers. If the participant does have claims with one or more previous employers, they will notify their employer of the extent of said claim on 1 January of each calendar year and also of how many years they have been participating in the scheme in question.
3. On their application form, the participant declares that they are not accruing any provision under a life-course savings scheme in a calendar year in which they are also saving salary under a salary savings scheme, as referred to in Section 32 of the 1964 Wages and Salaries Tax Act, with the employer or a different employer.
4. The participant is not permitted to deposit, or have deposited, monies directly to their life-course savings account or life-course insurance.
5. Without prejudice to the provisions of Article 13, the entitlement accrued under this scheme may not be bought off, sold, waived, or formally or actually serve as security, other than as a pledge to a designated foreign provider, as referred to in Article 61k of the 2001 Wages and Salaries Tax (Implementation) Decree (*Uitvoeringsregeling loonbelasting 2001*).

Article 5      Maximum deposit

1. The deposit per calendar year under the life-course savings scheme will be equal to a maximum of 12% of the gross salary. The total credit for leave under the life-course savings scheme (including return) at the beginning of the calendar year may not exceed 210% of an employee's gross annual salary for the previous calendar year.
2. The deposit percentage referred to in the previous paragraph will not apply for participants born between 1 January 1950 and 1 January 1955. The latter may deposit more than 12% of their salaries per calendar year.
3. If an employee starts working on a part-time basis or accepts a position with a lower salary in anticipation of their retirement, the maximum referred to in Paragraph 2 may be calculated on the basis of their previous higher salary, provided they continue to work at least 50% of their previous number of working hours and the salary decrease due to part-time employment or demotion takes place less than 10 years before they are due to retire at the age of 65.

Article 6      Withdrawal of the credit for leave under the life-course savings scheme for leave

A participant may use the credit for leave for the following unpaid leave purposes once they have been in the employment of the employer for a period of one year:

- a. Long-term (part-time) leave  
An employee may agree in writing with the employer that they will take unpaid part-time or full-time leave. The duration of this unpaid leave will be a minimum of two months and a maximum of 18 months. This unpaid leave may be taken in combination with other forms of paid leave. Where this is the case, the maximum period of 18 months will continue to apply.
- b. Voluntary early retirement  
An employee may agree in writing with the employer that they will take full or partial early retirement by taking full- or part-time leave before they retire. If the employee states their intention to take full or partial early retirement at least six months in advance of the date on which leave commences, the employer will agree to this request.

## Article 7 Withdrawal of the credit for leave to supplement income

### a. Care leave

When taking care leave, the credit for leave may be used to provide a supplement to the salary that the employer has not continued to pay, or is just continuing to pay in part, in accordance with the Collective Labour Agreement for Dutch Universities (*CAO Nederlandse Universiteiten (CAO NU)*).

### b. Parental leave

The parties to the collective labour agreement have agreed that a new parental leave scheme will enter into effect on 1 January 2007. Until this time, the current parental leave scheme in place at Utrecht University (1-1-2005) will continue to apply and it is possible to withdraw from the credit for leave for the unpaid part of the parental leave.

## Article 8 Terms of employment during life-course leave

1. During life-course leave, the payment of salary will stop (on a pro rata basis), as will the accrual of holiday entitlement (as referred to in 4.7 of the CAO NU) and a year-end bonus. The employer will continue to pay fixed, tax-free payments if possible, given the tax constraints applicable, and subject to the condition that the costs in question are actually incurred and largely of a business nature.
2. During a period of full leave, the employer will continue to pay its contribution to childcare.
3. If life-course leave lasts more than three months, the increment date will be deferred by the number of months by which the leave exceeds three months - if and insofar as the employee in question has not yet reached the maximum salary possible in the salary scale to which they have been assigned. If the life-course leave will last less than or equal to three months, the existing increment date will continue to apply.
4. An employee will continue to be insured for employee insurance schemes for a period of 18 months while on leave.
5. When taking life-course leave, pension accrual for old age pension/survivor's pension will continue for a maximum of one year. The flat-rate contribution will apply during this period. Once every eight years, an employee will pay the standard employer's share (70%) of the pension contribution for a maximum period of nine months. If life-course leave lasts more than nine months, the employee will pay the entire pension contribution for the 10th up to and including the 12th month. The employee will also pay the full pension contribution if they withdraw life-course credit again within eight years.
6. In addition to the old age pension/survivor's pension contribution referred to in Paragraph 5, an employee will be required to pay the contributions due in relation to the Surviving Dependents Act (*Algemene Nabestaandenwet (ANW)*), the disability pension (ABP Incapacity Pension (*ABP ArbeidsongeschiktheidsPensioen (AAOP)*)) and the basic early-retirement benefit (*VUT/Basis*) throughout their life-course leave. The contribution due under the Surviving Dependents Act will be equal to 0.3% of the salary before the life-course leave (premium as of 1.1.2010). The distribution of contributions between the employer and the employee will be the same as set out in Paragraph 5 above. The contributions due will be 0.4% for ABP Incapacity Pension and 4% of the employee's salary before life-course leave for basic early-retirement benefit (contributions as of 1.1.2010). Again, the distribution of contributions between the employer and the employee will remain the same as before the life-course leave. In other words, 75% of the ABP Incapacity Pension premium will be paid by the employer and 25% by the employee, while 40% of the 4% of the contribution for basic early-retirement benefit will be paid by the employer and 60% by the employee. If life-course leave lasts more than 12 months and the employee in question decides not to continue to accrue pension (old age pension / survivor's pension) they will still be required to pay the contribution due in relation to the Surviving Dependents Act, the ABP Incapacity Pension and basic

- early-retirement benefit as of month 13.
7. The agreements set out in Paragraph 5 will not apply when taking parental leave, care leave or sabbatical leave under the life-course savings scheme. Existing agreements about pension accrual and social security (Articles 12 and 15 of the parental leave scheme) will continue to apply.
  8. If a withdrawal from the life-course savings balance is equal to at least 70% of the pensionable income of the employee in question before taking leave, pension accrual will be based on their pensionable income before said leave. If a withdrawal from the life-course savings balance is less than 70% of the pensionable income before the leave, pension accrual will be based on the actual income from the life-course savings scheme.

#### Article 9 Ill during leave

1. If a participant becomes ill or incapacitated for work during the full-time leave period, the leave will simply continue and they will continue to receive the credit for leave withdrawn as income.
2. If a participant becomes ill or incapacitated for work during the part-time leave period, the part-time leave will simply continue, they will continue to receive the credit for leave withdrawn as income and they will be entitled to the continued payment of their part-time salary under the Collective Labour Agreement for Dutch Universities.
3. If a participant is still ill when the leave period agreed ends, they will be entitled to the continued payment of their salary again, as applicable before their leave started.

#### Article 10 The leave request procedure

1. A request to take long-term full- or part-time leave as referred to in Article 6 a. must be submitted to the employer in writing at least four months in advance. This notice period will not apply if the leave is to be used for care purposes and the start date for leave could not reasonably have been anticipated. An employee will notify the employer of their intention to take parental leave at least two months before the desired commencement date.
2. The employer will approve a leave request unless business interests prohibit the leave in question. In this situation, the employer may postpone the leave or, in special situations, reject it. The term 'business interests' will include:
  - serious staffing and restaffing problems;
  - serious timetable-related reasons;
  - serious, safety-related reasons.
3. If the employer has not approved a leave request, it will notify the employee in question of this fact in writing, stating the reasons for its rejection of the request, within one month of its receipt of the request. The employer will propose an alternative leave period at this stage too.
4. The employer will not impose any requirements on the specifics of leave. The university Ancillary Activities Regulations (*Regeling Nevenwerkzaamheden*) will apply while an employee is on leave.

#### Article 11 Withdrawal of the balance and payment life-course credit

1. While an employee is in the employment of the employer, the credit for leave under the life-course savings scheme may be used to supplement their salary during a period of extra unpaid leave.
2. To withdraw the balance of the life-course savings scheme as referred to in Paragraph 1, the participant and the employer will submit a joint written request to the institution with which the credit for leave under the life-course savings scheme is being held, which they will do via the 'Withdrawal of the balance of the life-course savings scheme' form.
3. The institution will transfer the credit to the employer, which will then transfer the credit for leave to the current account of the employee in question, minus the payroll tax due, the contribution due under the Healthcare Insurance Act (which is to be paid by the employer) and the pension contribution - with due observance of Article 7(5).
4. During life-course leave, the credit for leave withdrawn, plus any salary received from the employer, will not exceed the most recent salary received by the participant.

Article 12 The concurrence of life-course leave with the long-term leave savings scheme

1. If an employee is saving under both the life-course savings scheme and the long-term leave savings scheme, the number of days accrued for life-course leave (Section 5.4, Paragraph 1 d of the CAO NU) will be deducted from the maximum number of leave days possible to save for under the long-term leave saving scheme (Section 5.5 of the CAO NU).
2. When withdrawing the balances (leave days from the long-term leave saving scheme, for which payment has continued, and the unpaid life-course leave), the balance of both schemes will be withdrawn concurrently. The agreements set out in both schemes in relation to the leave to be taken will continue to apply in full.

Article 13 The end of life-course leave

1. Once life-course leave ends, the employee will return to their previous position, in principle. If life-course leave lasts more than 12 months, agreements about the return of the employee must be made in writing in advance.
2. If a reorganisation is announced while an employee is on life-course leave, the employee will be contacted and notified accordingly. In this situation, the employee will be given the opportunity to end their life-course leave. If it is found that an employee is not reasonably able to interrupt their life-course leave, the employer will reach an individual agreement with them. When implementing a reorganisation, the employee will be treated in the same manner as all other employees involved in the reorganisation.

Article 14 End of participation

1. If participation ends due to the end of the employment contract between the employer and a participant, the following will be done, at the discretion of the participant:
  - a. The life-course savings account or life-course insurance will remain in place, if possible under the conditions stipulated by the institution; or
  - b. The credit for leave under the life-course savings scheme will be transferred to the life-course savings scheme of the new employer, if possible under the conditions stipulated by the new institution; or
  - c. The credit for leave under the life-course savings scheme will be bought off, because of which the entire balance will be taxed as wages from previous employment, if possible subject to the conditions stipulated by the institution.
2. If participation ends due to the death of an employee, the credit for leave under the life-course savings scheme will be processed in accordance with the conditions applied by the institution.

Article 15 Hardship clause

When implementing the life-course savings scheme, a mandatory may deviate from this scheme in special cases if the mandatory has established that the full application of the provisions of this scheme would have unreasonable or unfair consequences for the employee in question.

Article 16 Entry into effect

*This scheme will take effect on 1 June 2006.*