

**Zwitserleven**<sup>PPI</sup>

Implementation Plan  
Future of Pension Act

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# 1 Introduction

On 30 May 2023, the Senate approved the Future of Pension Act (WTP). This law came into force on 1 July 2023. As a result of this legislation, Zwitserleven PPI changed its pension products. We will also revise all active pension schemes by 1 January 2028.

In certain situations, the pension administrator is required to prepare an implementation plan and submit it to De Nederlandsche Bank (Dutch Central Bank (DNB)). This is the case if:

- a. a pension agreement was in force on the day prior to the WTP entering into force;
- b. the pension agreement is amended to comply with the new legal framework; and
- c. no use is made of the transitional provision.

It is stipulated that, in principle, a pension administrator should prepare an implementation plan for each pension scheme. However, an insurer or premium pension institution may also prepare an implementation plan that covers multiple pension schemes. This may be the case if the pension schemes have the same characteristics and the pension schemes are based on the same product type.

Zwitserleven PPI offers its employers one collective pension solution: the Zwitserleven Now Pension (Zwitserleven Nu Pensioen). Employers can extend this scheme with a net pension solution. This implementation plan pertains to this (gross and net) pension solution.

The Zwitserleven Now Pension can be offered in the form of a flexible contribution scheme and in the form of a defined benefit agreement. These variants are exactly the same, the only difference being the option offered by the defined benefit agreement to purchase a fixed benefit from the retirement date in the last 15 years before retirement age.

The legislation prescribes the substantiation, analysis and information that must be included in an implementation plan. For the format and structure of our implementation plan, we used the 'Good Practice' described in the (draft) Dutch Central Bank (DNB) fact sheet 'implementation plan for PPIs and insurers'.

The 'Good Practice' further indicates that the implementation plan may outline analyses and decisions. For detailed content, we have therefore included a reference to the appendices (chapter 7). These documents will be made available upon request. Where parts in the implementation plan correspond to the already completed product development process (PARP), we have referred to them.

This implementation plan will be submitted to the Netherlands Authority for the Financial Markets (AFM) simultaneously with the communication plan. We have included the communication plan as an appendix to this implementation plan.

After we receive a response to the implementation plan and the communication plan, we will produce simplified versions for the benefit of participants.

## 2 Scope

### Scope of this implementation plan

The introduction of the WTP will affect the implementation of pension agreements already in place and future pension agreements to be placed with Zwitserleven PPI. As a result, there has been a change to:

- 2.1
- Zwitserleven PPI's product offering;
  - the systems in which these products and the associated records are kept;
  - the processes used to administer the pension schemes (including linked systems for reporting, among other things);
  - the associated communications (including employer and participant portals).

The pension products did not meet the requirements described in the WTP in all respects. To meet the requirements of the WTP, adjustments have been made to our product (defined contribution scheme), which we intend to actively continue to offer after the WTP takes effect. A detailed overview of the changes is available in the guidance document PMP (hereinafter: guidance document), which we will make available upon request.

The aim of the changes is to provide both new employers and existing employers (by the due date of the administration agreement, but no later than 31 December 2027) with a pension solution that meets the requirements of the WTP. This will allow us to implement pension agreements that are revised as a result of the WTP that are already placed with us or will be newly placed with us.

## Product overview

This implementation plan covers Zwitterleven PPI's group pension propositions. Zwitterleven PPI employs a generic pension solution for its group defined contribution schemes in the following products:

- Zwitterleven Now Pension (Zwitterleven Nu Pensioen) (ZNP)
- 2.2** - Possibly supplemented by employers with the Zwitterleven PPI Net Pension

This proposition provides a pension solution for a broad group of employers for a gross pension scheme (Zwitterleven Now Pension) up to the capping limit for pension schemes (2023: €128,810) and a net pension scheme for the salary portion above this amount.

### 3 Project organisation

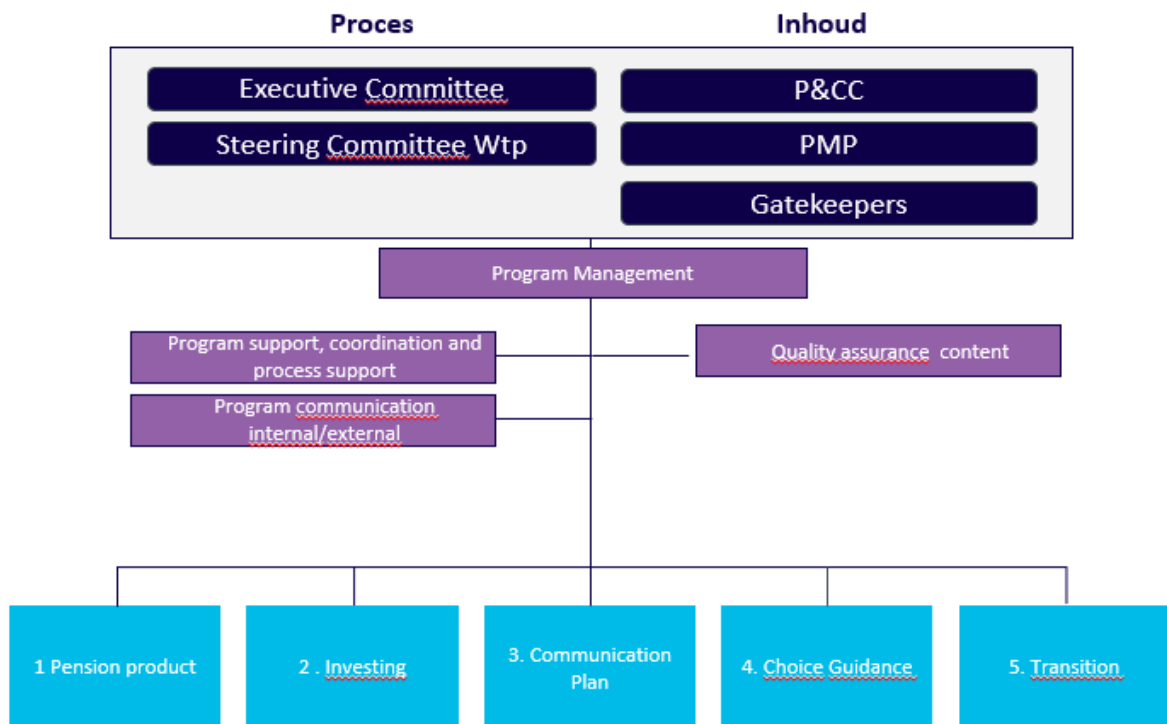
#### Project structure setup

A programme has been set up for the activities required to adapt products, systems, processes and communications as a result of the WTP.

The programme is managed by Programme Management, which reports to the WTP Steering Committee. For approval, Athora NL's regular approval process (the PARP process) continues to apply.

Programme Management is supported by Quality Assurance, which advises on and monitors the translation of the legislation to the context applicable to Zwitserleven PPI as well as the translation to the required technology. Programme Management is also supported by programme support, coordination and process support and communications (including progress reports and alignment with Risk, Compliance, Legal and Audit).

The programme also consists of five workflows, managed by leads, who focus on different topics. They are responsible for drafting policies and product specifications and, after the decision-making process, hand them over to the change organisation, which ensures their implementation. Various disciplines, such as Product Management, Legal and Communications, among others, are represented in all workflows. They determine how to implement the changes.



The five workflows with topics are as follows:



#### **1. Pension product**

The pension chain includes setting policy and product specifications including the items regarding quoting and administration including the related communication. In addition, this theme is responsible for preparing implementation plans for DNB



#### **2. Investing**

Investing contains the items concerning investment technical implications arising from [Wtp](#)



#### **3. Communication Plan**

Preparation of the communication plan required by the AFM. This work stream also includes the implementation of participant and employer communication as defined in the communication plan



#### **4. Choice Guidance**

Setting up participant choice guidance, including communication



#### **5. Transition**

Items regarding transitions under Wtp

After the decision-making process, the topics are transferred to the change organisation, which takes care of the implementation. The change teams include Business Analysts and Product Owners, who are sparring partners to facilitate transfer to the change teams and achievement in the change teams. Implementation in the change organisation (including the adaptation of all communications) also falls under the remit of the WTP Steering Group. Starting on 1 August 2023, change has also been placed under the control of the programme, with the addition of two workflows to the project structure:

- The Change workflow
- The Business Implementation workflow

The change organisation consists of several change teams, which are responsible for a sub-area. We have defined the following sub-areas:

- Quotation process (including recording an accepted quotation in administration systems);
- Administration systems;
- Employer and participant portals;
- Data links between systems.

## Decision-making process

Policies are developed on the various topics within the different workflows. This is done in a multidisciplinary manner: all the necessary departments are involved.

Decision-making regarding the changes to our products to make them comply with the requirements of the WTP took place through Zwitserleven PPI's regular product

### 3.2 development process (hereinafter: PDP)

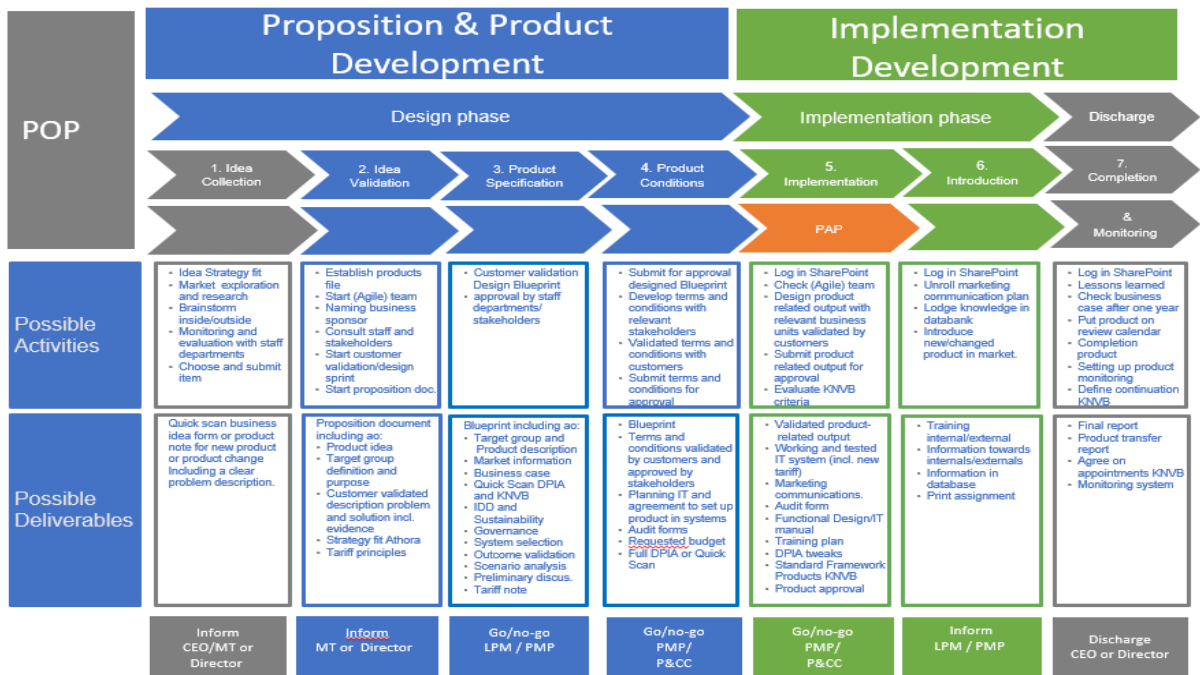
The Athora NL Product Development Process (PDP) was followed in the development of the product and its associated processes, systems and communications. Decision-making is subject to the product approval process by the Management Team after review by the corporate support departments (hereinafter: PMP) and by the P&CC. The PDP process was established in line with Reference Model PARP, drafted by the Compliance Department.

The PDP consists of seven steps:

1. **Idea Collection**  
The desired solution is broadly described based on the amended legislation.
2. **Idea Validation**  
The broadly elaborated solution is reviewed by corporate support departments/stakeholders and, where possible, by customers (employers and participants) and advisers. This includes discussions with advisers and employers to test the solution options against expected market demand.
3. **Product Specification**  
All relevant information is collected and recorded in a policy document.
4. **Product Conditions**  
Product conditions are established and an overall impact on systems is determined. The whole is submitted as a proposal to the PMP for approval.
5. **Implementation**  
Once approved, communications are further elaborated, reviewed and implemented in systems. Customer communications are validated with our customers. In this phase, IT systems are tested and preparations are made for market launch.
6. **Introduction**  
Zwitserleven PPI can administer pension schemes that meet the requirements of the WTP starting on 1 January 2024. From July 2023, these products will be offered through Zwitserleven PPI's quotation portals.
7. **Completion/Monitoring**  
After launch, management is transferred to the organisation. Zwitserleven PPI's regular management processes apply (again).

The PDP process is summarised in the following Quick Reference Card:





As the WTP was still under development, initial decision-making took place on the basis of draft legislation. In some cases, there have been subsequent adjustments, for instance due to amendments being adopted and legislation being amended.

After approval by the House of Representatives and the Senate, all prior decisions were checked against the definitive legislation and revised where necessary. All decisions were recorded in the guidance document. The guidance document was endorsed in the PMP and approved in the P&CC, together with all product specifications, product maps and legal documents.

## Timelines

Timelines were drawn up for entire product development process, related to the timelines provided by the legislature.

Within the implementation plan, focus is placed on two main timelines related to the programme's structure.

**3.3** The first timeline provides a detailed overview of current developments regarding the WTP and highlights recent developments, policy measures and any changes in legislation. This timeline provides insight into the current state of affairs and the context in which implementation takes place.

The second timeline focuses specifically on Zwitserleven PPI's approach to implementing the new pension schemes under the WTP. This timeline highlights the specific steps and milestones Zwitserleven PPI must follow to ensure a successful transition. It describes the different phases Zwitserleven PPI is in and sets various deadlines regarding the transition period. This provides a clear picture of the planning and execution of the implementation, ensuring a structured and efficient transition to the new pension schemes.

### **Timeline 1: current developments regarding the WTP**

The WTP entered into force on 1 July 2023. Zwitserleven PPI can administer pension schemes in accordance with the requirements of the WTP from 1 January 2024. The period from 1 July 2023 to 1 January 2024 will be used to prepare for proper administration and the upcoming transition.

There is a transition period until 1 January 2028 during which pension schemes can be adapted to the new legislation.

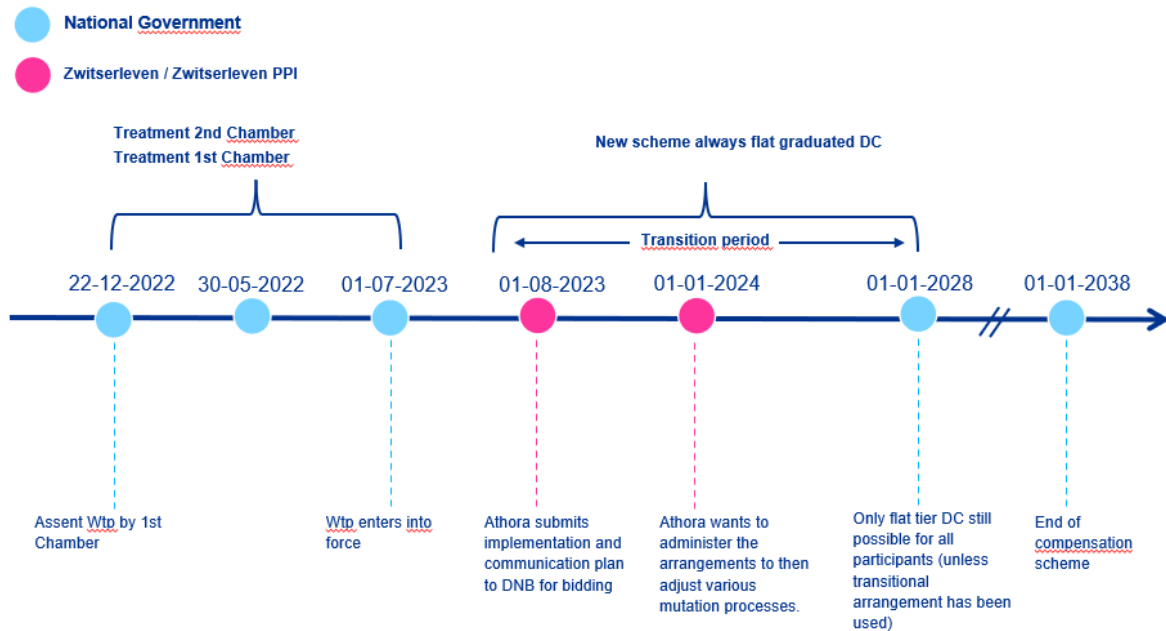
### **Timeline 2: implementation at Zwitserleven PPI**

The implementation of the products (adapted to the specifications established in the WTP) for the Lifetime administration system consist of two phases:

- a. Phase 1: implementation in the basic functionality of the Zwitserleven Now Pension products (including PPI's Net Pension).
- b. Phase 2: implementation in the change functionality of the products, adaptation of product-related communications and adaptation of Pension 1-2-3 and UBS (Uniform Benefit Statement) (as necessary).

The implementation of products under the WTP in the Zwitserleven Quotation Tool (ZLQT) is also phased over the period until 1 January 2024. Not all functionalities will offered right away. ZLQT was developed by Pensioennavigator B.V. and allows our financial advisers to prepare quotations for employers wishing to offer a group pension scheme to their employees.

The developments according to Timeline 2 are shown in the diagram below:



### **Timeline 3: implementation at employers**

Employers (guided by their adviser, often in consultation with social partners) will indicate at what point they want to amend the pension scheme so that it meets the requirements of the WTP. During the transition period, we will inform employers of the need to adjust the pension agreement by 2027 at the latest, with adjustment at the time a new administration agreement needs to be concluded being the preferred option for the pension administrator: both the administration agreement and the pension scheme rules will be adapted at the same time. This approach will spread out the time at which Zwitserleven PPI's portfolio is converted. (Made WTP-proof).

Section 4.2 contains details of the approach to the transition.

## 4 Choices made

### Product adjustments

Zwitserleven PPI's target proposition is the Zwitserleven Now Pension, including Zwitserleven PPI's Net Pension.

The changes made to the product offering as a result of the WTP were determined based on the following principles:

4.1

1. The product offering must comply with laws and regulations.
2. The product offering will be adjusted as little as possible.
3. The product offering is in line with the market needs indicated to us by advisers.

This is how we aim to ensure that both new and existing employers have the option of entering into a pension scheme in line with the new legislation (including equal treatment legislation) from 1 January 2024. All changes described in the guidance document underwent Zwitserleven's regular product development process.

Within the product, the following items were selected for adjustment, among others:

- We offer a flexible contribution scheme and a defined benefit scheme;
- We offer both the option of age-related contributions (transitional provision) and age-independent contributions for the old-age pension;
- If the pension scheme assumes age-independent contributions, a compensation scheme can also be selected;
- The lifelong partner's pension and the orphan's pension are only insured on a risk basis and the cover is based on a fixed percentage of pensionable salary;
- We have a mandatory run-off cover of at least 3 months. After the mandatory run-off cover ends, participants can opt for voluntary continuation;
- We offer participants the option to make supplementary contributions for an additional old-age pension and to insure the partner's pension and orphan's pension as an individual supplement.

In terms of cost structure, there will be no change in the WTP-proof products with regard to asset management fees, administration fees and transaction costs. It will be determined annually whether the level of administration fees should be adjusted.

A risk-sharing reserve option has not been selected within the product.

All changes are set out in the guidance document and further detailed in all product documentation such as the product specifications (internal), product maps, quotation and legal documents (external).

Following the changes, we will offer two variants within the Zwitserleven Now Pension:

	<b>Zwitserleven Now Pension (Zwitserleven Nu Pensioen)</b>	<b>Zwitserleven Now Pension (Zwitserleven Nu Pensioen)</b>
<b>Administrator</b>	Zwitserleven PPI	Zwitserleven PPI
<b>Type of pension agreement</b>	Flexible defined contribution agreement	Defined benefit agreement
<b>Investment policy in the accrual phase</b>	Individual (lifecycle)	Individual (lifecycle)
<b>Individual investment options</b>	Horizon Investing (HorizonBeleggen) complemented by Profile Investing (ProfielBeleggen) and Free Investing (VrijBeleggen)	Horizon Investing (HorizonBeleggen) complemented by Profile Investing (ProfielBeleggen) and Free Investing (VrijBeleggen)
<b>Benefit form</b>	Fixed or variable benefit, purchase at retirement date	Fixed benefit (at participant's request, purchase also possible from 15 years before state pension age) or variable benefit
<b>Pension Security (PensioenZekerheid)</b>	No	Yes: conversion from 15 years before the state pension date of (part of) the capital into defined benefits from the retirement date onwards
<b>Preparing for Variable Pension (participant's choice)</b>	Yes	Yes

With the introduction of the WTP, Zwitserleven PPI stopped offering the Zwitserleven Now PensionAccount (Zwitserleven Nu PensioenRekening). As a replacement, a White Label variant of the Zwitserleven Now Pension (flexible defined contribution agreement) has been developed. This product can be offered through the intermediary but offers limited options for both the employer and the participants.

## Approach to the transition

All existing pension schemes have to be amended due to the WTP. There is a transitional period until 1 January 2028 for adjusting schemes existing on 30 June 2023. Over the next few years, in consultation with advisers and employers, we will adapt all pension schemes to comply with the new legislation. Policies have been outlined to this end. The basic principle is that the administration agreements will be adjusted or extended to products according to the new applicable (WTP-proof) product specifications.

Most employers are expected to adjust the pension scheme at the time they make new arrangements for a rate guarantee. This will spread out a major part of the transition over the years to 2028, with about 1/5 of our portfolio switching to a WTP scheme each year on 1 January. Employers with open-ended agreements will be informed of the need to amend the pension agreement. During the transition period, we expect that a significant proportion of these employers will submit a request to adjust the pension scheme. In the second half of the transition period, if the employer has not yet taken the initiative, we will send indicative proposals and mention that the scheme should be adjusted by 1 January 2028.



Employers (guided by their adviser, often in consultation with social partners) will indicate at what point they want to amend the pension scheme so that it meets the requirements of the WTP. During the transition period, we will inform employers of the need to adjust the pension agreement, with adjustment at the time new agreements about the terms and conditions are concluded being the preferred option for the pension administrator: both the administration agreement and the pension scheme rules will be adapted at the same time.

After coordination with the relevant adviser, a proposal to adapt the pension scheme to the new legislation will follow. The basic principles for this will be determined at the adviser's direction. With this proposal, we will offer our amended pension solution, which also ensures compliance with applicable laws and regulations (including equal treatment legislation).

The various activities will be carried out around the end date of the administration agreement the employer has with us:

- Approximately 6 months before contract expiry date: inform employer and adviser about the end date of the administration agreement and explain the options
- On average about 4 months before contract expiry date: agree on the basic principles of the new administration agreement and prepare the proposal
- On average about 1 month before contract expiry date: agree on the change to the administration agreement and pension scheme rules
- One month before contract expiry date: start informing participants based on the communication plan

Agreements with no contract term and no rate guarantee or for which the contract expiry date or rate guarantee end date is after 1 January 2028 will receive a proposal to adjust the scheme no later than 1 January 2028, with adjustment being possible at an earlier date at the employer's request.

The policy applied for transition to the new legislation is further detailed in the guidance document.

The approach will be communicated to advisers in advance. This way they know what Zwitserleven PPI's approach will look like for the coming years. Advisers and employers will be asked if they want to follow the proposed transition. For employers who have already proposed their own scheme, a tailor-made proposal will be made. Advisers will be supported in the advisory process with the provision of a management tool. Using this tool, advisers can make calculations for schemes administered by Zwitserleven PPI, based on which they can advise employers on the changes to be made under the WTP.

If the transitional provision is not used, we will ask the employer for a transition plan. The transition plan will allow us to determine whether the new pension scheme complies with laws and regulations, including compliance with equal treatment legislation. It will also allow us to assess whether there is a balanced transition.

If pension schemes are not adjusted by 2027, we will make a proposal to employers to adjust the pension scheme. We will inform the relevant employers at the beginning of that year, after which we will start sending out proposals to adjust the pension scheme in mid-2027.

If an employer does not change the pension scheme in time and, as a result, the administration agreement does not comply with the new statutory regulations by 31 December 2027, we will make the pension scheme non-contributory.

### 4.3 Accrued entitlements

Once an employer has amended the pension agreement to comply with the new legislation, we will discuss how to deal with accrued pension entitlements and rights at Zwitserleven PPI. In this respect, Zwitserleven PPI's approach is as follows:

Accrued entitlements and rights at Zwitserleven PPI:

- If the scheme was previously a defined contribution scheme administered by Zwitserleven PPI, it is preferable to merge the accrued pension capital with the new pension accrual within the same product. This offers the participant the advantage of pension accrual within one policy and results in simpler communication. It also avoids increasing service charges. Zwitserleven PPI merges the schemes if this does not have a potentially negative impact on the participant. In case there were guaranteed pension entitlements or more favourable expense allowances, for example, schemes will not be automatically merged;
- Under the WTP, optimisation/return is no longer possible over future accrued pension capital. For the capital already accrued, we will assume a grandfathering policy: after the introduction of the WTP, we will maintain the optimisation/return on the capital already accrued until the transition. On the participant's death, the previous provisions in this regard will continue to apply to this part of the pension capital.

Elsewhere accrued entitlements and rights

- If the pension scheme had been placed with another pension administrator, the accrued entitlements and rights will initially remain non-contributory in the old scheme with the former pension administrator. A group transfer of accrued benefits to Zwitserleven PPI can be initiated at the employer's request;

If the employer decides to discontinue the pension scheme with Zwitterleven PPI and opts to transfer the WTP scheme to another pension administrator, the accrued entitlements and rights will initially be left with Zwitterleven PPI on a non-contributory basis. The scheme as it was at the time of conversion to paid-up status will continue to apply. At the employer's request, a group transfer of accrued benefits can be collaborated on.

When using the option of group transfer of accrued benefits (both inward and outward), the legally required steps for this will be followed according to the existing process.



## 5 Risk analyses and control measures

### Operational and IT risks and control measures

As a result of the WTP, a Risk Self Assessment (RSA) was carried out within Zwitterleven PPI, identifying the main risks of the WTP implementation. These risks have been recorded in a Risk Register. The purpose of identifying these risks is to be able to make timely adjustments to possible events that could adversely affect the achievement of the objectives, if necessary. Adequate risk management is essential in this respect. Besides identifying the risks, appropriate solutions were also proposed. Using expert assessments, the respective risk levels (based on probability x impact) were estimated and a responsible risk owner was designated to monitor the risk, and if necessary, to take action.

Programme Management oversees the periodic review and discussion of the Risk Register within the Programme so that the risks, their impact and mitigating measures remain in line with the current situation within the Programme. Operational Risk Management provides support for this.

The operational and/or IT risks as identified during RSA sessions held in May and June 2023 are briefly described below. A reassessment of the relevant risks took place in July 2023.

1. Insufficient capacity	
Description of risk	As a result of insufficient available capacity to prepare/implement the (planned and as yet unplanned) WTP changes, there is a possibility that the WTP actions may not have been completed in full and/or on time, thus preventing the achievement of the WTP objectives.
Solutions/mitigating measures	<ul style="list-style-type: none"> <li>- Per workflow, determine and monitor exactly what needs to be done and delivered.</li> <li>- Per workflow, determine what capacity is needed.</li> <li>- Distinguish between 'Nice to have' and 'Must have' deliverables.</li> <li>- In case of (imminent) capacity shortage, the workflow lead will go to the WTP Steering Committee/Management Team to discuss the consequences of the capacity shortage.</li> <li>- Business owner must make choices and take responsibility for them.</li> </ul>
Current risk level (Low, Medium, High, Critical)	Medium
Risk owner	Business owner

2. Inadequate project coordination (policy determination)	
Description of risk	Due to many interdependencies between workflows and limited timeframes, the possibility exists that certain issues may be overlooked and/or cannot be decided or implemented in time. This can lead to failure to meet essential deadlines and (statutory) obligations.
Solutions/mitigating measures	<ul style="list-style-type: none"> <li>- Regular checks will be conducted to see whether everything is complete and consistent through periodic reconciliation.</li> </ul>

	<ul style="list-style-type: none"> <li>- A guidance document will be prepared to guide the process and serve as a reference.</li> <li>- Product Market Pricing (PMP) will be followed to ensure a structured approach.</li> </ul>
Current risk level (Low, Medium, High, Critical)	Low
Risk owner	Programme Management

### 3. Product offering not appropriate

Description of risk	As a result of insufficient consideration of customer needs, there is a risk that the products offered will not meet customer needs. This may lead to failure to achieve the commercial objectives related to the WTP (on time).
Solutions/mitigating measures	It is essential to continue to closely monitor how customers (participants, employers, advisers) respond to our product offering. It may be necessary to switch gears quickly in order to make the necessary adjustments.
Current risk level (Low, Medium, High, Critical)	Low
Risk owner	Products

### 4. Insufficient in-house expertise

Description of risk	As a result of insufficient in-house expertise, there is a risk that we will have to hire external expertise in specific areas (knowledge, implementation), leaving us dependent on hiring external expertise to remain WTP-compliant in the coming years.
Solutions/mitigating measures	<ul style="list-style-type: none"> <li>- A reallocation of available internal capacity will be undertaken to ensure sufficient in-house capacity is available and retained for the WTP project.</li> <li>- Vacancies will be filled as soon as possible to bring the required expertise on board.</li> <li>- In the case of external knowledge specialists, upon completion of the project, the knowledge must be documented and transferred to an internal employee. Moreover, the internal employee must confirm that he/she has received the required knowledge.</li> </ul>
Current risk level (Low, Medium, High, Critical)	Medium
Risk owner	Business owner

### 5. Insufficient complete overview

Description of risk	As a result of lack of an unambiguous and well-established complete overview, there is a risk that issues may be overlooked
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	and/or cannot be decided/implemented on time, thus preventing essential deadlines and (statutory) obligations from being met
Solutions/mitigating measures	A complete overview will be created by connecting the 'What' question with the 'How' question and discussing them periodically with each other. This alignment between objectives and implementation methods will provide a holistic understanding, contributing to effective project implementation.
Current risk level (Low, Medium, High, Critical)	Low
Risk owner	Programme Management

#### 6. Continuous updating of the WTP product

Description of risk	As a result of refined best practices or changed interpretations of legislation, we may have to adapt our products to these new insights and interpretations in the years following the effective date of the WTP. This may lead to an ongoing commitment of time, attention and financial resources to the implementation of the WTP, even over several years.
Solutions/mitigating measures	It is essential to continue to closely monitor how customers (participants, employers, advisers) and regulators respond to our product offering. If necessary, we must quickly switch gears and make the necessary adjustments to meet their needs and expectations.
Current risk level (Low, Medium, High, Critical)	Medium
Risk owner	Products

#### 7. Liability risk

Description of risk	There is a potential liability or legal risk in that principled opponents of the WTP (and other participants) may turn to pension administration organisations and hold them liable for any adverse consequences of the transition. This may result in legal disputes where these opponents may go to court. It is important to consider this risk and take appropriate measures to mitigate possible legal consequences.
Solutions/mitigating measures	To minimise the aforementioned risk, we aim to provide advisers, participants and employers with timely, complete and accurate information before, during and after the transition. Making suitable WTP tools available can assist with this. In addition, careful decision-making within the Governance structure is essential. This ensures that decisions are made in a careful and responsible manner, taking into account potential legal risks.
Current risk level (Low, Medium, High, Critical)	Low
Risk owner	Business owner

### 8. Data governance and security

Description of risk	As a result of adding new WTP data, there is a chance that governance and security regarding data may be shown not to have been set up in a controlled manner, exposing Zwitterleven PPI to a data risk in this area.
Solutions/mitigating measures	New data will be added as a result of the WTP. This will have to be factored into source systems, financial and actuarial processes and data deliveries. The basic principle is that the WTP solution can be implemented using the existing applications. The change process will be followed for changes in data and security aspects. This process ensures a structured approach to implementing changes, taking the necessary steps to implement the right changes safely.
Current risk level (Low, Medium, High, Critical)	Low
Risk owner	Programme Management in consultation with the (business) system owner

### 9. Inadequate project coordination (change)

Description of risk	As a result of many interdependencies (between workflows and due to tight timelines), there is a risk that issues may be overlooked and/or cannot be decided/implemented in a timely manner, thus preventing essential deadlines and (statutory) obligations from being met.
Solutions/mitigating measures	Through the implementation, testing and acceptance process (change process), ensure that the What question is implemented correctly and completely, using the available applications. The change process also came under the control of Programme Management starting on 1 August 2023.
Current risk level (Low, Medium, High, Critical)	Low
Risk owner	Programme Management

### 10. Delayed decision

Description of risk	As a result of delayed decision-making, there is a risk that promises made cannot be kept. This could lead to declining customer confidence in Zwitterleven PPI, which could potentially have a negative impact on the portfolio. Moreover, this may cause frustration among the employees concerned. It is therefore important to handle decision-making processes efficiently and in a timely manner in order to minimise these risks.
Solutions/mitigating measures	<ul style="list-style-type: none"> <li>- Make clear who is responsible for which decisions within which forum.</li> <li>- Gatekeeper function is in place and working.</li> <li>- Business owner is the responsible entity for the WTP.</li> </ul>
Current risk level (Low, Medium, High, Critical)	Low

Risk owner	Business owner
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## Process control

Zwitserleven PPI has identified process risks related to the WTP transition process, including those related to the execution of the amended administration agreements. These risks are set out in the table below:

5.2 Process name	WTP change
Customer contact handling	With the introduction of the WTP, participants' choices are given significantly more importance. This results in the need for different and more intensive moment of contact/interaction with (non-digital) participants, as well as more extensive recording of these moment of contact/interaction.
Interfaces – URM calculations	Within this process, the Uniform Calculation Methodology (URM) is being supplemented for the purpose of compensation calculations and new forecasts for voluntary continuation.
Commencement of employment	As a result of the WTP, more attention will have to be paid upon commencement of employment to, among other things, the pension top-up option, verification of cohabitation status, partner declarations and informing participants about possible voluntary continuation of surviving dependants' cover with other pension administrators. To this end, communication materials (including the participant portal) will be adapted.
Termination of employment	Under the WTP, exchange on termination of employment is no longer possible. In addition, mandatory continuation of surviving dependants' cover should be administered and participants should be informed about the option of voluntary continuation of surviving dependants' cover.
Employee competence	Our employees will be updated on the changes effectuated by the WTP, given that participant choices will become significantly more important after the introduction of the WTP. Besides regular training requirements to keep employees skilled, additional knowledge sessions will be organised regarding the WTP to bring employees up to speed.
Outward post	Although the process itself will not change, new letters will be sent out. This includes requesting partner details, adding additional communications during the transition period and communicating information about voluntary continuation of surviving dependants' cover after termination of employment.
Changes to the Lifetime rules	Within this process, special attention will be paid to changing the rules from non-WTP to WTP. This transition requires extra attention, as data from both the old and the new scheme need to be recorded. A separate working group has been set up to determine how to determine these changes.
Sending of annual Lifetime letters	In this process, we will adjust the annual letters to take the WTP into account.

Administration of the Lifetime contract	Within this process, it is important that WTP contracts are recognisable. In addition, the number of multiple contracts will increase when the transitional provision is applied.
Inward transfer of accrued benefits (individual/group)	Under an inward transfer of accrued benefits, additional years of service will no longer be allocated for determining the partner's pension under a WTP scheme. The process and communications will be adjusted accordingly.
Outward transfer of accrued benefits (individual/group)	Years of service will no longer be used to determine the partner's pension. The process and communications will be adjusted accordingly.
Offering of Supplementary Pension (PensioenAanvullen)	Proposals should take into account the adjustments in the pension top-up space under the WTP.
Offering of a contract	The new WTP schemes will result in an increase in multiple proposals: using the transitional provision, different pension schemes will be used for existing and new participants. This involves updating our proposals to comply with the new regulations.
Offering of a contract in the Zwitserleven Quotation Tool	Also within this process, the new WTP regulations will lead to an increase in multiple proposals. We will adjust our proposals to meet the requirements of the WTP.
PARP	This process concerns the inclusion of new documentation regarding the PARP process for the WTP transition, e.g. the implementation plan or the transition plan.

The various risks will be managed by adjusting the process or by implementing improvements in communications (including portals).

We have not further elaborated an analysis of possible financial, economic and other shocks during the transition period that impact the execution of the implementation plan, as this is not applicable to insurers. We are not dealing with the integration of accrued pension rights and entitlements into the new pension system. Indeed, whether or not to integrate may depend on the financial situation of the pension administrator. Implementation to the new pension system is therefore not in scope for us.

### 5.3

## Technical feasibility of the new pension scheme

Given the major impact of the introduction of the WTP on Zwitserleven PPI's administrative systems and pension portfolio, it was decided to start implementation despite the uncertainties.

A number of principles were defined for the implementation:

1. We assume the laws and regulations as in force on 1 July 2023. Changes will be made if necessary;
2. The effective date of the legislation is 1 July 2023;
3. There is a transition period until 1 January 2028;
4. The commercial season for Zwitserleven PPI begins on 1 July each year and that is also when the renewal processes start;
5. Product characteristics will not be quoted until it has been established that implementation in the portals and systems can also be completed on time. To this

end, feasibility analyses were carried out on the various adjustments. Based on impact and available capacity, it will be determined whether a characteristic is ready in time.

Procedurally, we will apply the following principles:

1. The Products department, in consultation with Legal, will determine the necessary product adjustments and policies based on the legislation. This involves coordination with other departments, such as Pricing & Profitability and Reporting;
2. For policy-related and/or commercial decisions, the usual decision processes will be followed through, for example, the PMP or the P&CC. Consultation with Compliance will take place where necessary;
3. The Products department will actually act as a client for the change organisation in this respect;
4. When implementing in the various systems, we will use processes and procedures as defined by 'Enterprise Risk Management' in the 'Athora NL Enterprise Risk Management system (ERM)';
5. For the implementation of all changes, a project structure has been put in place with its own WTP Steering Committee. This project structure (see section 2.2) focuses on defining the policy.
6. The implementation of WTP in Zwitserleven PPI's systems will be carried out within the existing change teams.

The actual implementation is divided into two trajectories:

1. Technical implementation:
  - a. Implementation of target products in the quotation system (ZLQT);
  - b. Implementation of target products in the Lifetime administration system;
  - c. Adaptation of the various interfaces between systems.
2. Transition:
  - a. Transition of the pension portfolio to the new regulations.

The progress of these trajectories will be monitored by the WTP Steering Group.

Regarding the technical implementation of the target products (1), the following aspects are important:

- a. Offering target products
- b. Registering new contracts
- c. Administering new schemes
- d. Invoicing
- e. Providing insight into the new schemes and associated policies for participants
- f. Offering choices
- g. Being able to process changes

Quotations will be issued through the Zwitserleven Quotation Tool (ZLQT) and the White Label funnel. The pension records of the target products will be managed in Lifetime. Providing insight into the scheme details for employers (and advisers authorised by the employer) and policy details for participants will be mainly done through the MyZwitserleven (MijnZwitserleven) portals. For making choices by the employer, and under the new law especially the participant, the MyZwitserleven portals are the preferred channel. The administrative handling of choices and changes will take place in the Lifetime pension records.



All systems (shown in the table below) and associated infrastructure used for Zwitserleven PPI's processes fall within the scope of General IT controls. The table below explains the adjustments to the pension records and the various (ICT) systems associated with the technical implementation of the target products:

	System	Used for	Adjustment	External party involved
1	ZLQT	Zwitserleven quotation portal, portal for distribution partners to issue new quotations and submit renewals.	Enable the offering of new product variants. Enable extension of old to new product variants.	Vermaase
2	White Label Funnel	Funnel for issuing quotations for ZNP's White label variant. Funnel is part of the financial adviser portal.	Replace existing ZNPR product Zwitserleven Now PensionAccount (Zwitserleven Nu PensioenRekening) with WTP-proof basic variant of ZNP.	Financial advisers
3	Zwitserleven.nl	Public website for Zwitserleven products and services for general information and explanations.	Content expansion: <ul style="list-style-type: none"> <li>- Explanation of new product variants</li> <li>- Making cohabitation statements available</li> <li>- Explaining participant choices</li> </ul>	N/A
4	MyZwitserleven (MijnZwitserleven)	Portal for participants/employees, pensioners, employers and advisers. For communicating choices and providing insight into contracts, schemes and personal situation.	Allow distinction between old schemes and schemes that are WTP-proof. Expand scheme details (employer/adviser). Expand policy details (participant) for new product elements: <ul style="list-style-type: none"> <li>- Surviving dependants' cover;</li> <li>- Compensation;</li> <li>- Communicate changes;</li> <li>- Process uniform partner term;</li> <li>- Option to complete/upload cohabitation statement;</li> <li>- Communicate participant choices, i.e. expand for additional voluntary</li> </ul>	Employer portal: The Factor E (TFE)

			<p>surviving dependants' cover;</p> <ul style="list-style-type: none"> <li>- Voluntary continuation at end of participation;</li> <li>- New limits on pension top-up combined with compensation</li> <li>- PensionSecurity (PensioenZekerheid)</li> <li>- Pre-selection of variable pension benefits to enable this for every product variant;</li> <li>- Improve choice guidance for participants.</li> </ul>	
5	Lifetime	Pension records for DC pension products.	<p>Set up administration to administer new product variants:</p> <ul style="list-style-type: none"> <li>- Disable partner definition choices on rules;</li> <li>- Additional voluntary surviving dependants' cover;</li> <li>- Mandatory run-off cover at end of participation;</li> <li>- Voluntary continuation at end of participation;</li> <li>- New limits for pension top-up combined with compensation;</li> <li>- Administer cohabitation statement;</li> <li>- Adapt change processing to the new product variants;</li> <li>- Instruction on adjusting contribution waiver</li> </ul>	Keylane

			<p>in case of occupational disability;</p> <ul style="list-style-type: none"> <li>- Process PensionSecurity;</li> <li>- Adjust interfaces to the actuarial calculation core for projections especially in case of compensation;</li> <li>- Adjust interfaces for actuarial and financial reporting due to changed surviving dependants' cover (partly software, external party required);</li> <li>- Expand regulations and participation data (software fields, external party required for this).</li> </ul>	
6	Vactas	Pension records for pension products DB.	Adjustments for enrolment age up to 18 years Determine the ZwitchOption.	N/A
7	Navision	Financial administration system for payments (collections/disbursements), ledger account and financial reporting.	Extend invoices and invoice specification for the combination employer and employee portion of surviving dependants' cover, provide insight into compensation contribution.	GAC
8	C# Computing Core	Computing core for performing URM calculations	Adapt the calculation core call from Lifetime for compensation elements and surviving dependants' cover in particular, including voluntary continuation with withdrawal of contribution from the pension pot).	Triple A
9	DataHub	Data interface that regroups the data from the product-oriented records into a logical coherent grouping for the customer.	Add new data elements of the new product variants and new participant choices, such as schemes and policy details	N/A

			Adjust voluntary percentage of surviving dependants' cover. PensionSecurity (PensioenZekerheid)	
10	Onbase	Archive for digital documents	Enable, by means of new labels, archiving of new documents. Such as the cohabitation statement and some new letters, such as requesting cohabitation details and confirmation letters for participant choices.	N/A
11	OMT	Letter generator linked to Lifetime records	Format new letters and expand existing communications for the various participant and employer processes in Lifetime. The adjustments are due to the new product variants and the improvement of choice guidance for participants.	N/A

Regarding the transition, the following aspects are important:

- a. Informing employers;
- b. Facilitating transition plans;
- c. Supporting conversions from Non-WTP to WTP regulations in administration.

The table below explains the changes in systems associated with the transition:

	System	Used for	Adjustment	External party involved
1	Management tool	Comparison tool to inform and support employers in the transition to a WTP-proof scheme. Guidelines for adjusting the pension scheme may be issued with this tool. This tool helps employers (through the adviser) to agree on compensation for a new scheme so that there can be a balanced transition.	Newly developed tool.	Triple A
2	Communication	One-off tool for developing communications to	New, temporary application for generating the required	Triple A

		participants just before and just after transition.	communications to participants, regarding the transition.	
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### Control measures

The reliability of IT systems is supported by general IT control measures. These form the basis for reliable automated data processing within pension administration systems. General IT control measures are designed to ensure, for example, that no unauthorised changes are made to the functionality of the software and that data can only be changed in an authorised manner. Besides ensuring reliability, these controls are also designed to ensure system continuity. More information on the general IT control measures on which domains this is applied is described in the ISAE3402 report.

The findings from the most recent report (1 January 2022 to 31 December 2022, are separate from the WTP transition) provide further insights into the current operational and IT risks and the associated control measures regarding these risks. This overview is divided into three domains (as defined in 3.2 of the ISAE3402 report):

1. An overview of all IT and operational business processes within Zwitterleven PPI;
2. The IT control measures belonging to these business processes;
3. The pension records of these business processes for Zwitterleven PPI.

## 6 Data and data quality

The quality of data at Zwitserleven PPI is determined by the extent to which it is demonstrably suitable, accurate and complete and meets internally and externally set standards. The transition to the WTP did not affect the measures taken by Zwitserleven PPI to ensure data quality. Insurers and PPIs do not face the issue of integration as pension funds do. We can therefore still use the current approach to data quality in the transition to the new pension system.

To meet the requirements of the laws and regulations of Solvency II, among others, regarding data quality/management, Zwitserleven PPI has already drafted several detailed policy documents addressing key frameworks and risks (such as the '*Athora Netherlands Data Policy*'). These go through the various elements of the data (quality) management framework, which can be used to structure controlled operations in relation to data quality. These policy documents set out various components of data quality management, including:

- Data governance;
- Data quality;
- Data management; and
- Data architecture.

The 'DAMA DM BOK' (Data Management Association Data Management Body of Knowledge) is used as a starting point in Zwitserleven PPI's data policy documents. In this framework, data quality is defined as the planning, implementation and monitoring of measures that control data quality to ensure that data is fit for purpose and meets the requirements of data users.

Data policies, including governance, data configuration and underlying processes, are set out in the '*Athora Netherlands Netherlands Data Policy*'. The general policy is updated, where necessary, with new insights arising from the data quality framework.

In addition to the general data policy – based on Solvency II, but relevant for all data used in financial calculations and reports – the Data Financial Risk Policy has been drafted. As indicated, data quality under Solvency II features prominently in laws and regulations. The Solvency II regulations set standards for data quality and also how data quality should be monitored (see Articles 82 and 86f of the Solvency II Directive and Articles 19 to 21, 219 and 265 of the Delegated Regulation). Data quality is important under Solvency II in connection with the determination of the technical provision, where the provision depends on data stemming from the different accounting systems (i.e. Vactas and Lifetime). The data from the administration systems is extracted from the source systems, and, if necessary, processed to make it suitable for determining the technical provision.

Data quality is part of the model validations carried out by Athora NL's Model Risk Management team in collaboration with the Actuarial Function department. In addition, the Actuarial Function Holder gives an annual opinion on the quality of the data for the purpose of determining the Technical Provision. Where necessary, recommendations are given to improve data quality or monitoring.

These are additional embedded safeguards for insurers to ensure that data quality is sufficient in the transition from the current to the new pension system under the WTP.

## 7 Appendices

- The communication plan (Netherlands Authority for the Financial Markets (AFM))

The documents below will be made available upon request:

1. Guidance document PMP - Product Changes due to the Future of Pensions Act
2. Athora Netherlands – Data Policy: Extensions on data quality dimensions and data quality – version 22 November 2022
3. [ISAE 3402 type II report on Pension Services](#) (1 January 2022 – 31 December 2022)
4. Athora EN Product development process (PDP) 2022
5. Reference Model PARP

## 8 Abbreviations

The following abbreviations have been used:

Abbreviation	Description
PARP	Product Approval Review Process
P&CC	Product & Client Committee
PMP	Product Market Pricing
PDP	Product Development Process
ZNP	Zwitslerven Now Pension (Zwitslerven Nu Pensioen)
ZLQT	Zwitslerven Quotation Tool
WTP	Future of Pensions Act