Nationale-Nederlanden Collective Term Life Insurance

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Nationale-Nederlanden Collective Term Life Insurance

Nationale-Nederlanden offers Collective Term Life Insurance to businesses and organisations. This insurance can only be taken out in combination with a new Persoonlijk Pensioen Plan administration agreement.

Our Collective Term Life Insurance enables you, as an employer, to make sure an additional financial buffer is in place for your employees' surviving dependants. By doing this, you will help to relieve their financial burden temporarily, enabling them to pay the rent, the mortgage or a child's tuition fees, for example. This brochure provides more information.

What is NN's Collective Term Life Insurance?

With Collective Term Life Insurance, you take out insurance on the lives of your employees. If an employee dies while the insurance is in effect, we will pay out the agreed amount as a lump sum. You will then pay this amount to the employee's surviving dependants. They may decide for themselves how they use this amount.

This insurance covers all your employees. No medical guarantees are required. We accept all employees, which provides peace of mind.

What happens if one of your employees dies?

You report the death to the Term Life Insurance Team. Once that report and the death certificate have been received and processed, we will pay out the agreed amount to you within ten days. You will then pay this amount to the surviving dependants.

When can you take out Collective Term Life Insurance?

- Collective Term Life Insurance is only possible if you also enter into a Persoonlijk Pensioen Plan (PPP) with us (for a minimum of five employees).
- The term of the insurance is the same as the term of the PPP administration agreement.

Advantages of Collective Term Life Insurance from Nationale-Nederlanden

The Collective Term Life Insurance is a provision for surviving dependants. All employees are insured against the risk of death.

The advantages:
- An additional financial buffer for surviving dependants, which we pay out as a lump sum in the event of death.
- Supplemental provision for surviving dependants on top of the possibilities offered in the PPP.
- You decide the amount to be insured.
- No need for health declarations from your employees.
- Easy to take out on line in combination with PPP.
- Simple and easy administration.
- Inexpensive premium.

Choose how much you want to insure

You decide the amount you want to insure for your employees. You can choose from 12, 24, 36, 48 and 60 times the monthly pensionable salary. The pensionable salary is capped by law. We adjust the premium annually based on the age of the employees at that time. We adjust the premium on a monthly basis after receiving the changes in the number of employees due to the start and exit of employment and the changed salaries.

Term

You can only take out Collective Term Life Insurance at the time you enter into a PPP with us. The term of the insurance is therefore the same as the term of the PPP.

What does this insurance cost?

You pay a premium every month. The level of this premium is based on:
- the sex and age of the employees;
- the amount insured;
- employees who have taken up and left employment.

Tax

You always pay the premium for the Group Term Life Insurance to us. The total premium paid is to be regarded as deductible expenses for corporation tax purposes. The distributions are not taxed for corporate income tax purposes.

Whether payroll tax must be paid on the premium or benefit depends on how you apply the tax provisions of the work-related costs scheme (werkkostenregeling - WKR).

You can choose not to designate the insurance for the WKR. You then deduct the premium from the salary of the group of employees you have insured. This can be laborious for your payroll administration. The employee pays payroll tax on the premium. There is an exemption from the premium insofar as it relates to three times the gross monthly salary. The benefit is tax-free for the surviving relatives of the deceased employee.

You can also choose to designate this insurance for the WKR. This means that it is not your employees, but you who will pay any payroll tax. Whether you have to pay payroll tax with the WKR depends on whether you have spent more than the tax threshold on personnel expenses. This tax threshold, called discretionary margin, depends on your taxable payroll bill in any given year. If you stay below the discretionary margin, you will not pay any payroll tax and otherwise only the payroll tax on the amount above the discretionary margin. With the WKR, the benefits to your employees are always tax-free for the surviving relatives of the deceased employee. Discuss the possibilities with your business or tax advisor and what suits your situation best.

The distribution counts towards the determination of inheritance tax. Whether the surviving relatives also have to pay inheritance tax depends very much on the personal situation of both the deceased employee and the heirs and their relationship.

Do you want to make the premium available for your employee untaxed from the work-related costs scheme (WKR)?

Yes

Option A
The entire premium is exempt from payroll tax as long as it is made available within the discretionary margin. If the amount that you make available for employees untaxed exceeds the discretionary margin, you pay 80% tax on the portion in excess of the discretionary margin.

No

Option B
You must withhold payroll tax from the employees' salaries for the portion of the premium that relates to the part of the benefit exceeding three times the gross monthly salary.

More information
To find out more about the Collective Term Life Insurance in combination with the Persoonlijk Pensioen Plan, visit:

www.nn.nl/collectieveoverlijdensrisicoverzekering
Or contact your financial adviser.