

DB2P for companies: substantive documentation

Version 1.0 – 12/09/2013

1. Introduction

Companies will find in this document all the necessary information about the contents of their DB2P file and the obligations that may with it.

This document provides extensive information about your DB2P file, pointing out the data to be consulted (meaning, source, etc.), and additional explanations about the situations in which you can use these data (e.g. the calculation of the 'Wijninckx contribution').

The DB2P file of companies is currently still limited to information about the financing of the individual supplementary pension accrual within the framework of your commitments for self-employed managers (who carry on their professional activity via a company or legal person). This more specifically regards the data that you require for the calculation and payment of the special social security contribution of 1.5% (Wijninckx contribution).

At the moment it is not possible yet to consult an overview of your externally financed pension commitments for self-employed managers and the specific features thereof. As from 2014 your pension institution (insurance company or pension fund) is held to register these pension commitments for self-employed managers in DB2P. For each commitment your pension institution will then need to communicate the requested data and features to DB2P.

At the moment information is neither available in DB2P about (where applicable) still internally financed pension commitments. As from 2014 you will need to register the data about these commitments.

This document is divided into three parts. These information 'blocks' correspond with the three functionalities that you will, in due time, also find in the online application (menu bar above). They concern information about:

1. Externally-financed pension commitments for self-employed managers;
2. The financing of the supplementary pension accrual within the framework of said commitments; and
3. Internally financed pension commitments.

The information for the first two blocks will be furnished by your pension institution. You yourself must communicate the information for the third block (if applicable) to DB2P.

At the moment only the second information block is available in the online DB2P file for companies.

This document discusses the three information blocks in order. But, first we wish to give you an idea of how DB2P is organised.

Where can I, as a user, find a practical guide for the online application?

The document
'DB2P for companies: user guide'
offers screen-by-screen assistance when navigating through the application.

2. DB2P, the context

The authorities decided a few years ago to set up a supplementary pension databank pursuant to Articles 305 and 306 of the Pluriannual Estimates Act (I) of 27 December 2006. Sigedis was charged with the management of this databank (called DB2P for short) and must assemble data on all national and foreign benefits for employees, the self-employed and civil servants, who create a supplement to the statutory pension.

The reason for the databank is, on the one hand, the attempt to provide a better and more uniform application of the tax and social legislation in the area of supplementary pensions.

- It must, therefore, be possible in DB2P to check whether the 80%-limit has been respected. Supplementary pensions are indeed encouraged in tax terms, but this is not unconditional and takes place within a tax framework (see box).
- DB2P also facilitates the checking of whether the special social security contributions have been correctly collected. This concerns the special company's contribution of 8.86% on supplementary pension premiums and the special levy of 1.5% on high supplementary pension accrual ('Wijninckx contribution').
- It will also, in the process, be a little easier to obtain a systematic supervision of the observance of the legislation on supplementary pensions for employees (WAP/LPC) and self-employed (WAPZ/LPCI).

The 80%-limit means that the legal and supplementary pensions together may no longer exceed 80% of the last salary. Payments for supplementary pensions that would lead to a higher total pension are no longer tax deductible.

On the other hand, the databank must also contribute to the transparency of and confidence in supplementary pensions.

- Policy makers will also obtain clear, trustworthy statistics. They will, in the future, be able to analyse the data in the databank in order to have a better view of the present situation in the area of supplementary pensions and be able to take policy measures on the basis of such knowledge.
- Companies too can use DB2P to consult their pension files and find the information needed to fulfil their administrative obligations. DB2P will also, at a later stage, contribute to a reduction in their administrative tasks (such as the abolition of tax certificates or the automatic dispatch of pension statements, see box).

The law offers a pension institution the possibility, or at the request of the organizer, of transferring certain information requirements (see Article 26 WAP/LPC and Article 48 WAPZ/LPCI) with regard to the affiliated individuals and entitled persons to Sigedis. The databank is, on that point, in keeping with the objective set out in the Generation Pact in 2005 of providing better and more coordinated information to future pensioners.

In its opinion no. 29 on dormant rights in the second pension pillar, the Commission for Supplementary Pensions states: 'that Sigedis should act as contact point for an affiliated individual, who has queries about the existence of acquired benefits'.

- But certainly as important is that affiliated individuals can also consult their supplementary pension rights via the databank and retrieve 'forgotten' pension rights. Employees are ever more mobile and, consequently, they accrue pension rights during the course of their career when working for different companies. The databank makes it possible to identify all the rights so that a pension accrual also always leads to a supplementary pension.

1. External pension commitments for self-employed managers

DB2P has been phased into service since 2011. The supplementary pension regulations for self-employed managers must be registered as from 2014. The insurers and pension funds (also called 'pension institutions'), which manage these supplementary pensions, will need to communicate a series of data about these to DB2P. Your pension institution will also need to register your pension commitment(s) and forward information to DB2P.

This first information block is currently not available to companies yet. However as from 2015 you will be able to consult your pension commitment(s) for self-employed managers in your DB2P file.

2. Financing of your external pension commitments

Your pension institution must already communicate information to DB2P on the financing of the commitments that they administer. This information must permit the NISSE to check whether the social security contributions for the supplementary pensions have been correctly paid in. A second information block that you can consult in your DB2P file therefore contains data on said financing of your external pension commitments. More specifically this regards the supplementary pension accrual for your affiliated self-employed managers who are taken into account for the calculation of the special contribution of 1.5%. Information on employer's premiums

2.1. Supplementary pension accrual subject to the special contribution of 1.5% ('Wijninckx contribution')

2.1.1. *Your data in DB2P*

From 2013, pension institutions must communicate to DB2P all the information needed to calculate the special 1.5% social security contribution ('Wijninckx contribution'). The Wijninckx contribution was introduced by the Pluriannual Estimates Act of 22 June 2012 (Belgian Official Journal 26/06/2012) and was further detailed in the Pluriannual Estimates Act of 27 December 2012 (Belgian Official Journal 31/12/2012). It is being introduced in two phases: a transitional rule applies from 1 January 2012 to 31 December 2015: this will be followed by a definitive rule that will be applicable from 1 January 2016.

Individual supplementary pension accrual

The (indexed) threshold is compared with the sum of (1) the amounts allocated to the individual account of the affiliate with a pension commitment of the fixed contributions, fixed benefits type administered via individual agreements or cash balance, (2) the amount of the evolution of the reserves of the affiliate with a pension commitment of the fixed benefits type that is not administered via individual agreements, and (3) the amount of the premium(s) for the death cover that is not financed by amounts allocated to the account or through the evolution of the reserve..

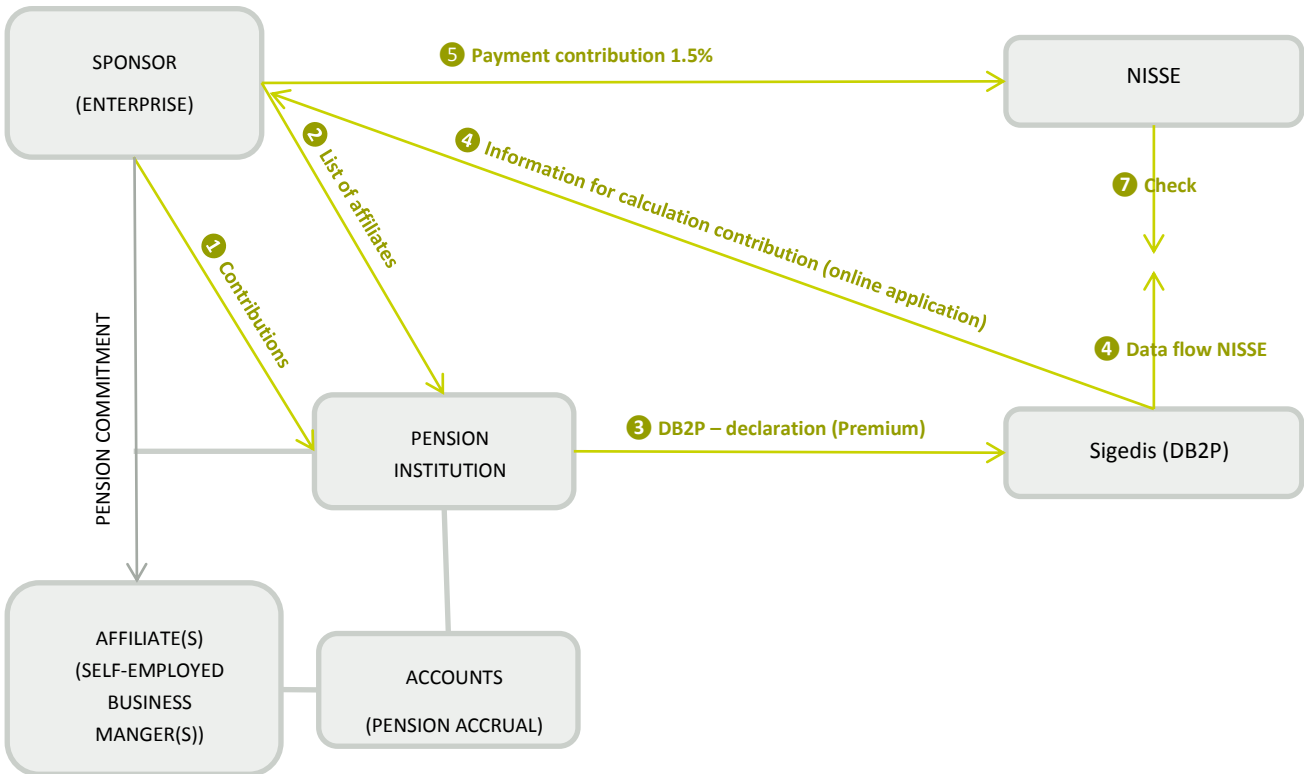
You are, from 2012 (during the transitional period), required to pay a contribution of 1.5% for each and every self-employed manager if the supplementary pension accrual of said self-employed manager exceeds an annual (indexed) threshold of 30,000 euros.

Your pension institution must, therefore, communicate information to DB2P about the supplementary pension accrual for each affiliated self-employed manager. The amounts needed for the calculation of the Wijninckx contribution in a given contribution year must be communicated by 30 June of that contribution year at the latest. The first amounts that your pension institution must declare are those needed for the contribution year 2012. These data are, exceptionally, to be communicated only in 2013. Your pension institution must, therefore, declare both the amounts for the contribution year 2012 and those for the contribution year 2013 by 30 June 2013..

Please consult the NISSE if you need more information about the Wijninckx contribution.

2.1.2. Who makes use of these data?

The information on the individual supplementary pension accrual in DB2P will, on the one hand, assist the companies in the calculation of the Wijninckx contribution and must, on the other hand, permit the NISSE to check efficiently that this contribution has been paid in. The Pluriannual Estimates Act of 27 December 2012 sets out a specific administrative procedure (see diagram).



The procedure provides that companies that pay premiums in the framework of a pension commitment **1**, must furnish a list of the individuals affiliated to their pension institutions during the year preceding the contribution year. The company must ensure that the list, containing the SSIN numbers (Social Security Identification Number) and its CBE (Crossroads Bank for Companies) number, is with his pension institution by 28 February of the contribution year at the latest **2**.

This information must permit the pension institution to communicate the amounts that form the assessment basis for the Wijninckx contribution to DB2P **3**. The pension institution is required to submit the declaration by 30 June of said contribution year at the latest and must do so for the first time by 30 June 2013 at the latest. The first declaration exceptionally includes the data for the past two years: on the one hand, the contribution year 2013 (with data for 2012) and, on the other hand, a catch-up 'declaration' for the contribution year 2012 (with data for 2011).

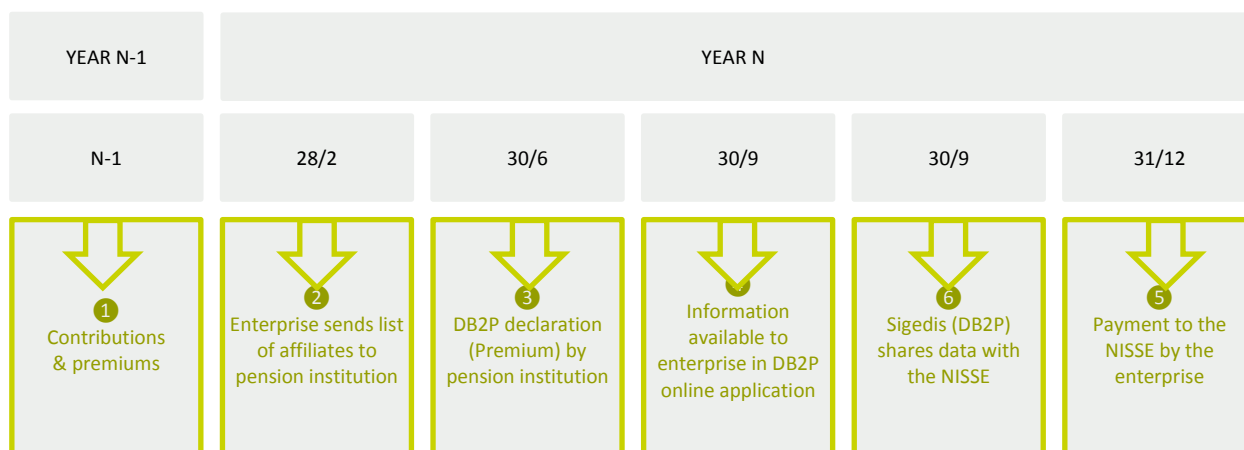
Sigedis (DB2P) puts all the necessary information at the disposal of the companies prior to 30 September of each contribution year so that they can calculate and pay the special contribution of 1.5% **4**. The information is made available via the DB2P online application. Companies will be able to consult the necessary information for the first time from September 2013.

This information in their online DB2P file allows companies to calculate and pay the Wijninckx contribution **5**. The companies must declare the payable contribution to the NISSE prior to the fourth quarter of the contribution year as per the instructions from the NISSE.

Sigedis has, furthermore, the legal duty to make the information (furnished by the pension institution) regarding the calculation basis for the contribution of 1.5% available to the collection institution (NISSE) **6**.

The NISSE will check that the payments are correct by comparing the received amounts (originating from the companies) with the data from DB2P **7**.

Timeline administrative procedure



2.1.3. Consulting your data

Now you can consult information in your online DB2P file that you need for the calculation of the Wijninckx contribution. Here you can immediately find what contribution you need to pay and file but you can also check the calculation and the different calculation elements in detail.

Overview per company

In the overview you can find the amount of the payable special contribution (Wijninckx contribution) per contribution year. This is the **'calculated contribution'** in the overview. The contribution has been calculated on the basis of the information that is available for you in DB2P on the calculation date and that was filed by your insurance company or pension fund. The calculation was performed by Sigedis in conformity with the instructions of the NISSE and on the basis of the statutorily established calculation method. You can find more information about the calculation method on the website of the NISSE.

Your pension institution must file the amounts that determine the collection basis for the Wijninckx contribution (reference is also made to the diagram above "Timeline administrative procedure") with DB2P at the latest on 30 June of each contribution year. You, as a company, can then consult these amounts and the calculation of the contribution in your online file as from 1 September of each contribution year. This is the date that you can find in the overview under **"situation as at"**.

Your situation is always communicated on 1 September and 31 December of each contribution year and with every change of the information in DB2P. It is therefore possible that you see three rows in the overview. A first row for the situation as at 1 September, a second row for changes between 1 September and 31 December and a third row if the information in DB2P still changes after 31 December of the contribution year.

Under “**calculated on**” in the overview the calculation date is shown. The amounts are recalculated with every change of the information in DB2P as filed by the pension institution. If the situation is communicated on 1 September and 31 December then the recalculation date can differ from – and therefore be earlier than – the date that is shown under “situation as at”.

In addition you can find the “**calculation basis**” in the overview. This is the total amount in respect of which you, as a company, are liable to pay a special contribution of 1.5% (calculation basis * 1.5% = calculated contribution). The calculation basis for you, as a company, equals the sum of the calculation basis of each individual affiliate for whom the supplementary pension accrual exceeds the statutorily established threshold for this contribution year.

If you want to check the calculation in more detail then you can click to the various calculation elements in the overview. You are then shown a list of all affiliates for whom you must pay a special contribution of 1.5% this contribution year. In addition to the INSS number, the given name and the surname, the “**calculation basis per affiliate**” is also shown. This is, per affiliate, the part of the supplementary pension accrual in respect of which a special contribution of 1.5% must be paid for this contribution year. The calculation basis therefore equals the part of the supplementary pension accrual that exceeds the statutory threshold of this contribution year.

When processing the declarations in DB2P by your pension institution the affiliates are identified on the basis of their INSS number. If the affiliate can be identified and an INSS number is therefore retrieved then in the overview the information for all declarations (possibly filed by multiple pension institutions) is aggregated for one affiliate. If an unambiguous INSS number cannot be retrieved for the affiliate during the processing of the declaration then only the information from this declaration is shown. The overview only includes the unidentified declarations from which it becomes apparent that the supplementary pension accrual exceeds the statutorily established threshold. In the overview the “unidentified” value is then used instead of the INSS number.

Detailed records per affiliate

To verify how the calculation basis per affiliate has been established you can, ultimately, retrieve more details per affiliate. Here you can consult the total amount (**total amount**) of the supplementary pension accrual of the affiliate. For the supplementary pension accrual the sum of the following is taken into account:

- the amounts allocated to the individual account of the affiliate in case of a pension commitment of the type fixed contributions, fixed benefits administered via individual agreements or cash balance;
- the amount of the evolution of the reserves of an affiliate in case of a pension commitment of the type fixed benefits that is not administered via individual agreements;
- the amount of the premium(s) for the death cover that is not financed by amounts allocated to the account or through the evolution of the reserve.

The detailed records also provide you with the threshold amount for the contribution year in question. In order to assess whether or not the supplementary pension accrual exceeds the threshold amount the complete pension accrual is taken into account.

If multiple pension institutions filed amounts for the affiliate then these amounts are first shown on the detailed records in an aggregated manner *per affiliate*. In addition you can also consult detailed records *per pension institution*. In addition to the total amount of the supplementary pension accrual per pension institution you can also find the different amounts here that are taken into account for the supplementary pension accrual (allocated amounts, evolution of reserves, ...).

Search affiliate

Via the overview you have the possibility of clicking to the detailed records of the affiliate for whom you are liable to pay a special contribution. In addition you can also consult detailed records for each affiliate via a

search on the INSS number and contribution year. Hence this search is not limited to the affiliates for whom you are liable to pay a special contribution. After all, your insurance company or pension fund must file the amounts of the supplementary pension accrual of all affiliates with DB2P.

Unidentified affiliates list

Individuals are identified in DB2P on the basis of their INSS number. It is, however, possible that an affiliate cannot be identified during the processing of the declarations in DB2P. On the basis of the information that the pension institution communicates an unambiguous INSS number can in that case not be retrieved for the affiliate in question during a search in the national register (or the CBSS register).

If an INSS number cannot be retrieved for one or more affiliates then you can request the list of these unidentified affiliates in your BD2P file about the Wijninckx contribution. This list includes each individual declaration for which the affiliate could not be identified.

Unidentified declarations can result in an incorrect or incomplete calculation of the special contribution. We therefore request you to, if the occasion arises, forthwith contact your pension institution and to provide the required information in order that all affiliates can be identified unambiguously.

Responsibility of companies

The special contribution of 1.5% has been calculated on the basis of the information that is available for you in DB2P on the calculation date and that was filed by your insurance company or pension fund. The calculation was performed by Sigedis in conformity with the instructions of the NISSE and on the basis of the statutorily established calculation method.

The calculation is indicative and can only be deemed to be correct if the data in DB2P are also complete and no longer change. Hence as a company you always remain responsible for the correct calculation and payment of the contribution. It is therefore important that you verify whether or not the information filed by your pension institution is entirely correct and complete.

If you determine that the registered information is not entirely correct then you can report this via the online application. Via the "Report an error" option you can inform your pension institution that certain features or documents are not correct. You cannot directly adjust the data in the database yourself. Your report is forwarded to your insurance company or pension fund in order that the latter can verify if and how the information in DB2P needs to be adjusted.

3. Internally financed individual pension commitments

Although it is primarily the duty of insurers and pension funds to furnish information to DB2P, you too, however, as a company, must report certain parts of your DB2P file. The declaration obligations of your pension institution are limited, however, to the commitments that you have asked them to implement. If you have another (or several) pension commitment(s) for a specific self-employed manager that you are financing internally, then you yourself are responsible for registering it (them) in DB2P.

This relates to an individual pension promise to a specific self-employed manager, granted prior to 1 July 2012. Such individual commitments are, regarding their financing in the past, not subject to the requirement that they be placed with a separate, external pension institution. The financing of the promise does not, therefore, have to be externalised but may take place via provisions in the balance sheet within the company or by taking out manager's insurance (a life insurance policy on life of the self-employed manager concerned for the benefit of the company, without said self-employed manager being able to draw any rights directly from it).

These individual commitments, for which the internal provision (from prior to 2012) had not been transferred to an external pension institution, must be reported by the company to DB2P. This may be done via the online application from January 2014. Your internal pension commitments must be registered and the associated information (i.a. the amount of the provision or the insured capital) communicated by 31 December 2014 at the latest.

Specific instructions and further information regarding the declaration of internally financed individual pension commitments will be included in a further version of this document (substantive documentation). This version shall be made available in a timely fashion.