



Stichting Mars Pensioenfonds (Mars Pension Fund)

CORRECTION POLICY

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CONTENTS

SECTION I INTRODUCTION	3
Article 1 Introduction	3
SECTION II CORRECTIONS AND COMMUNICATION	4
Article 2 Correction of pension entitlements and pension capitals	4
Article 3 Correction of pension benefit payment that is too low	4
Article 4 Correction of pension benefit payment that is too high	4
Article 5 Repayment schedule for corrections with retroactive effect	4
Article 6 Communication	5
SECTION III IMPROVEMENT PROCESS	6
Article 7 Improvement process	6
SECTION IV APPEAL	7
Article 8 Appeal	7
SECTION V HARDSHIP CLAUSE AND UNFORESEEN CIRCUMSTANCES	8
Article 9 Hardship clause and unforeseen circumstances	8

SECTION I INTRODUCTION

Article 1 Introduction

The correction policy in this document is applicable to the pension entitlements of members in the Final Pay pension plan, pension capitals of members in the ARP/ASP pension plan and pension benefit payments of beneficiaries. The definitions as mentioned in the articles of association en the pension plan rules are also applicable on this correction policy.

SECTION II CORRECTIONS AND COMMUNICATION

Article 2 Correction of pension entitlements and pension capitals

In principle both too low or too high established pension entitlements (Final Pay) or pension capitals (ARP/ASP) will be corrected with retroactive effect.

Article 3 Correction of pension benefit payment that is too low

A pension benefit payment that is too low will be corrected with retroactive effect. With the first possible payment date a member will receive the correct pension benefit payment including the back payment and legal interest as described in art. 6:119 BW.

If the back payment has consequences for income tax and/or supplementary benefits act, the pension fund will compensate for this, if a member can provide evidence of the negative effects and has also tried to limit the negative effects as much as possible.

Article 4 Correction of pension benefit payment that is too high

- a) If a member has provided incorrect or incomplete information, a pension benefit that is too high will be corrected with retroactive effect and the overpaid amount will be repaid by the member.
- b) If a member for a short period of time has received a pension benefit payment that is too high or knew / could have known that the pension benefit payment is too high, the pension benefit will be corrected with retroactive effect and the overpaid amount will be repaid by the member.
- c) If a member for a prolonged period received a pension benefit payment that is too high or could not have known the pension benefit was too high, the pension benefit will be corrected going forward.
- d) In special circumstances the pension fund can decide to correct a pension benefit over time, after an adjustment period. For example in a situation when a member received the higher pension benefit for a prolonged period and the member could not have known the pension benefit payment was too high.

Article 5 Repayment schedule for corrections with retroactive effect

On request by the member a repayment schedule can be agreed. As a starting point the overpaid amount need to be repaid in the current calendar year. If this is not possible the maximum term for the repayment schedule is 3 years. Repayment of the overpaid amount is either a deduction on the monthly payment or direct payment of the full amount by the member to the pension fund. In special circumstances the pension fund can decide to deviate from the maximum term of 3 years.

A repayment in the current calendar year is a nett repayment by the member and a repayment in multiple calendar years will be repaid gross by the member.

If no repayment schedule can be agreed with the member or the member does not meet the conditions of the repayment agreement, the pension fund is entitled to start a debt collection procedure.

Article 6 Communication

- 1) In Case of a pension benefit payment that is too high:
Pension beneficiaries are preferably informed by phone about the correction of their pension benefit. If no phone number is available, the pension fund will send a request by letter (or electronically) asking the beneficiary to contact the Pension Service by phone. After a phone conversation, the beneficiary will always receive a written confirmation of the revision. If the beneficiary cannot be reached by phone, the pension fund will inform them in writing only. The reduction of the pension benefit will not take effect until at least one month has passed since the written confirmation.
- 2) In Case of a pension benefit payment that is too low:
The pension beneficiary will be informed in writing as soon as possible about the back payment and/or the future increase in their pension benefit. The beneficiary will receive the increased pension benefit, including the back payment and statutory interest as specified in Article 6:119 of the Dutch Civil Code (BW), with the next available payment.
- 3) In Case of a correction of pension entitlements and pension capital:
The pension fund will inform participants in writing about this revision.

SECTION III IMPROVEMENT PROCESS

Article 7 Improvement process

When an error is identified, an investigation is conducted to determine its cause and impact. The following aspects are considered in the investigation:

- Determining whether the error is incidental or structural in nature.
- Assessing the size of the affected population.
- Evaluating the (financial) impact of the error.
- Determining whether additional checks are necessary.

Based on the findings of this investigation, internal processes and procedures are evaluated and improved where necessary to prevent future errors.

SECTION IV APPEAL

Article 8 Appeal

If a member does not agree with the correction, he can appeal to the pension fund. For this the Complaints and disputes regulation of the pension fund is available on the website.

SECTION V HARDSHIP CLAUSE AND UNFORESEEN CIRCUMSTANCES

Article 9 Hardship clause and unforeseen circumstances

In distressing cases where applying the correction policy is leading to an unacceptable outcome, the Pension Board has the authority to deviate from the correction policy.

In unforeseen circumstances the Pension Board of Mars Pension Fund decides on the correction.