



Network for Studies on Pensions, Aging and Retirement

2022 Financial Statements

April 2023



Annual Financial Statements for 2022

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2022 Financial Statements

Income (x k€)	2021	2022
General income	1.771	2.191
Specific income	742	745
Total income	2.513	2.936

Expenses (x k€)	2021	2022
Network Development	202	285
Knowledge Development	1.879	1.719
Knowledge sharing	597	611
Knowledge sharing - Events	80	218
Knowledge sharing - Publications	103	99
Knowledge sharing - Expertise centre	224	201
Knowledge sharing - Education	190	184
Management & operations	546	595
Total expenses	3.224	3.210

Due to rounding, some totals may not correspond with the sum of the separate figures.

Notes to the 2022 Financial Statements

Summary

In 2022, Netspar continued to execute its four-year Action Plan for 2019–2023, known as “Pensions in Transition.” Under this Action Plan, funding for long-range research was originally only available for 2019–2021. However, thanks primarily to new revenue from partners that have joined the network, room was found in the budget for 2021 and the following years to fund new long-range research alongside the short-term research. This is important in terms of maintaining knowledge development at Netspar and ensuring continuity as we move on to the new 2023–2027 Action Plan, “Pensions of the Future: Transition and Beyond.”

More Income Due to Shifts in Timing

Compared to 2021, total income was higher in 2022 (+€423,000, +17%). This is partly due to shifts in the timing of revenues. In addition, last year Netspar received a contribution of €250,000 from Tilburg University, as well as €150,000 from partners that joined the network.

Steady Expenses

Expenses remained essentially flat compared to 2021 (-€14,000, -0.4%). Although the expenditure on network development, knowledge sharing, and management and operations went up, primarily due to higher personnel costs, this was offset by lower expenses for knowledge development compared to 2021, mostly as a result of shifts in the timing of expenditures.

A more detailed explanation of income and expenditure follows below.

EXPLANATORY NOTES

INCOME

General Income

Revenue in the “Partner Contributions” category was higher than in 2021 (+€584,000). On the one hand, income was pushed up by contributions from the new Netspar partners/members SPH (+€50,000), BNP Paribas (+€25,000), BPL (+€25,000), IBM (+€25,000), and Zwitserleven (+€25,000), additional income received from existing partners/members, and an increase in the general contribution from Instituut Gak in 2022 (€450,000, including the contribution for 2021). On the other hand, contributions from existing partners/members were lower because some of their 2021 contributions were slated for 2022.

“Government Contributions” were lower than in 2021 (-€68,000). This was due to the fact that additional income had been received in 2021 for a commission and posting for the Dutch Ministry of Social Affairs and Employment (SZW).

The total for “Other Income” was lower in 2021, as well (-€97,000), due primarily to the financial support that had been received in 2021 from the Dutch Social and Economic Council (SER) to further Netspar’s mission.

Specific Income

The income earmarked for specific purposes was higher than in 2021 (+€3,000). On the one hand, it was lower because the PPP allowance for public-private partnerships that had been awarded in 2018 and 2019 had been largely spent.¹ On the other hand, more income was received in the form of compensation from Instituut Gak for a new project spanning both 2022 and 2023, alongside the two ongoing projects for them, and a contribution from Tilburg University for executing the new 2023-2027 Action Plan.

¹ The PPP allowance is a subsidy on the research investments made by partners through Netspar; the project is being carried out by CLICKNL, a leading think tank in the creative sector.

EXPENSES

On the expense side, Netspar draws a distinction between its three primary functions:

- Network Development;
- Knowledge Development;
- Knowledge Sharing (events, papers, and education)

Costs are allocated as much as possible to each of these three primary role categories. There is also an item for Management & Operations.

Network Development

Netspar plays both an initiating and facilitative role in bringing together industry, government, and academic parties to address the issues of retirement and aging. The overall goal is to connect science with practice. This is best exemplified by the many research projects, not to mention gatherings and events, organized in the past year. Here is a small sample from the 2022 schedule:

- 25 online After-Lunch Working Group Meetings where new research was presented and discussed by scholars and experts from the field.
- 2025 Pension Symposium: Anyone professionally involved with pensions and retirement benefit plans will have to deal with the Future of Pensions Act. The book *Pensioen 2025* has been compiled to provide guidance for them, with contributions from various disciplines.
- The annual Pensions & Research conference held on the campus of Tilburg University, the theme of which was “Customization and Risk Preferences.”
- The public event “Boomers, Millennials, & Generation Z: Is Everyone Getting a Fair Pension?” This conference consisted of an afternoon full of dialogue between scientists, industry professionals, and general members of society, represented by young and old.
- In November, Netspar played an active role in the national retirement awareness campaign known as the Pensioen3daagse. In conjunction with the Dutch Money Wise platform, the Federation of Dutch Pension Funds, and the Dutch Association of Insurers, we organized a series of workshops on pension communications and handed out the Pensioenwegwijzer prize at a symposium.
- The formal presentation of the report “Independent Contractors and Blank and Gray Spots” to Tuur Elzinga of the FNV trade union at a special workshop. The report examines how to improve pension and retirement savings among groups of workers lacking in that area.

In addition to these specific events, partner visits were held at every level as part of Netspar’s relationship management efforts and partners were actively recruited, resulting in the admission of the pension funds for physicians, agriculture industry workers, IBM, and the bank BNP Paribas. A variety of communication tools were also deployed to further develop the network and boost name recognition, such as increasing visibility both on social media (LinkedIn and Twitter) and in the national press, and through the monthly Newsflash newsletter (adding subscribers) and the Netspar website (targeting recruitment).

The expenditure on network development increased in 2022 compared to 2021, primarily as a result of personnel changes (+€83,000, +42%).

Knowledge Development

The expenses related to knowledge development derive from the grants² that Netspar awards each year for various types of research projects, as well as from projects that Netspar executes with funding from third parties. These cover the cost of the research itself and its coordination and any incidental costs for data. It should be noted that in 2021, extra topicality projects were awarded in addition to the standard ones (for short-term policy-oriented research) for research related to the drawing up of the Pension Agreement.

The actual expenses for ongoing knowledge development were lower in 2022 than in 2021 (-€160,000, -9%). This can be attributed, in part, to the extra topicality projects awarded in 2021 with regard to studying aspects of the Pension Agreement being worked out. We refer you to Appendix I for a more detailed explanation of the expenses for the various categories of projects.

Knowledge Sharing

It is essential that the knowledge developed with Netspar's support find its way to the industry, policymakers, and academia. Netspar accomplishes this through its events, After-Lunch webinars, podcast series, papers (including one pagers), on-site knowledge sessions, guest appearances, flash webinars (Pensioen3daagse), and education offerings, among other things, as well as through the partner advisory services of its Expertise Center. Netspar actively uses social media to disseminate knowledge, and based on the attention Netspar research has received in not only trade publications such as Pensioen Pro but also the national media, the press clearly knows how to find Netspar researchers.

The expenses for events were higher than last year (+€48,000, +60%). This was primarily caused by personnel changes and higher facilities costs for in-person events. The publication expenditures were lower (-€4,000, -4%) due in part to the lower cost of producing papers, podcasts, and one pagers and for open access. The expenses for the Expertise Center and for education were also lower than in 2021 (-€23,000, -10% and -€6,000, -4%, respectively), largely due to the hiring of less staff.

Management & Operations

The Management & Operations item contains costs that cannot be directly allocated to one of Netspar's three primary functions (i.e., network development, knowledge development, and knowledge sharing). Expenditure on this was higher in 2022 than in 2021 (+€51,000, +9%). On the one hand, there was a drop in expenditure because the compensation for the chair of the Supervisory Board was eliminated in 2022, as was that for subscriptions and training expenses. On the other hand, costs increased as a result of the need to hire temporary staff (for automation), catering costs and travel, entertainment, and accommodation expenses.

² Appendix I lists the projects awarded prior to 2022 for which payments were made in 2021 and 2022 and/or will be made in coming years.

2022 Results

As was foreseen, expenses once again exceeded income in 2022. A total of €275,000 was therefore withdrawn from the general reserves (income received in advance).

Multi-year Financial Statement

Multi-year Financial Statement per 12/31/2022

Projected Income and Assets		Projected Expenses and Liabilities	
<i>Certain income</i>		<i>Liabilities</i>	
Partner contracts	8.846.000	Projects underway and education	10.034.794
Government financing	2.420.000	Contracted personnel	3.300.606
Targeted subsidies	3.069.739	Scenario for winding up projects	833.000
Other income	-	Reserves for personnel costs	961.732
Liquid assets	6.361.265		
<i>Uncertain income</i>		<i>Yet to be allocated</i>	
Still to procure	258.000	2019-2023 and 2023-2027 Programs	5.462.028
		Unreserved balance	362.845
	<hr/> 20.955.004		<hr/> 20.955.004

Due to rounding, some totals may not correspond with the sum of the separate figures.

Notes to the Multi-year Financial Statement

Netspar started executing its “2019–2023 Action Plan” on April 1, 2019, followed by the “2023–2027 Action Plan,” which took effect April 1, 2023. As of December 31, 2022, over €20.9 million has been budgeted for liabilities associated with that, as well as with earlier action plans and the 2023–2027 program (with the attendant winding-up scenario through 2030).

The long-range income budgeted (€14.3 million) is largely covered financially through contracts and commitments. Income yet to be procured has been included to a limited extent. In terms of the projected long-range expenditures, 72% involves existing obligations. In addition, 28% has been budgeted as “yet to be allocated” within the 2019–2023 and 2023–2027 Action Plans. These expenditures are allocated each year when the budget is adopted. Based on the annual figures for 2022, combined with the budgets for 2023 through 2030, the remaining “Unreserved Balance” item totals €363,000. When the items originally budgeted for 2022 but not fulfilled until later are further accounted for, the projected remaining “Unreserved Balance” will be €644,000 by 2030.³

Expected Income and Assets

We briefly describe the various kinds of income and assets below.

Partner Contracts

This item pertains to partner contributions yet to be received from partners in the pension and insurance industry, including regulatory agencies, that have committed to the jointly drafted research agenda for four years through fixed annual contributions. It also includes a contribution from Instituut Gak and a contribution from Tilburg University for participation in an academic collaborative center.

Government Financing

This item pertains to contributions still to be received from a consortium led by the Dutch Ministry of Social Affairs and Employment (SZW) that supports the 2023–2027 Action Plan.

Targeted Subsidies

Netspar carries out a number of projects that are sponsored by outside parties. The monies are earmarked for specific activities agreed upon in advance. These concern:

- Two endowed academic chairs, including traineeships and postdoc positions, financed by Instituut Gak;
- Projects executed for CLICKNL under a PPP project allowance; this income is still uncertain.

Liquid Assets

This pertains to the balance of income and expenditures from previous years.

Still to Procure

The long-range estimates include a limited amount of income that has yet to be procured and is uncertain.

³ The 2023 budget projected a final balance of €299,000. Based on the actual results for 2022, that amount is now €345,000 higher, raising the projected balance to €644,000.

Projected Expenses and Liabilities

On the expenses side, a distinction is made between continuing commitments and monies that are not yet committed to specific projects or operations.

Liabilities

- *Projects Underway and Education*

In addition to the projects underway for the 2023–2027 program period, there are still some from the 2019–2023 and 2015–2019 periods taking place. The obligations arising from those projects are aggregated in this item. These pertain to payments owed to projects based on a previously agreed-upon schedule, adjusted as necessary according to an annual accounting of activities. In addition, there are obligations arising from the executive education program.

- *Contracted Personnel*

Netspar staff are under permanent contract. This item is based on what the total payroll costs would be for continuing activities through April 1, 2027, in the unforeseen event that the funding for a program beyond 2027 does not materialize.

- *Scenario for Winding Up Projects*

In the event that funding for a new 2027–2031 Action Plan does not come through, provisions have been made for a winding-up scenario that would take four years to complete (2027–2030), including an annual budget for publishing papers, holding a few events, and maintaining a minimal staff. As a precaution, €833,000 has been planned for the entire winding up period (Q2 2027–2030).

- *Reserves for Personnel Costs*

Netspar is required under the terms of its implementation agreement with Tilburg University to put aside certain reserves to cover part of the severance payments for Netspar staff in the event of liquidation.

Monies Yet to Be Allocated

- *2019–2023 and 2023–2027 Programs*

Future costs related to executing the 2019–2023 and 2023–2027 Action Plans fall under this item. The costs pertaining to Netspar office staff are not included here (see instead “Contracted Personnel”). On the one hand, this includes the anticipated expenses for new research to be commissioned and related activities, as provided for in the budget for 2023 and beyond. On the other, it includes expenses deriving from execution of the 2022 program which shifted in time but were not provided for in the 2023 budget (adopted last September).

- *Unreserved Balance*

Upon execution and completion of the 2019–2023 and 2023–2027 Action Plans and earlier programs as budgeted, a balance of funds will remain that is “unreserved.” As of December 31, 2022, that item amounted to €363,000. When the items originally budgeted for 2022 but not fulfilled until later are further accounted for, the projected remaining “Unreserved Balance” will be €644,000 by 2030. That balance serves as a buffer for any unforeseen setbacks. This projected balance of €644,000 includes uncertain income from partners totaling €4.2 million.

Appendix I. Project Expenses in 2022

Here follows a summary of the payments made for ongoing projects in 2022. It includes mention of the new projects awarded that year. Appendix II lists the projects awarded prior to 2022 for which payments were made in 2021 and/or 2022. In the course of a project, adjustments are regularly made. As a result, the total payments can be lower (but never higher) than the amount originally awarded.

Theme Projects

As part of its research agenda, Netspar funds up to 50% of select three-year social science research projects, for a maximum of between €250,000/€275,000 and €500,000 per project. Project teams are composed of diverse scholars and team members employed by one of the industry partners. Members of the project teams participate in working groups (gathering input from other scientists and professionals) and present the research results at Netspar events. Agreements are also reached with regard to the number of industry papers that are to be drafted.

(Amounts in €1,000)	Total Grant	Payments						
	Amount	2021	2022	2023	2024	2025	2026	2027
Granted in 2015	990	108	-	-	-	-	-	-
Granted in 2016	1.000	91	105	-	-	-	-	-
Granted in 2017	1.000	234	147	47	-	-	-	-
Granted in 2018	1.000	245	134	164	173	-	-	-
Granted in 2019	750	122	162	148	265	-	-	-
Granted in 2020	750	97	189	177	114	173	-	-
Granted in 2021	750	-	95	148	224	221	68	-
Granted in 2022	800	-	-	75	181	211	138	195
	7.040	897	832	759	957	605	206	195

Granted in 2022

- Max Groneck (RUG): *Work in old age and when disabled: The role of employer responsibility*
- Frank van Tubergen, Jelle Lössbroek (NIDI): *Migrants' retirement preparation: Risk factors, causes, solutions*
- Antoon Pelsser (UM), Servaas van Bilsen (UvA): *Optimal intergenerational risk sharing with reference-dependent preferences*

In addition, in 2022, Instituut Gak awarded a €250,000 grant to a project submitted under the call for Netspar theme project proposals. That was for the project "The measurement, understanding and application of risk aversion differences for pension investments" by Martijn de Vries (VU).

Individual Research Grants

In the Individual Research Projects, Netspar funds up to 50% of the costs for a PhD candidate, or the equivalent sum for a post-doc researcher, for a maximum of three years and €80,000. The PhD student or postdoc is required to write two industry papers and participates in Netspar events. No Individual Research Grants were awarded in 2019, 2020, 2021, or 2022. Furthermore, no budget was available for these grants in the 2019–2023 Action Plan.

(Amounts in €1,000)	Total Grant Amount	Payments		
		2021	2022	2023
Granted in 2017	240	2	-	-
Granted in 2018	253	31	7	5
	493	33	7	5

Topicality Projects

The objective of the topicality projects is to formulate solutions for clearly delineated topical issues on the Netspar agenda; these projects are aimed at fostering collaboration between scholars and professional experts. Each topicality project produces an industry paper.

(Amounts in €1,000)	Total Grant Amount	Payments			
		2020	2021	2022	2023
Granted in 2018	160	42	-	-	-
Granted in 2019	160	102	-	-	-
Granted in 2020	240	61	108	21	-
Granted in 2020, 2021 budget	120	12	34	-	14
Granted in 2021	153	-	47	86	-
Granted in 2022	90	-	-	27	63
	923	217	189	134	77

No extra out-of-pocket expenses are incurred for topicality projects carried out as part of a theme project. Similarly, if they are carried out under the Expertise Center, no funding is provided from this budget.

Granted in 2022

- Lisa Brüggem (UM), Bas Werker (TiU): *Communicatie rond toedeling persoonlijke vermogens* (Communications surrounding allocation of personal assets)
- Peter Schotman (UM), Niels Kortleve (PGGM), Rens van Gastel (PGGM), Theo Nijman (TiU): *Kunnen we inflatierisico's in de uitkering beter beheersen in de nieuwe premieregelingen?* (Can we better manage inflation risk in the new DC plans?)
- Bas Donkers, Benedict Dellaert (EUR): *Keuzebegeleiding rond vast en variabel pensioen* (Guided selection in fixed and variable pensions)
- Casper van Ewijk (TiU), Mark Heemskerk (RUN): *Economische en juridische aspecten van de keuze voor fondsen om wel of niet in te varen* (Economic and legal aspects of funds' decisions on whether or not to convert existing assets)
- Raun van Ooijen, Rob Alessie (RUG): *Risk capacity measurement: A review of the scientific literature and application using Dutch administrative data*
- Erik Lutjens (VU), Hans van Meerten (UU): *De houdbaarheid van de taakafbakening in het toekomstig pensioenstelsel* (Maintainability of the demarcation between roles in the future pension system)

- Nikolaus Schweizer (TiU): *Prudent investment for agents with unstable preferences in an uncertain world*

Comparative Research Grants

Researchers may be eligible for a Comparative Research Grant of up to €20,000. The aim is to compare pension and retirement legislation and products in different countries (including the Netherlands) and draw relationships to the academic literature. The main condition is that the researcher write an academic paper (Netspar Discussion Paper) to be presented at the International Pension Workshop.

(Amounts in €1,000)	Total Grant	Payments			
	Amount	2020	2021	2022	2023
Granted in 2019	40	28	-	-	-
Granted in 2020, 2019 budget	20	6	14	-	-
Granted in 2020	20	6	14	-	-
Granted in 2021	60	-	18	42	-
Granted in 2022	60	-	-	18	42
	200	40	46	60	42

Granted in 2022

- Bastiaan Starink (TiU), Gylfi Zoega (University of Iceland): *Mandatory pension accrual of entrepreneurs: A comparison between the Netherlands and Iceland*
- Vito Polito (University of Sheffield), Burkhard Heer (Augsburg University), Mike Wickens (University of Cardiff): *Pension systems (un)sustainability and fiscal constraints: A comparative analysis*
- Sally Shen (GRI), John Turner (Pension Policy Center), Joanna Rutecka-Góra (Warsaw School of Economics), Sylwia Pieńkowska-Kamieniecka (University of Warmia and Mazury), Emily Andrews (Pension Policy Center): *Pension fees in the Netherlands, United States, Poland, and Canada*

One-time Projects

In addition to the regular grants program, one-time project funding is occasionally awarded. No one-time projects were awarded in 2022.

Instituut Gak

In association with the endowed chair for pensions (held by Prof. Dr. M.G. Knoef), a new research project was launched in 2022: 'De vormgeving van pensioen nu en in de toekomst' (The design of pensions now and in the future). One-half a PhD position and 1 traineeship is available for this.

Appendix II. Grants Awarded for 2022

This appendix provides a list of the grants awarded prior to 2022 for which payments were made during or after 2021 and 2022 or will be made going forward. It is thus not a complete overview of all grants awarded in previous years.

1. Theme Projects

Granted in 2015

- Eddy van Doorslaer, Erik Schut (EUR): *Optimal saving and insurance for old age: The role of public long-term care insurance*

Granted in 2016

- Marike Knoef (LEI): *Uncertainty over the life cycle: Implications for pensions and savings behavior*
- Benedict Dellaert (EUR): *Individuals' choices of comprehensive pension plans*
- Andries de Grip, Raymond Montizaan (UM): *Work, health and retirement*

Granted in 2017

- Johan Mackenbach, Wilma Nusselder (Erasmus MC): *Longer life, longer in good health, working longer? Implications of educational differences for the pension system*
- Antoon Pelsser (UM): *Design of pension contracts in incomplete markets and under uncertainty*
- Marcel Lever (CPB): *Choice architecture in pensions and retirement*
- Peter de Goeij, Eric Postma (TiU): *Data science solutions to enhance pension communication*

Granted in 2018

- Hans Hoeken, Leo Lentz (UU): *The effectiveness of decision aids in pension communication and the role of literacy*
- Kène Henkens (NIDI): *The causes and consequences of retirement: A sociological perspective*
- Arno Riedl, Jona Linde, Peter Werner (UM): *Understanding and improving pension savings by combining incentivized experiments, survey, and administrative big data - A general employed population sample with a focus on the self-employed*
- Marijke van Putten (LEI): *Development and tests of a model for inertia in retirement decisions*

Granted in 2019

- Arthur van Soest (TiU): *Work and disability in old age: Restrictions & incentives*
- Rob Bauer (UM): *How to elicit preferences for sustainable investments?*
- Stefan Hochguertel (VU): *The effect of macroprudential policies on pensions and retirement preparation*

Granted in 2020

- Mathijs van Dijk (EUR): *Climate risks in investment portfolios*
- Benedict Dellaert, Bas Donkers (EUR): *Individual pension choices in uncertain times: Advancing digital support for risky pension decisions*
- Harry van Dalen (NIDI): *Pension monitor: Understanding causes and consequences of trust in pension institutions*

Granted in 2021

- Lisa Brüggén (UM): *Automated financial advice: Quality, ethical and design challenges*
- Raun van Ooijen, Sandra Brouwer (UMCG): *Health and labor market uncertainty over the lifecycle: The impact on households' risk capacity and retirement income adequacy*
- Peter Schotman (UM): *Collective investment for heterogeneous individuals*

2. Individual Research Grants (previously called Small Vision Projects)

Granted in 2017

- Wiebke Eberhardt (UM, OU): *Facing the pension communication challenges of tomorrow: On aging, emotions, and artificial intelligence*

Granted in 2018

- Alexander Henkel (OU): *Untangling human interaction patterns: Learning from automated emotion detection in the consumer pension context*
- Bart Dees (TiU): *Pensions products for heterogeneous agents accommodating for life events*

3. Topicality Projects

Granted in 2020

It is worth noting that in 2020, additional topicality projects were awarded alongside the standard topicality projects for research on COVID and the pandemic's effects on pensions and retirement and as part of the drawing up of the Pension Agreement. That latter item relates to topicality projects in the 2021 budget.

No extra out-of-pocket expenses are incurred for topicality projects carried out as part of a theme project. Similarly, if they are carried out under the Expertise Center, no funding is provided from this budget.

Standard Topicality Projects

- Willem van der Deijl, Bas Werker (TiU): *Ethiek rondom datascience en bigdatagebruik* (Ethics of data science and big data use)
- Marike Knoef (LEI): *Hoe kan men de risicohouding van de deelnemer vaststellen bij een pensioenregeling?* (How to determine members' attitudes toward risk in a pension scheme)
- Jona Linde (UM): *Stapel van keuzes* (Accumulation of choices)
- Mathijs Cosemans (EUR): *Climate change and long-horizon portfolio choice: Combining theory and empirics*
- Albert van Marwijk-Kooy (LEI): *Pensioen gender gap in Nederland* (Pension gender gap in the Netherlands)
- Ton Wilthagen, Michael Visser (TiU): *Invloed op pensioen vanuit ontwikkelingen op de arbeidsmarkt* (Effect on pensions of labor market developments)
- Onno Steenbeek (EUR): *Transition to a new pension contract in the Netherlands - Lessons from abroad*

Topicality Projects Related to COVID

- Mathijs van Dijk (EUR): *Do sustainable companies perform better during the corona crisis?*
- Martijn de Vries (TiU): *Risk-taking behavior after COVID-19: Global implications for financial markets and pensions*
- Pieter van Baal (EUR): *Modellering sterftekansen* (Modeling mortality risks)

Topicality Projects Related to Pension Agreement Details (from the 2021 Topicality budget)

- Herman Kapelle, Erik Lutjens (VU): *De solidariteitsreserve juridisch ontrafeld* (Legally unraveling the solidarity reserve)
- Anne Balter (TiU): *Gevoeligheid transitie voor veronderstellingen en omstandigheden* (Vulnerability to assumptions and conditions in the transition)
- Rob Alessie, Viola Angelini (RUG): *Het meten van risicocapaciteit* (Measuring risk capacity)

Granted in 2021

In 2020, in consultation with its partners, Netspar included funding for six extra topicality projects in the 2021 budget. This concerned projects related to the details being worked out for the Pension Agreement, and given the urgency at the time, turnaround times were kept short so that the initial findings would be available for use during the legislative process. In 2021, standard topicality projects were awarded with the remaining budget. That year, an additional four topicality projects were also awarded for research into the details of the Pension Agreement.

No extra out-of-pocket expenses are incurred for topicality projects carried out as part of a theme project.

Standard Topicality Projects

- Lisanne van Weelden, Hans Hoeken (UU): *Visuele communicatie van onzekere pensioenuitkeringen* (Visual communication of uncertain pension benefits)
- Jona Linde, Arno Riedl, Peter Werner (UM): *Ontwikkeling van risicohouding* (Developing risk attitudes)
- Mathijs van Dijk (EUR), Philipp Krüger (University of Geneva): *De rekening opmaken: Heeft duurzaam beleggen invloed op risico en rendement?* (Taking stock: Does socially responsible investing affect risk and return?)
- Casper van Ewijk, Lex Meijdam, Eduard Ponds (TIU): *NDC pensioen: een alternatief voor Nederland?* (NDC pension plans: An alternative for the Netherlands?)

Extra Topicality Projects, Related to Pension Agreement Details

- René Maatman, Mark Heemskerk (RU): *Verantwoordelijkheidsverdeling sociale partners en fondsbestuur* (Division of responsibilities between social partners and pension fund boards)
- Peter Schotman (UM), Rens van Gastel (PGGM), Niels Kortleve (PGGM), Theo Nijman (TIU): *Beschermingsrendementen en toedeling overrendementen* (Protective returns and distribution of excess returns)
- Tanachia Ashikali (LEI): *Diversiteit in Pensioenfondsbesturen* (Diversity in pension fund boards)

4. Comparative Research Grants

Granted in 2020

- Antoon Pelsser (UM): *International comparison of pension fund regulation* (2019 budget, with 50% co-funding from the Canadian Global Risk Institute)
- Dorly Deeg, Martijn Huisman (VUmc): *Secular trends in employment of older workers in the Netherlands and Norway: How influential are policy regulations?*

Granted in 2021

- Jens Kvaerner (TIU): *Household portfolio decision in low interest rate environments*
- Jan Kabátek (Melbourne University): *The effects of an ageing workforce on labour demand and workers' careers: Evidence from linked employer-employee data and pension reforms in the Netherlands and other countries*
- Marco Francischello (Imperial College Business School, London): *Retirement policies, sustainability and inequality: A comprehensive framework*

5. Instituut Gak

In 2015, three research projects were launched in association with the two endowed pension chairs:

- *Beleggingsresultaten van niet-liquide activa op lange termijn* (Investment results on illiquid assets in the long term);
- *De afweging tussen kosten, ambitie en risico in pensioencontracten* (The deliberation between costs, ambitions, and risk in pension contracts);
- *De toereikendheid van pensioenen* (The adequacy of pensions).

One PhD position and two traineeships were made available for these. These projects were completed in 2021, with no additional financial obligations.

In 2019, two other research projects were launched in association with the two endowed pension chairs:

- *Vormgeving en transitie van het pensioenstelsel* (Design and transition of the pension system);
- *Waardering en beleggingsbeleid bij hervorming van het pensioenstelsel* (Valuation and investment policy in pension system reform).

One PhD position and two traineeships were made available for these.



Network for Studies on Pensions, Aging and Retirement

Appendix III. Letter of Representation



Network for Studies on Pensions, Aging and Retirement

Correspondence

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Stichting Netspar (Netspar Foundation)
Attn: Chair of the Supervisory Board
Post Office Box 90153
5000 LE Tilburg
The Netherlands

Tilburg, April 4, 2023

Re: Letter of Representation for the 2022 Financial Statements
Reference no.: N2023.025

Dear Ms. Wortmann,

We hereby submit the 2022 Financial Statements and Multi-year Financial Statement as of December 31, 2022, to the Supervisory Board for approval.

These are the financial statements and multi-year financial statement for the Netspar Center, part of Tilburg University. Stichting Netspar (the foundation) does not have its own financial statements per se. The commissioning contract concluded between Tilburg University and Stichting Netspar, dated August 27, 2012, specifies that Tilburg University is responsible for executing the Stichting Netspar multi-year program and for establishing an administrative body for that purpose (i.e., the Netspar Center). Stichting Netspar is obliged to place any and all resources it receives from its partners and other sponsors for the purpose of achieving its objectives with the Netspar Center, which must manage and use those resources in accordance with the instructions of Stichting Netspar.

The aforementioned contract further stipulates that every year, Tilburg University will provide Stichting Netspar with a financial annual report, including auditor's report, for the previous fiscal year, as pertains to the Netspar Center, by no later than April 1st.

The figures for the Netspar Center are part of the consolidated annual figures for Tilburg University, which include an auditor's report. To that end, the Netspar Center provides an annual analysis of the decentralized financial statements in

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conformity with the format prescribed by the Executive Board of Tilburg University. It bases these on the administrative systems designed and provided by Tilburg University. For 2022, the so-called decentralized financial statements (based on figures with a run date of 02-06-2023 and a freeze date of 02-03-2023), along with the requisite notes, were delivered to the Executive Board on February 14, 2023.

Netspar's Board of Directors considers the format that the Netspar Center must observe as a division of Tilburg University in drafting its annual figures poorly suited to providing its partners with a readily comprehensible overview of the income and expenses related to the principal functions Netspar performs. Netspar therefore also draws up more customized financial statements in its own format, which are released on the Netspar website after approval by the Supervisory Board and the release of the annual figures for Tilburg University.

The figures listed in the 2022 financial statements for the annual report align as follows with the figures in the 2022 financial statements submitted to the Executive Board of Tilburg University.

	TiU EB	Netspar Annual Report
Income	3,213	2,936
Expenditure	3,096	3,210
Profit/Loss	117	-275

Amounts X EUR 1,000

Under the Tilburg University system, the financial statements for the Netspar Center are geared to obtaining a result that must be equal to the amount to be adjusted in the agreed provisions for severance payments for the staff of the Netspar office in the event of liquidation (as stipulated in the aforementioned contract).

The differences in income (–€277,000) and expenses (+€115,000) can be explained as follows:

- Income was increased by €275,000 in compiling the financial statements according to the Tilburg University format in order to arrive at the necessary result of €117,000 (the amount of the required adjustment to the provision for severance payments to the staff of the Netspar office in the event of liquidation). This amount was deducted from prepaid income on the balance sheet.

- In addition, under the Tilburg University format, income received from Tilburg University in the amount of €2,000 was recorded for corrections to pass-through charges.
- On the expenses side, there were credit entries related to costs that were recorded as income under the Tilburg University format (-€2,000).
- The required adjustment to the provision for severance payments to the staff of the Netspar office in the event of liquidation appears in the Tilburg University format as a result.

This thus fully explains the difference in the two results.

We acknowledge our responsibility in drawing up these financial statements. These statements have our approval, and it is our belief that they constitute a fair representation of the results. We have accounted for or explained all applicable liabilities in the financial statements. And to the best of our knowledge, no events have occurred between the balance sheet date and the date of this letter that would present cause for amending the financial statements or the notes to the financial statements.

Sincerely yours,

On behalf of the Netspar Center Board of Directors,

Lisa Brüggem
General Director