



Network for Studies on Pensions, Aging and Retirement

## **2021 Financial Statements**

March 2021



## **Annual Financial Statements for 2021**

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## 2021 Financial Statements

<b>Income</b> (x € 1,000)	<b>2020</b>	<b>2021</b>
<b>General income</b>	<b>2,434</b>	<b>1,771</b>
Partner contributions	1,750	1,150
Government Contributions	680	518
Other Income	4	103
<i>Total General Income</i>	<b>2,434</b>	<b>1,771</b>
<b>Specific Income</b>	<b>239</b>	<b>742</b>
Specific Income	239	742
<i>Total Specific Income</i>	<b>239</b>	<b>742</b>
<b>Total Income</b>	<b>2,673</b>	<b>2,513</b>

<b>Expenses</b> (x €1,000)	<b>2020</b>	<b>2021</b>
<b>Network Development</b>	<b>189</b>	<b>202</b>
<b>Knowledge Development</b>	<b>1,922</b>	<b>1,879</b>
<b>Knowledge Sharing</b>	<b>632</b>	<b>597</b>
Knowledge Sharing - Events	106	80
Knowledge Sharing - Publications	87	103
Knowledge Sharing - Expertise Centre	242	224
Knowledge Sharing - Education	198	190
<b>Management &amp; Operations</b>	<b>530</b>	<b>546</b>
<b>Total Expenses</b>	<b>3,274</b>	<b>3,224</b>

## Notes to the 2021 Financial Statements

### Summary

Netspar continued to implement the four-year Action Plan “Pensions in Transition” in 2021. The Action Plan initially had resources available for 2019-2021 to start new short-term and multi-year research. Mainly as a result of new income from the entry of new partners, the budget for 2021 and subsequent years has sufficient resources to initiate both short-term and new multi-year research, also in 2022. This is relevant given the growing demand for knowledge in the transition to the new pension system. It is equally important with a view to continuity in the transition to a new Action Plan for 2023-2027.

#### *Lower income due to shifts in timing*

Total income in 2021 was lower than in 2020 (-€160,000; -6%). This is largely due to shifts in timing. In 2021, €150,000 was received from new partners.

#### *Stable expenses*

Total expenses remained almost unchanged compared to 2020 (-€50,000; -1.5%). The expenses for Network Development and Management & Operations were slightly higher due to personnel changes. On the other hand, the expenses for Knowledge Development were slightly lower than in 2020 due to additional grants in that year relating to the coronavirus (COVID-19) pandemic and the impact of the pension agreement. The expenses for Knowledge Sharing were slightly lower overall.

A more detailed explanation of income and expenses is provided below.

## EXPLANATORY NOTES

### INCOME

#### General Income

The income from “Partner Contributions” was lower than in 2020 (-€600,000). On the one hand, the income was higher due to contributions from new partners Pensioenfonds Rail & OV (€50,000), SPMS (€50,000) and Shell pension funds (€50,000). On the other hand, the contributions were lower because in 2020 MN contributed for the years 2021 and 2022 and because the general contribution from Instituut Gak for 2021 was received in 2022.

“Government Contributions” were lower than in 2020 (-€162,000). On the one hand, there was additional income for an assignment and secondments for the Ministry of Social Affairs and Employment. On the other hand, the 2019 contribution for the 2015-2019 program was received in 2020.

“Other income” was higher than in 2020 (+€99,000), particularly because of the support of the Social and Economic Council (SER) for Netspar’s mission and fees received for third-party education.

#### Specific Income

The specific income was higher than in 2020 (+€503,000). On the one hand, there was temporarily lower income from Instituut Gak for one of the two endowed chairs because the chair remained unfilled for several months. On the other hand, the PPP allowance, granted in 2018 and 2019, was largely realized in 2021<sup>1</sup>.

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<sup>1</sup> The PPP allowance is a subsidy for the partners’ research investments made through Netspar and is executed through ClickNL, the top consortium for the creative industries.

## EXPENSES

On the expenses side, Netspar draws a distinction between its three primary roles:

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

Costs are allocated as far as possible to each of Netspar's three primary roles. There is also an item for Management & Operations.

### Network Development

Netspar plays a facilitating and initiating role in bringing together industry, government, and academic parties to address the issues of retirement and aging. In 2021 this was once again hampered by the fact that hardly any physical events could take place. A positive exception was the annual Pension & Science conference on the theme of sustainability. Other network events took place online (with a particular focus on interaction), such as two events for directors (consultation on pension legislation and pensions in the distant future), the annual Match Making Event (in which scientists test their research proposals before submission for relevance to the sector and other researchers) and the annual International Pension Workshop (bringing together pension researchers from around the world). A dinner was organized for PhD students involved in pension research. For a wider audience, Netspar organized an (online) Election Debate in the run-up to the elections with pension spokespersons from the House of Representatives.

In addition, online partner visits took place at various levels in the context of relationship management and acquisitions were carried out online, leading to the positive result of the entry of the Rail & OV pension fund, SPMS and Shell pension funds. Communication tools for network development and brand awareness were also used, such as visibility on social media (LinkedIn and Twitter) and in national media and through the monthly Newsflash (aimed at growing the subscriber base) and the Netspar website (adapted for acquisition purposes).

The expenses for network development were higher than in 2020, particularly as a result of personnel changes in 2021 (+€12,000; +7%).

### Knowledge Development

The expenses related to knowledge development derive from the grants<sup>2</sup> that Netspar awards each year to various types of research projects, as well as from projects that Netspar carries out with funding from third parties. These include the cost of the research itself and its coordination, as well as any data costs.

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<sup>2</sup> Appendix I lists the projects awarded prior to 2021 for which payments were made in 2020 and 2021 or are due to be made in subsequent years.

In 2021, in addition to the regular topicalities (short-term policy-oriented research), additional topicalities were again awarded for research in connection with the pension agreement.

The actual expenses for ongoing knowledge development were slightly lower in 2021 than in 2020 (-€43,000; -2%). This is due in part to the fact that in 2020 additional topicality projects were awarded in connection with current research questions related to the coronavirus and in connection with the impact of the pension agreement (from 2021 budget). A more detailed explanation of the expenses for the various types of projects can be found in Appendix I.

### **Knowledge Sharing**

It is essential that the knowledge developed with Netspar's support finds its way to the industry, policymakers, and academia. To this end, Netspar uses events, after-lunch webinars, podcast series, papers (including one-pagers), on-site knowledge sessions, guest appearances, flash webinars (3-day pension) and education, as well as answers to knowledge questions from partners by the Expertise Center. Netspar has started making more active use of social media to share knowledge and the press has good access to Netspar researchers, as demonstrated by the coverage of Netspar research in publications such as Pensioen Pro, as well as other national media.

The expenses for events were lower than in the previous year (-€26,000; -24%). This was due particularly to lower facility costs for physical events.

Publication costs were higher (+€15,000; +18%) due to the production of podcasts, one-pagers and expenses for open access. Expenses for the Expertise Center and education were lower than in 2020 (-€17,000; -7%, and -€7,000; -4%), mainly due to less hiring of staff.

### **Management & Operations**

The Management & Operations item comprises costs that cannot be allocated to one of Netspar's three primary functions (network development, knowledge development, and knowledge sharing). The costs were slightly higher in 2021 than in 2020 (+€15,000; +3%). On the one hand, there were lower costs for the reserve for special leave, the reserve for a share of severance payments (unemployment benefit and transitional compensation) and catering costs, representation, and telephones. On the other hand, there were higher costs for staff movements in the Board and Staff and for accommodation and training.

### **2021 Results**

As anticipated, expenses exceeded income again in 2021. The sum of €711,000 was therefore withdrawn from the general reserves (prepaid income) for 2021.



## Multi-year Financial Statement

<b>Expected Income and Assets</b>		<b>Expected Expenditures and Liabilities</b>	
<i>Pledged Funds</i>		<i>Liabilities</i>	
Partner contracts	1,375,000	Current projects and education	4,293,944
Government funding	450	Personnel under contract	860,042,000
Targeted subsidies	1,072,289	Project winding-up scenario	719,75
		Reserves for personnel costs	756,625
Liquid assets	6,430,855		
		<i>Not yet allocated</i>	
		2019-2023 Program	1,709,140
		Unreserved balance	989
	<hr/>		<hr/>
	9,328,144		9,328,144



## Notes to the Multi-year Financial Statement

Netspar began implementing the “2019-2023 Action Plan” on April 1, 2019. As at December 31, 2021, over €9.3 million had been budgeted for this and for liabilities associated with earlier Action Plans.

All of the budgeted long-range income (€2.9 million) is covered financially by contracts and commitments. This figure does not include income that has not yet been generated. Of the projected long-range expenditures, 71% results from existing obligations. In addition, 29% has been budgeted for allocation to the 2019-2023 Action Plan. This occurs each year when the budget is adopted. When the annual figures for 2021 – combined with the budgets for 2022 through 2026 – are taken into account, the remaining “Unreserved Balance” item totals €989,000<sup>3</sup>.

### Expected Income and Assets

The various types of income and assets are described briefly below.

#### *Partner Contracts*

Partners from the pensions and insurance industry, including supervisory bodies, have committed to funding the 2019-2023 Action Plan, including the jointly prepared research agenda, for four years through fixed annual contributions. Instituut Gak has also made a lump-sum contribution available for the 2019-2023 Action Plan.

#### *Government Funding*

Netspar’s 2015-2019 Action Plan is supported by a consortium of four government ministries: Social Affairs and Employment (SZW), Economic Affairs (EZ), Health, Welfare, and Sport (VWS), and Interior and Kingdom Relations (BZK). The 2019-2023 Action Plan is receiving government funding through a consortium of three ministries: Social Affairs and Employment (SZW), Finance (FIN), and Interior and Kingdom Relations (BZK).

#### *Targeted Subsidies*

Netspar carries out several projects subsidized by outside sponsors. Part of the funding pertains to two endowed academic chairs in the pensions field, including PhD researcher and postdoc positions, financed by the social venture capital fund Instituut Gak. This item also includes income for projects to be funded through the so-called PPP allowance for public-private partnerships, which is awarded by the Netherlands Enterprise Agency (RVO) and implemented through the Top Consortium for Knowledge and Innovation in the Creative Industry (ClickNL).

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<sup>3</sup> The 2022 budget projected a final balance of €840,000. Based on the 2021 results, that figure will now be €149,000 higher, taking the projected balance to €989,000.

### *Liquid Assets*

The amount of “Liquid Assets” reflects the balance of income and expenditures from previous years.

### **Projected Expenses and Liabilities**

On the expenses side, a distinction is drawn between continuing commitments and monies that are not yet committed to specific projects or operations. Continuing commitments are categorized under the following items:

#### Liabilities

- *Ongoing Projects and Education*

In addition to projects under the 2019-2023 Action Plan, projects from the 2015-2019 Action Plan are being completed. The obligations arising from all these projects are aggregated in this item. These concern annual payments to projects based on a previously agreed schedule, adjusted as necessary according to annual accounting for activities.

The obligations under the contract with TIAS to provide executive education were also included as of December 31, 2021.

- *Contracted Personnel*

Most of the staff working in the Netspar office have permanent employment contracts. The total wage costs presented here are based on the assumption of operations continuing through April 1, 2023.

- *Scenario for Winding Up Projects*

In the event that funding for a new 2023-2027 Action Plan is not secured, provisions have been made for a winding-up scenario that would take four years to complete (2023-2026), including a limited annual budget for papers, a number of events, and minimal staff. The costs of any current research would be provided for at that time.

- *Reserves for Personnel Costs*

Under the terms of its implementation agreement with Tilburg University, Netspar is required to set aside certain reserves for personnel costs. These include reserves for leave and part of the severance payments to the Netspar office staff in the event of liquidation.

#### Monies Still to Be Allocated

- *2019-2023 Action Plan*

This item includes future costs for the implementation of the 2019-2023 Action Plan, except those pertaining to Netspar office staff (see “Contracted Personnel”). On the one

hand, these costs include the projected expenses for new research to be commissioned and related activities, as provided for in the budget for 2022 and beyond. On the other hand, they include expenses deriving from execution of the 2021 plan that were shifted in time but were not provided for in the 2022 budget (adopted on November 2, 2021).

- *Unreserved Balance*

Upon execution and completion of the 2019-2023 Action Plan and previous plans, a balance of funds will remain that is “unreserved.” As of December 31, 2021, that item amounted to €989,000. This takes into account the budget for 2022 and beyond as well as the items originally budgeted for 2021 but not executed until 2022.

### Appendix I Project Expenses in 2021

Below is a summary of the payments made for ongoing projects in 2021. This includes details of the new projects awarded in 2021. Appendix II lists the projects awarded prior to 2021 for which payments were made in 2020 and/or 2021. Adjustments are made regularly during the course of a project. Total payments may therefore be lower (not higher) than the amount originally granted.

#### 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 €250,000 or €500,000 per project. Project teams are composed of diverse academics and team members employed by one of the industry partners. Members of the project team participate in study groups (gathering input from academia and practice) and present the research results at Netspar events. Agreements are also entered into on the number of industry papers that are to be drafted.

(Amounts in € 1,000)	Total Grant Amount	Payments					
		2020	2021	2022	2023	2024	2025
Granted in 2014	750	50	-	-	-	-	-
Granted in 2015	990	131	108	-	-	-	-
Granted in 2016	1.000	153	91	-	-	-	-
Granted in 2017	1.000	281	234	47	114	-	-
Granted in 2018	1.000	230	245	222	129	121	-
Granted in 2019	750	53	122	193	155	182	50
Granted in 2020	750	-	97	203	191	197	61
Granted in 2021	750	-	-	188	187	187	188
	6.990	898	897	853	776	687	299

#### *Granted in 2021*

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

In 2021, Instituut Gak awarded a grant of €250,000 to a project participating in the round for Netspar theme projects. This was for the project “The role of pensions for career decisions” of Raymond Montizaan (Maastricht University).

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 postdoc researcher, for a maximum of three years and up to €80,000. The PhD student or postdoc researcher undertakes to write two industry papers and participates in Netspar events.

No Individual Research Grants were awarded in 2019, 2020, and 2021. No budget is available for these in the 2019-2023 Action Plan.

(Amounts in € 1,000)	Total Grant Amount	Payments			
		2020	2021	2022	2023
Granted in 2017	240	68	2	-	-
Granted in 2018	253	86	31	7	5
	493	154	33	7	5

Topicality Projects

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

(Amounts in € 1,000)	Total Grant Amount	Payments		
		2020	2021	2022
Granted in 2018	160	42	-	-
Granted in 2019	160	102	-	-
Granted in 2020	240	61	108	-
Granted in 2020, budget 2021	120	12	34	-
Granted in 2021	153	12	47	107
	833	217	189	107

*Granted in 2021*

In 2020, in consultation with the Netspar partners, six new topicality projects were awarded from the 2021 budget, in addition to the regular topicalities. These were projects concerning the impact of the pension agreement and, in view of the events at that time, those projects have a reduced lead time so that the first results are available for the legislative process. Regular topicalities were awarded from the remaining budget in 2021. In addition, a further four topicalities were awarded in 2021 as part of the research related to the impact of the pension agreement.

No additional out-of-pocket expenses are incurred for the topicality projects conducted within a theme project.

*Regular topicalities*

- Lisanne van Weelden and Hans Hoeken (Utrecht University): *Visual communication of uncertain retirement benefits*
- Jona Linde, Arno Riedl, and Peter Werner (Maastricht University): *Dynamics of risk attitudes*
- Mathijs van Dijk and Philipp Krüger (RSM): *Drawing up the bill: Does sustainable investing affect risk and return?*
- Casper van Ewijk, Lex Meijdam, and Eduard Ponds (Tilburg University): *NDC pension: an alternative for the Netherlands?*

*Supplementary topicalities concerning impact of pension agreement*

- René Maatman and Mark Heemskerk (Radboud University): *Division of responsibilities between social partners and fund boards*
- Peter Schotman (Maastricht University), Rens van Gastel (PGGM), Niels Kortleve (PGGM), and Theo Nijman (Tilburg University): *Protective returns and allocation of excess returns*
- Anja de Waegenaere and Theo Nijman (Tilburg University): *Surviving dependants' pension*
- Tanachia Ashikali (Leiden University): *Diversity in Pension Fund Boards*

Comparative Research Grants

Researchers may be eligible for a Comparative Research Grant of up to €20,000. The aim is to compare pension regulations and products in different countries (including the Netherlands) and to relate these to the academic literature. A condition is that they must 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
Granted in 2019	40	28	-	-
Granted in 2020, budget 2019	20	6	14	-
Granted in 2020	20	6	14	-
Granted in 2021	60	-	18	42
	140	40	46	42

*Granted in 2021*

- Jens Kvaerner (Tilburg University): *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*



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One-time Projects

In addition to the regular Grants program, one-time project funding is occasionally awarded. No one-time projects were awarded in 2021.

## **Appendix II Grants Awarded prior to 2021**

This appendix lists the grants awarded prior to 2021 for which payments were made in 2020 and 2021 or are due to be made in subsequent years. Therefore, it is not a complete list of all awards in previous years.

### **1. Theme Projects** (previously known as Large and Medium Vision Projects)

#### *Granted in 2015*

- René Maatman, Mark Heemskerk (Radboud University Nijmegen): *Pension rights and ownership: A legal analysis in an economic context*
- Eddy van Doorslaer, Erik Schut (Erasmus University Rotterdam): *Optimal saving and insurance for old age: The role of public long-term care insurance*

#### *Granted in 2016*

- Marike Knoef (Leiden University): *Uncertainty over the life cycle: implications for pensions and savings behavior*
- Benedict Dellaert (Erasmus University Rotterdam): *Individuals' Choices of Comprehensive Pension Plans*
- Andries de Grip and Raymond Montizaan (Maastricht University): *Work, health and retirement*

#### *Granted in 2017*

- Johan Mackenbach and Wilma Nusselder (Erasmus MC): *Longer life, longer in good health, working longer? Implications of educational differences for the pension system*
- Antoon Pelsser (Maastricht University): *Design of Pension Contracts in Incomplete Markets and under Uncertainty*
- Marcel Lever (CPB): *Choice architecture in pensions and retirement*
- Peter de Goeij and Eric Postma (Tilburg University): *Data Science Solutions to Enhance Pension Communication*

#### *Granted in 2018*

- Hans Hoeken and Leo Lentz (Utrecht University): *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 (Maastricht University): *Understanding and improving pension savings by combining incentivized experiments, survey, and administrative big data - A general employed population sample with a focus on the selfemployed*
- Marijke van Putten (Leiden University): *Development and Tests of a Model for Inertia in Retirement Decisions*



*Granted in 2019*

- Arthur van Soest (Tilburg University): *Work and disability in old age: restrictions & incentives*
- Rob Bauer (Maastricht University): *How to elicit preferences for sustainable investments?*
- Stefan Hochguertel (Vrije Universiteit Amsterdam): *The effect of macroprudential policies on pensions and retirement preparation*

*Granted in 2020*

- Mathijs van Dijk (Erasmus University Rotterdam): *Climate risks in investment portfolios*
- Benedict Dellaert and Bas Donkers (Erasmus University Rotterdam): *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*

**2. Individual Research Grants** (previously known as Small Vision Projects)

*Granted in 2017*

- Wiebke Eberhardt (Maastricht University, Open University): *Facing the pension communication challenges of tomorrow: On aging, emotions, and artificial intelligence*
- Marleen Damman (NIDI, Radboud University Nijmegen): *Retirement preparation and retirement transitions of the Dutch solo self-employed*

*Granted in 2018*

- Alexander Henkel (Open University): *Untangling Human Interaction Patterns: Learning from Automated Emotion Detection in the Consumer Pension Context*
- Jessica Warren (Tilburg University): *Contractual Savings for Housing in relation to Pension Plans in the Netherlands*
- Kristy Jansen (Tilburg University): *Trading behavior of institutional investors*
- Bart Dees (Tilburg University): *Pensions products for heterogeneous agents accommodating for life events*

**3. Topicality Projects**

*Granted in 2019*

- Raun van Ooijen (University of Groningen): *Survivor's Income Position*
- Marike Knoef (Leiden University): *Target group analysis of variable benefit schemes*
- Peter Schotman (Maastricht University): *Design of the variable benefits and guarantees in personal pension*

- Marike Knoef and Max van Lent (Leiden University): *Simplicity and flexibility with regard to pension savings for the self-employed*
- Servaas van Bilsen (University of Amsterdam, Tilburg University): *Interaction between determinants of payment speed: high-low, lump sum, fixed decrease and effective date*
- Van Soest / Knoef / Muns (Tilburg University): *Labor market effects of progressive contributions and degressive accrual*

#### *Granted in 2020*

In 2020, in addition to the regular topicalities, additional topicalities were awarded for research into coronavirus and the effect on pensions, and in connection with the impact of the pension agreement. The latter case concerned topicalities from the 2021 budget. No additional out-of-pocket expenses are incurred for the topicality projects conducted within a theme project.

#### *Regular topicalities*

- Willem van der Deijl and Bas Werker (Tilburg University): *Ethics in data science and use of big data*
- Marike Knoef (Leiden University): *How can the risk attitude of a member be determined in a pension scheme?*
- Jona Linde (Maastricht University): *Stacking of choices*
- Mathijs Cosemans (Erasmus University Rotterdam): *Climate Change and Long-Horizon Portfolio Choice: Combining Theory and Empirics*
- Albert van Marwijk-Kooy (Leiden University): *Pension Gender Gap in the Netherlands*
- Ton Wilthagen and Michael Visser (Tilburg University): *Influence on pension from labor market developments*
- Antoon Pelsser (Maastricht University): *Dynamic investment policies and other automatic steering concepts* (within theme project)
- Onno Steenbeek (Erasmus University Rotterdam): *Transition to a new pension contract in the Netherlands - Lessons from abroad*

#### *Topicalities in connection with coronavirus*

- Mathijs van Dijk (Erasmus University Rotterdam): *Do sustainable companies perform better during the corona crisis?*
- Martijn de Vries (Tilburg University): *Risk-taking behavior after COVID-19; global implications for financial markets and pensions*
- Pieter van Baal (Erasmus University Rotterdam): *Mortality probability modeling*
- Antoon Pelsser (Maastricht University): *Recovery Potential for DC Pension Plans* (within theme project)

*Topicalities in connection with impact of pension agreement (from Topicality budget 2021)*

- Antoon Pelsser (Maastricht University), Servaas van Bilsen (University of Amsterdam), and Roel Mehlkopf (Tilburg University): *Design of solidarity reserve (within theme project)*
- Herman Kapelle and Erik Lutjens (Vrije Universiteit Amsterdam): *The solidarity provision legally unravelled*
- Theo Nijman, Bas Werker, and Sander Muns (Tilburg University): *Considerations on income and value effects per participant when entering the new contract (within theme project)*
- Anne Balter (Tilburg University): *Sensitivity of transition to assumptions and circumstances*
- Arno Riedl (Maastricht University): *Risk and time preferences measures and their relation to financial decisions in the field: a survey (within theme project)*
- Rob Alessie and Viola Angelini (University of Groningen): *Measuring risk capacity*

#### **4. Comparative Research Grants**

*Granted in 2019*

- Mauro Mastrogiacomo (Vrije Universiteit Amsterdam): *Private pension annuities out of savings or housing wealth? A comparative study of Italy and the Netherlands*
- Adriaan Kalwij (Utrecht University): *Social Security and Retirement Around the World: Lessons from a Long-Term Collaboration*

*Granted in 2020*

- Antoon Pelsser (Maastricht University): *International Comparison of Pension Fund Regulation (2019 budget, with 50% co-funding from the Canadian Global Risk Institute)*
- Dorly Deeg and Martijn Huisman (Amsterdam UMC, VUmc location): *Secular trends in employment of older workers in the Netherlands and Norway: how influential are policy regulations?*

#### **5. Instituut Gak**

Three research projects were launched in 2015 in connection 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, goals, and risk in pension contracts*);
- De toereikendheid van pensioenen (*The adequacy of pensions*).

One PhD position and two PhD researcher positions were made available for these projects, the conduct and financing of which was completed in 2021.

Two research projects were launched in 2019 in connection 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 reform of the pension system*).

One PhD position and two PhD researcher positions were made available for these projects.



**Appendix III Letter of Representation**

Stichting Netspar (Netspar Foundation)  
Attn: Chair of the Supervisory Board  
PO Box 90153  
5000 LE Tilburg

Tilburg, June 28, 2022

Re: Letter of Representation for the 2021 Financial Statements

Reference: N2022.045 (English translation of original)

Dear Mr. Bos,

We hereby submit the 2021 Financial Statements and Multi-year Financial Statement as at December 31, 2021, 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. 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 a management unit for that purpose (the Netspar Center). Stichting Netspar has undertaken to place 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 no later than April 1 every year Tilburg University will provide Stichting Netspar with a financial annual report on the Netspar Center, including an auditor's report, for the previous fiscal year.

The figures for the Netspar Center are consolidated in the 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 the format prescribed by the Executive Board of Tilburg University. It bases this on the administrative systems designed and provided by Tilburg University. For 2021, the decentralized financial statements (based on figures with a run date of February 9, 2021, and a freeze date of February 9, 2021),

together with the requisite notes, were delivered to the Executive Board of Tilburg University on February 22, 2022.

Netspar’s Board of Directors considers that the format which the Netspar Center, as part of Tilburg University, is required to use to prepare its annual figures is 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 prepares more customized financial statements in its own format, which are published on the Netspar website after the Supervisory Board has given its approval and after Tilburg University’s annual figures have been released.

The figures included in the 2021 financial statements for the annual report correspond to the figures in the 2021 financial statements submitted to the Executive Board of Tilburg University as follows:

	<b>TiU EB</b>	<b>Netspar Annual Report</b>
Income	3,287	2,513
Expenditures	3,170	3,224
<b>Profit/Loss</b>	<b>117</b>	<b>-711</b>

*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 added to the agreed provision for severance payments (as stipulated in the aforementioned contract) for the Netspar office staff in the event of liquidation.

The differences in income (-€774,000) and expenses (+€54,000) can be explained as follows:

- When compiling the financial statements according to the Tilburg University format, income was increased by €711,000 in order to arrive at the required result of €117,000 (the amount of the required addition to the provision for severance payments for the Netspar office staff in the event of liquidation). This amount was deducted from prepaid income in the balance sheet.
- In addition, under the TiU format, income received from Tilburg University amounting to €63,000 was recorded for internal secondment and adjustments to the recharging of costs, among other items.
- On the expenses side, there were credit entries related to costs recorded as income under the TiU format (-€63,000).
- The required addition to the provision for severance payments for Netspar office staff in the event of liquidation still shows as the result under the TiU format.

This fully explains the difference in the two results.



Network for Studies on Pensions, Aging and Retirement

We acknowledge our responsibility for the preparation of the financial statements. We approve these statements and believe they present a true and fair view of the position. We have accounted for or explained all applicable liabilities in the financial statements. To the best of our knowledge, no events have occurred between the balance sheet date and the date of this letter that might require amendment to the financial statements or the accompanying notes.

Yours sincerely,

On behalf of the Board of Directors of the Netspar Center,

Marika Knoef  
General Director