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Group Disability Income Insurance

Prevention of significant loss of income through incapacity for work

Loss of income during (partial) incapacity for work may be substantial and, at an individual level, difficult and costly to resolve. For this reason, Radboudumc has taken out a group disability income insurance policy.

This summary outlines the main Dutch legislative points with respect to incapacity and contains explanations of Radboudumc collective income insurance scheme.

1. Dutch Legislation and Regulations

1.1. What is incapacity for work?

Whilst you may feel otherwise, under Dutch legislation, you are classified as incapacitated for work if, after a two-year sick leave, the Employee Insurance Agency (UWV) determines that you are fully or partially incapacitated for work. As a result of your medical restrictions, you are unable to earn more wages than you did prior to becoming ill.

Two-year sickness period

After the period of sick leave has expired, a two-year period follows during which you are officially classified as a "sick employee". During these two years, Radboudumc pays partial salary in accordance with the Collective Labour Agreement (CAO) UMC.

During this period, the occupational physician ('arbo-arts') supports in the reintegration process of the employee into the workplace. Unfortunately, reintegration is not always successful.

UWV Assessment

Before expiry of the two-year period, you will receive a letter from the UWV requesting an assessment. The UWV will determine whether and to what extent you are incapacitated for work based on the WIA (Work and Income according to Labour Capacity Act). This assessment will not take into account any work you did prior to your sick leave; rather, it will examine possible duties you are still able to carry out.

1.2. Assessment of incapacity for work

Officially, you may not work until after the UWV has determined whether you are totally or partially unable to carry out any duties.

Approximately eighteen months into your sick leave, you will receive a call from the UWV for an assessment. The assessment process has three possible outcomes:

1. Less than 35% incapacity for work
2. More than 35% incapacity for work that is not permanent (WGA)
3. Total and permanent incapacity for work (IVA)

Less than 35% incapacity for work

If you are less than 35% incapacitated for work, you are not entitled to disability benefits.

More than 35% incapacity for work that is not permanent (WGA)

If the UWV determines that you are partially incapacitated for work, you are entitled to disability benefits. The amount of these benefits varies depending on the work you are still able to carry out.

Total and permanent incapacity for work (IVA)

If you are totally and permanently incapacitated for work, you are entitled to 70% or 75% of your total income in disability benefits.

Permanent means there is no chance of recovery.

1.3. Your income for partial incapacity

If the UWV determines that, after two years' sick leave, you are partially incapacitated for work (35% to 80%), you are entitled to monthly government disability benefits. This is governed by the WIA.

If you are 35% to 80% incapacitated, but this incapacity is not permanent, then you fall under the wage-related WGA benefit scheme of the WIA. The WGA benefit scheme is split in two periods. The first period depends on your employment history (the wage-related period). The second (subsequent) benefit amount you receive following the initial wage-related period, depends on the income you earn at that time. This is assessed by the UWV.

Wage-related benefit

The duration of your wage-related benefit is determined by your employment history. During this period, you are entitled to a wage-related benefit amounting to at least 70% of your last earned income¹.

Subsequent benefit

The UWV's assessment determines to what extent you are still able to carry out paid work. The benefit amount you receive depends on the extent to which you carry out this residual earning capacity:

- WGA follow-up benefit: if you use less than 50% of your residual earning capacity, the follow-up benefit will be $70\% \times \text{incapacity percentage} \times \text{determined by UWV} \times \text{minimum wage} (\text{€28,405 in 2025})$.
- WGA wage top-up benefit: if you exploit at least 50% of your residual earning capacity, the wage top-up benefit will be $70\% \times \text{last income}^1 \text{ minus the residual earning capacity}$.

Insufficient work means your income may fall below the social assistance level. If you meet the conditions, based on the provisions of the Law on Supplements, you can apply for allowances to supplement this amount.

1.4. Your income for total incapacity

If the UWV determines that, after two years' sick leave, you are totally incapacitated for work (80% to 100%), you are entitled to monthly disability benefits from the government. This is governed by the WIA.

If you are totally (80% to 100%) but not permanently incapacitated, then you fall under the wage-related WGA

¹ The income is capped at €75,864 (2025)

benefit scheme. You qualify for 70% of your last earned wages².

If you are totally and permanently incapacitated, you fall under the Income Provision Scheme for Fully Occupationally Disabled Persons (IVA) of the WIA. Permanent means there is no possible chance of recovery, as determined by experts. The IVA benefits amount to 75% of your last earned wages².

If you earn more than the applicable maximum social assistance wage, then you are entitled to ABP pension fund payments in addition to your WIA benefits.

An overview of the WIA-benefits:

Less than 35% incapacity for work	WGA		IVA (total & permanent incapacity for work)
No benefits	35–80% incapacity for work	80–100% incapacity for work (non-permanent)	75% of last earned income ²
	Wage-related benefit: 70% of last earned income ² (3–24 months)	70% of last earned income ²	
	Subsequent benefit: WGA follow-up benefit or WGA top-up benefit		

² The income is capped at €75,864 (2025)

2. Radboudumc Collective Income Insurance Scheme

It is important for Radboudumc that its employees remain healthy, but that is impossible to predict or ensure. As your employer, we want to help you in preventing a drop in income as a result of incapacity. For this reason, Radboudumc has taken out a group disability income insurance policy as of 1 January 2019, called the 'Arbeidsongeschiktheidsverzekering Overheid, onderwijs en energie-en nutsbedrijven' from Loyalis³. At an individual level, such income insurance policies are difficult to take out. This is due to higher premiums and mandatory health provisions.

2.1 Who does this group disability income insurance policy cover?

Nearly one million Dutch men and women are totally or partially incapacitated for work. Regardless of your position or level of health, there is a real chance you may become disabled.

The group disability income insurance plan covers all Radboudumc employees. This plan is not suitable to certain specific employees:

- Employees set to retire within five years
- Employees already receiving WAO-benefits
- Employees with a zero hour contract

These employees are therefore not covered under this plan.

Employees set to retire within five years

If you reach the retirement age ('AOW' under Dutch law) within two years, this insurance is not relevant for you. The reason for this is that only after two years of illness you could be declared labour incapacitated following an assessment by the UWV, and may receive benefits. The wage-related benefit may last approximately 3 years and the insurance normally supplements after this period. However, by then you will already have reached the retirement age and are no longer entitled to a supplement from the insurance.

Employees already receiving WAO-benefits

Because you have been declared more than 35% incapacitated for work by the UWV, you cannot participate in this group insurance plan.

Employees who are approved for incapacity, but no longer receive benefits

You may participate in this insurance scheme without additional health conditions if you:

- received WAO- or WIA benefits but are now fully recovered; or
- have been declared less than 35% incapacitated for work

If you are absent due to illness on the starting date of the insurance, you will automatically be registered for this insurance scheme 28 days after reporting a full recovery.

³ Until 1 January 2019, the insurance was taken out from Delta Lloyd. If you got sick before this date and participated with Delta Lloyd, you are covered by the former insurance from Delta Lloyd.

2.2 When will collective insurance pay out?

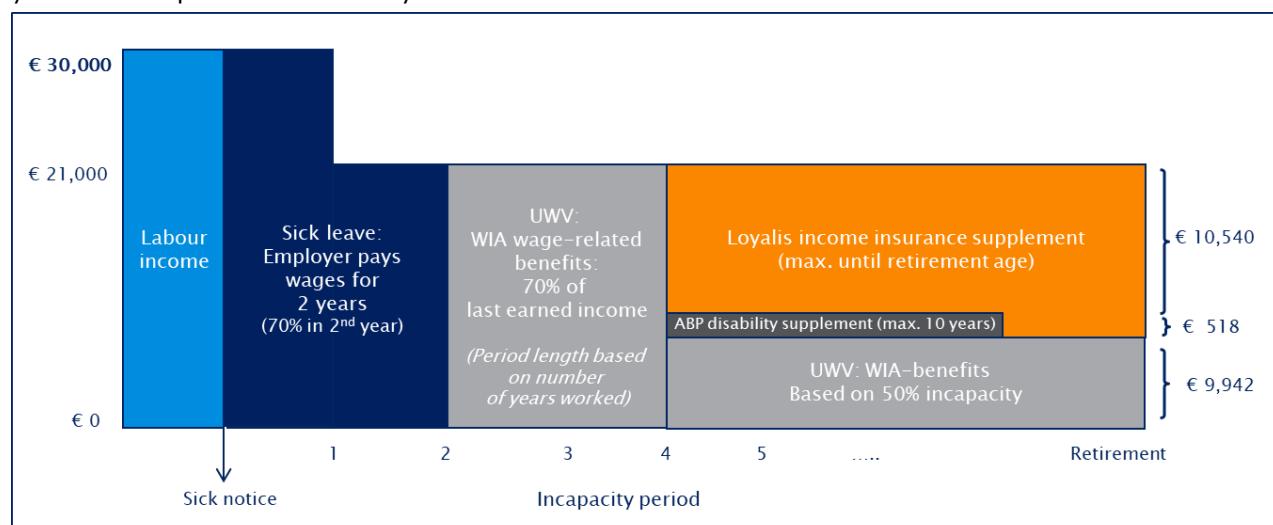
Group disability income insurance helps restore substantial drops in income as a result of incapacity for work. If you qualify for WIA benefits, you are entitled to insurance for at least 70% of your last earned income.

As a Radboudumc employee, you are also entitled to receive benefits from the ABP Pension Fund. These ABP benefits supplement the WIA benefit from the government. ABP benefits vary in accordance with the incapacity, whether total or partial.

Partial incapacity may result in a substantial loss of income, sometimes even to the social benefit level, because the ABP benefit payments for partial incapacity are limited by amount and duration requirements (up to 10 years). For total incapacity, ABP and WIA benefits amount to 70% or 75% of your last earned income. Loss of income for total disability is therefore less severe.

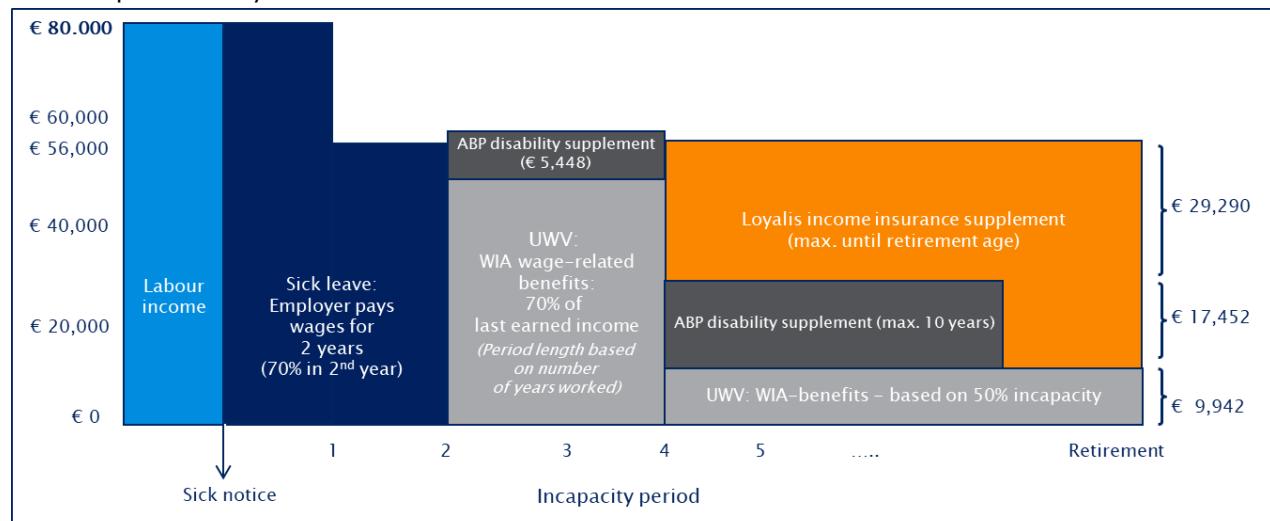
More than 35% incapacity

If you have been determined to be more than 35% incapacitated but are still able to earn partial income, you are entitled to WIA benefits to supplement your reduced income capacity. The income insurance supplements your income up to at least 70% of your last earned income.



Income higher than € 75,864

If you earn more than the capped salary of €75,864 you will always have a drop in income. The benefit amount is calculated on the basis of this maximum wage. The income insurance supplements this capped benefit up to 70% of your last earned income.



2.3 How much does group disability income insurance cost?

Radboudumc pays the premium for this insurance, therefore there are no costs involved for the employee.

2.4 How do you register for the collective insurance?

All employees that are eligible for participation, are automatically registered for the collective insurance (also see paragraph 2.1).

Employees who do not wish to participate

If you do not wish to participate in the collective insurance plan, you must officially declare such by submitting a signed waiver. Should you later wish to reclaim this waiver, health-related questions will be asked.

You can apply for the waiver at www.collectieveregeling.nl/radboudumc/verklaring .

3. Disclaimer

All the information about the group disability income insurance policy is indicative and provided only to employees of Radboudumc. No rights may be derived from this information. The terms and conditions of the insurer are leading at all times. If after reading this information you still have questions, please send an e-mail to radboudumc@collectievergeling.nl.