

Bridging Pension Plan

A brief summary of the unique CFK scheme

This summary is applicable for the professional football player

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1. Introduction

As a professional football player you are totally focused on reaching your goal. You put a lot of passion and drive into your job. The *Stichting Contractspelersfonds KNVB* (hereafter referred to as the CFK) was set up to help you concentrate fully on your football career.

CFK is the administrator of the bridging pension plan. This is a tax-efficient scheme that ensures you of a financial base after your professional playing career. That means you have a better chance to set yourself up for a new career after your football career has ended.

This folder is designed to give you a general idea of how the scheme works. You can find further detailed information in the official bridging pension plan regulations.

We hope this folder gives you a clear idea of the scheme. If you need to know more please contact the CFK office at any time.

2. Your bridging pension scheme

During your professional football career you contribute a portion of your (gross) earnings to the CFK. These contributions (fund premium) are used to build up your member's fund. You then receive monthly benefits from the CFK from the date your football career comes to an end.

The bridging pension plan incorporates a tax break. No wage tax or income tax is charged on the amount you contribute in fund premiums. Depending on the country you live in, wage tax will be charged over your monthly benefits from the CFK.

And the capital accruing in your member's fund is also free of the tax levied under "box 3". So there's an important tax advantage to being a member of the CFK scheme.

All professional players under contract to a Dutch club are obliged to join the scheme.

2.1 Benefit payments

You should apply to the CFK for your bridging benefit payments as soon as you stop playing in professional football. From that date you will be paid monthly benefits. The amount of benefit and how long the payments continue depend on the amount of capital built up in your bridging fund. A table in the appendix shows how these figures are calculated.

If your fund amounts to less than € 29.371 by the end of your football career the entire fund may be paid out in one go as a cash sum. If your fund amounts more than € 960.960 the maximum duration of the monthly payments is till your 67th birthday.

Depending on the country you live in, you will be liable for wage tax and social insurance contributions on your benefit income.

2.2 Premium level

Your fund premium contributions will depend on the amount you earn. Your full salary and any one-off payments under the terms of your club contract (including match and other bonuses) count towards your gross income for this purpose.

Fund premium contributions are calculated according to the table in the bridging pension regulations. You can find this table in the appendix. To join the scheme and pay fund premiums you must be earning more than € 3.095 a month (gross). The maximum contribution per month is € 6.192.

All earnest money and signing bonuses fall under the bridging pension scheme. That means that 100% of earnest money and signing bonuses are allocated to your member's fund up to a maximum of 1/3 of your total gross earnings (including earnest money and signing bonuses).

Your club will automatically deduct your fund premium contributions from your salary each month.

2.3 Annual yield

The money in your fund is invested. The CFK attaches great importance to making sure you can depend on consistent benefit payments after your playing career has ended. The basic aim of its investment policy is to generate a reasonable return without high exposure to risks.

2.4 Death benefit

If as a participant you were to die your bridging benefit would be paid to your official partner. Or if you have no partner at the date of your death, the fund would be paid out to your child(ren) as a lump sum.

If you have no partner and no children, no lump sum will be paid out on your death. If that doesn't apply in your case and you wish to leave your fund to a third party (e.g. your parents) you can arrange for that by taking out a separate term life insurance policy.

Partner is understood to mean:

The person to whom you are married or with whom you have entered into a registered partnership, or the partner you live together with on the same address (cohabitation).

In the case of a cohabitation:

1. You and the person with whom you cohabit have the intension to pursue a sustainable cohabitation;
2. you and the person with whom you cohabit are both unmarried and have not entered into a registered partnership;
3. the two partners in the cohabiting relationship are unrelated to each other by blood or affinity in the direct line or collateral line to the second degree.

Child is understood to mean:

1. your legitimate child or your legitimized, adopted and acknowledged child;
2. your stepchild or foster child, whom you maintain and bring up as your own.

2.5 Divorce

If you divorce the CFK will follow the agreement you've with your ex-partner. If this means the CFK has to divide your fund we need a written explanation from you and your ex-partner.

If you just cohabitated it is not possible to divide your fund.

3. Frequently asked questions

3.1 How do I apply for my benefit?

You can apply for your benefit as soon as your playing career ends. You just call us or let us know at info@cfk.nl

3.2 Is it compulsory to take part in the bridging pension scheme?

Yes, the scheme is compulsory for all players under contract to a professional football club in The Netherlands. Your club can get dispensation if you take part in the 30% regulation. In that case your club should apply for exemption/dispensation.

3.3 Do I have to declare the fund balance on my annual income tax return?

No, the fund balance need not be declared in Box 3 of your tax return. The value of the fund is exempt from the income tax levy on capital returns.

3.4 Can the fund balance be paid out as a cash sum or before the due date?

No, the bridging pension plan is designed to provide you with periodic benefit payments after the end of your football career. The fund balance cannot be paid out as a cash sum or before the due date. Nor is it permissible for the fund balance or bridging benefits to be commuted, pledged as security or assigned.

If your fund balance at the end of your career is less than € 29.371 it will be paid as a cash sum.

3.5 What portion of my income forms the basis for calculating my fund premium contributions?

The bridging pension scheme applies to everything you earn under the terms of your contract. The various components are:

1. fixed payments;
2. ad-hoc payments (e.g. transfer payment);
3. payments for international matches;
4. earnest money and signing bonuses;
5. match and other bonuses and sickness benefit paid through your employer

Payments from organisations or institutions affiliated to or with the club also count as earnings if these arise directly or indirectly from the player's contract with the club (for example, donations from supporters' associations etc.)

Your holiday bonus and any tax-free gifts and/or reimbursements (expenses) are excluded from the earnings applying as a basis for calculating fund premium contributions.

3.6 Is it important for me to notify the CFK of changes in my personal or marital status and/or the composition of my family?

For the purposes of death benefit it is important that you notify the CFK as soon as possible of any changes such as marriage, births and divorce. It is also important to notify the CFK if you change your address. You can notify us of changes via the CFK website.

3.8 Do provisional contracts also qualify for the bridging pension plan?

Yes, the bridging pension plan also applies to provisional contracts. In that case account should be taken of the € 3.095 gross monthly earnings threshold for compulsory membership.

Although the greatest possible care has been taken in compiling the information in this folder, no rights can be derived from the text. The text of the official bridging pension plan regulations and the articles of the *Stichting* CFK shall prevail.

Appendix;**Fund premium contributions per 1 July 2020**

Fund premiums are deducted at source from the participant's income as indicated in the following table:

<i>Premium base (month)</i>	<i>Fund premium (month)</i>
Less than € 3.095,00	nihil
€ 3.095,00 or more, but less than € 3.886,00	15% of the amount in excess of € 2.429,00 *
€ 3.886,00 or more, but less than € 5.343,00	€ 218,54 plus 20% of the amount in excess of € 3.886,00
€ 5.343,00 or more, but less than € 24.284,00	€ 509,93 plus 30% of the amount in excess of € 5.343,00
€ 24.284,00 or more	€ 6.192,00

*The minimum payment is € 100,00

Duration of benefit payments per 1 July 2020

Bridging benefit payments start on the conversion date and cease after the numbers of months indicated below have elapsed.

<i>Fund balance</i>		<i>Duration of benefit (maanden)</i>	
From	until	Minimal	Maximum
€ 0,00	€ 29.371	1	12
€ 29.371	€ 39.162	9	18
€ 39.162	€ 58.743	12	24
€ 58.743	€ 78.323	18	36
€ 78.323	€ 97.906	24	48
€ 97.906	€ 117.486	30	60
€ 117.486	€ 148.935	36	72
€ 148.935	€ 186.172	42	84
€ 186.172	€ 279.257	48	96
€ 279.257	€ 372.342	54	108
€ 372.342	€ 558.515	60	120
€ 558.515	€ 744.686	66	132
€ 744.686	€ 930.856	72	144
€ 930.856	€ 1.117.027	78	156
€ 1.117.027	€ 1.303.200	84	168
€ 1.303.200	€ 1.489.371	90	180
€ 1.489.371	€ 1.675.542	96	192
€ 1.675.542	€ 1.861.715	102	204
€ 1.861.715	€ 2.234.057	108	216
€ 2.234.057	of meer	120	240

