



Network for Studies on Pensions, Aging and Retirement



FINANCIAL REPORT 2017

ANNUAL REPORT 2017

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2017 FINANCIAL STATEMENTS

Income (x k€)	2016	2017	Expenses (x k€)	2016	2017
General Income	2,253	2,897	Network Development	257	236
Partner Contributions	1,623	1,290	Knowledge Development	1,814	1,807
Government Funding	600	1,600	Knowledge Sharing	730	804
Other Income	30	7	Knowledge sharing – Events	138	154
Specific Income	418	289	Knowledge sharing – Publications	141	104
<hr/>			Knowledge sharing – Expertise Centre	171	304
Total Income	2,671	3,186	Knowledge sharing – Education	280	243
			Management & Operations	463	471
			<hr/>		
			Total Expenses	3,265	3,318

NOTES TO THE 2017 FINANCIAL STATEMENTS

Summary

Netspar receives its funding based on four-year programs laid out in advance. It started executing the Action Plan for the most current four-year program, "Better Prepared for Old Age," in 2015.¹ The policy and activities mobilized to that end in 2015 were further pursued in 2016 and 2017.

Additional Resources for Research

The budgeting for the 2015–2019 Action Plan originally included sufficient financial resources for awarding new projects in 2015, 2016, and 2017. A total of €1.4 million was allotted in 2017. The budget for 2018 included a provision stating that a portion of the budgets for both Theme Projects (€250,000 of €1 million) and Comparative Research Grants (€60,000) was dependent on achieving the projections for 2017. The projections for 2017, as presented in the 2018 budget (October 2017), were based on withdrawing €801,000 (instead of €1.834 million) from the general reserves. In actuality, the withdrawal from general reserves turned out to be lower (€132,000). As a result, the conditions contained in the 2018 budget have been met so that the complete package of grants, totaling €1.4 million, can be awarded in 2018, as well.²

¹ Obligations undertaken for this program do not exceed the resources committed. In addition, a reserve is being set aside for the unforeseen event that the program is not extended in 2019. The reserve would then be used to finish up any long-range projects still underway at that point. The current annual figures include ongoing expenses related to projects from the previous action plan for 2011–2014.

More Income Due to Shifts in Timing

The 2015–2019 Action Plan is based largely on income deriving from funds pledged by various parties. The actual amount of revenue received can vary per year. Compared to 2016, overall income was higher in 2017 (+€515,000). This is largely a result of the fact that some income for 2016 was not received until 2017.

Higher Expenses Due to More Activities

The program executed by Netspar is reasonably steady in terms of the number of grants awarded, publications issued, and events organized. Expenses can nevertheless fluctuate year to year, due primarily to shifts in the timing of the projects. Compared to 2016, expenses increased by €53,000. In particular, the expenses related to knowledge sharing increased due to the engagement of additional researchers in the Expertise Center for policy-oriented advice. The expenses for management and operations remained essentially unchanged.

A more detailed explanation of income and expenditure follows below.

² At its meeting on April 10, 2018, the Supervisory Board concluded that the achievements for 2017 met the conditions set in the budget for 2018 for converting the conditional budgets for Theme Projects (€250,000 of €1 million) and Comparative Research Grants (€60,000) into unconditional budgets for 2018 and approved their inclusion in the overall budget for 2018.

Income

General Income

The revenue in the “Partner Contributions” category is lower than in 2016 (–€333,000). This is primarily because FVP had made one final, smaller, payment in 2016 and there was also a final contribution received from Tilburg University in 2016 for Netspar acting in the capacity of a Centre of Excellence.

“Government Contributions” were higher than in 2016 (+€600,000) since the contribution for 2016 was received in 2017.

The total for “Other Income” was lower (–€23,000) as a result of receiving less interest income from Tilburg University.

Specific Income

The “Specific Income” item refers to contributions received from third parties for specific, earmarked objectives. For 2017, it pertains to the two endowed chairs, including three projects, for Instituut Gak (social venture capital fund); the European project MOPACT; and the Australian project with CEPAR. The income under this item was less than in 2016 (–€129,000), due in part to the results recorded for MOPACT, program content for which was completed in 2017. In addition, in 2017, a gift was received for an international conference to be held in 2018–2019.

Expenses

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

- 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. It pursues a variety of activities to accomplish that, including hosting the annual Netspar Anniversary Meeting (2017: Big Data and the Pensions of the Future) and annual Match Making Event, where researchers can test out the relevance of their research proposals ahead of time with industry parties. In addition, partner visits are held at various levels in the context of relationship management. Netspar also deploys a variety of communication tools, such as the Newsflash newsletter, Netspar Magazine (Spring issue, “Big Data and the Pensions of the Future”; Fall issue: “Pensions and Europe”), and the Netspar website. The expenses for network development were slightly lower in 2017 than in 2016 (–€21,000; 8%), due in part to the higher costs incurred in 2016 for revamping the website (to make the research more easily accessible to a broader audience) and producing an animated video about Netspar.

Knowledge Development

The expenses related to knowledge development derive from the grants³ that Netspar awards each year to 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, as well as any incidental costs for the data. Compared to 2016, the expenses for knowledge development remained essentially unchanged in 2017 (-€7,000). We refer you to Appendix II 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 by holding events, publishing papers, and providing education, among other things, as well as through the advisory services of its Expertise Center.

The expenses related to events were somewhat higher last year (+€16,000; 11%); more events were held compared to 2016 and they cost more to put on. The costs for publications were lower (-€38,000; -27%), despite more papers being produced; this was due primarily to fewer authors' fees for papers and lower production costs. Expenses for the Expertise Center were higher than in 2016 (+€134,000; 78%), caused mainly by additional engagement of researchers. The costs for education were lower than in 2016 (-€37,000; -13%), execution costs.

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) and pertains primarily to the cost of managerial and administrative staff, auditing, housing, IT, and HR, including reserves for such things as leave and working hour reductions.

Total costs for management and operations remained relatively unchanged between 2016 and 2017. On the one hand, in 2017, the costs for IT and HR services were lower, the allocation to the liquidation provision was smaller, and a change in office accommodations resulted in lower charges for that, as well. On the other, expenses were incurred for relocation/renovation and for furnishings and IT related to implementing the flex concept.

2017 Results

For 2017, expenses (€3.318 million) exceeded income (€3.186 million) by €132,000; that amount was deducted from the general reserves.

³ Appendix I lists the projects awarded for 2017 for which payments were made in 2016 and 2017 and/or will be made in coming years.

IN KIND/MATCHING

One of the essential preconditions for an effective exploitation of the knowledge developed is active participation on the part of Netspar's partners in its development and transfer. That participation ensures that the research aligns with professional practice and the knowledge generated flows back to the industry. In 2017, a substantial share of Netspar's expenses was matched by its industry and academic partners. The Netspar Board of Directors is grateful to the partners for that.

The "General Income" category includes the matching contributions from partners who participate in Netspar's general activities. The matching contributions listed under "Specific Income" pertain primarily to those from partners, universities, and other institutions for current research projects.

In kind Report 2016

Income - In Kind (x k€)	In kind 2016	In kind 2017
General Income	272	205
Specific Income	1,412	1,462
Total Income	1,684	1,667

Expenses - In Kind (x k€)	In kind 2016	In kind 2017
Network Development	2	7
Knowledge Development	1,327	1,377
Knowledge Sharing	211	149
Management & Operations	144	134
Total Expenses	1,684	1,667

Multi-year financial statements as of 31/12/2017

Expected Income and Assets

Income

Partner contracts	1,290,000
Government funding	1,000,000
Targeted subsidies	411,224
Other income	1,210,124
Liquid assets	7,445,907

Expected Expenditure and Liabilities

Commitments

Current projects and education	3,423,500
Personnel under contract	872,613
Project winding-up scenario	1,677,175
Reserves (personnel costs)	401,661

Not yet allocated

2015-2019 Program	4,234,148
Unreserved balance	748,158

11,357,255

11,357,255

Netspar started executing its "2015-2019 Action Plan" in 2015. As of 12/31/2017, over €10.6 million had been budgeted for that and for liabilities arising out of earlier action plans, as well as for an emergency winding-up scenario.

The income for the multi-year budget (€3.9 million) has been fully covered financially through contracts and commitments. Income yet to be procured has not been included. In terms of the projected long-range expenditures, 60% involve existing obligations. In addition, 40% has been budgeted for allocation within the 2015-2019 Action Plan. This occurs each year when the budget is adopted. Based on the annual figures for 2017 combined with the budgets for 2018-2022, there is a remaining "Unreserved Balance" of €748,000. If the expenses originally budgeted for 2017 but not fulfilled until 2018 are further accounted for, the remaining "Unreserved Balance" in 2022 will be €379,000.

Expected Income and Assets

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

Partner Contracts

Partners from the pensions and insurance industry, including supervisory organizations, have committed to funding the 2015–2019 Action Plan, including the jointly drafted research agenda, for four years through fixed annual contributions.

Government Financing

The Netspar program for 2015–2019 is supported by a consortium of four government departments. These are the Dutch Ministries of Social Affairs and Employment (SZW), Economic Affairs (EZ), Health, Welfare and Sport (VWS), and Interior and Kingdom Relations (BZK).

Targeted Subsidies

Netspar carries out several projects financed by outside sponsors. The funding in question includes that for a European project (MOPACT), a comparative international project with Australia (CEPAR), and finally two endowed academic chairs in the pensions field, including traineeships and postdoc positions, financed by Instituut Gak.

Other Income

This item pertains to partner contributions for 2017 that have been invoiced but not yet received, as well as interest owed by Tilburg University for 2018 through 2022.

Liquid Assets

The “Liquid Assets” item refers to the balance of income and expenditure from previous years.

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. Continuing commitments are categorized under the following items.

Liabilities

• Projects Underway and Education

Besides the projects under the 2015–2019 Action Plan, there are still some ongoing ones from the previous program period (2011–2014). The obligations arising from those are aggregated in this item. These pertain to annual payments owed to projects based on a previously agreed-upon schedule, adjusted as necessary according to an annual accounting of activities. In addition, the obligations emanating from the contract with TIAS for providing executive education were included as of 12.31.2017.

• Contracted Personnel for 2017–2019

Most of the staff working in the Netspar office are under a permanent employment contract. The total wage costs presented here are based on the assumption of operations continuing through 1 April 2019.

- **Scenario for Winding Up Projects**

In the event that funding for the new 2019–2023 Action Plan does not come through, provisions have been made for a winding-up scenario that would take four years to complete (2019–2022), including an annual budget for papers, a few events, and a minimal staff.

- **Reserves for Personnel Costs**

By law, and on the basis of an implementation agreement with Tilburg University, Netspar is obligated to put aside certain reserves for personnel costs. This includes setting aside reserves for leave and to cover part of the severance payments for the Netspar office staff in the event of liquidation.

Monies Still to Be Allocated

- **2015–2019 Program**

Future costs related to executing the 2015–2019 Action Plan fall under this item. The costs pertaining to Netspar staff are excluded (see “Contracted Personnel”). On the one hand, these include the predictable expenses for new research to be commissioned and any related activities, as planned in the budget for 2018 and beyond. On the other, they include expenses deriving from execution of the 2017 program which have shifted in time and were not provided for in the 2018 budget (adopted in October 2017).

- **Unreserved Balance**

Upon execution and completion of the 2015–2019 Action Plan, a balance of funds will remain that is “unreserved”. As of December 31, 2017, that item amounted to €748,000. This takes into account the budget for 2018 and beyond, including the allocation of €1.440 million to Grants and an additional reserve for a less abrupt wind-down scenario.

If the expenses originally budgeted for 2017 but not fulfilled until 2018 are further accounted for, the remaining “Unreserved Balance” in 2022 is projected to be €379,000. That balance serves as a buffer for any unforeseen setbacks.

APPENDIX I – GRANTS AWARDED FOR 2017

This appendix provides a list of all the grants awarded for 2017, for which payments were made during or after 2016 and 2017 or will be made going forward.

1. Theme Projects (previously Large and Medium Vision Projects)

Granted in 2010

- Thomas Dohmen and Andries de Grip (UM): *Human Capital and Aging*
- Rob Alessie (RUG) and Adriaan Kalwij (Utrecht School of Economics): *Pensions, Savings, and Retirement Decisions II*
- Johan Mackenbach (Erasmus MC): *Rising Life Expectancy: Causes and Consequences in the Netherlands*

Granted in 2012

- Benedict Dellaert and Bas Donkers (EUR): *Interactive Pension Communication and Decision Making*
- Michel Vellekoop (UvA): *Risk Management in Funded Pension Systems*
- Frank de Jong (TiU): *Robust Models for Supervision of Pension Funds and Insurance Companies*
- Mauro Mastrogiacomo (VU/DNB): *Second and a Half Pillar for the Self-Employed?*

Granted in 2013

- Andries de Grip (UM): *Retirement, HR and Worker Behavior*
- Rob Alessie (RUG) and Marike Knoef (RUL): *Pension Savings and Consumption Needs of Current and Future Retirees Interactive Pension Communication and Decision Making*
- Marcel Lever (CPB): *Optimal Design of the Dutch Multi-Pillar Pension System: Lessons from an International Comparison*

Granted in 2014

- Dorly Deeg (VUMC): *Changes in retirement policies and cohort differences: Their impact on age at retirement, income, health, and mortality*
- Leo Lentz (UU) and Adriaan Kalwij (UU): *Preparing for retirement: tailoring, literacy and effective pension communication*
- Daniel van Vuuren (CPB): *Flexible combinations of work and retirement*

Granted in 2015

- Lisa Brügger and Thomas Post (UM): *Engaging pension plan participants: How emotions, peer effects, and life events influence the effectiveness of pension communication*
- Rene Maatman and Mark Heemskerk (RUN): *Pension rights and ownership: A legal analysis in an economic context*
- Eddy van Doorslaer and Erik Schut (EUR): *Optimal saving and insurance for old age: The role of public long-term care insurance*

Granted in 2016

- Marike Knoef (RUL): *Uncertainty over the Life Cycle: Implications for Pensions and Savings Behavior*
- Benedict Dellaert (EUR): *Individuals' Choices of Comprehensive Pension Plans*
- Andries de Grip and Raymond Montizaan (UM): *Work, Health and Retirement*

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

Granted in 2011

- Louise Nell (UU): *Choosing Better with Comprehensible Pension Overviews*

Granted in 2013

- Marleen Damman (NIDI): *The Role of Productive Activities in the Lives of Retirees. A Sociological Perspective.*
- Wiebke Eberhardt (MU): *Adapting Pension Communication to the Heterogeneous Characteristics and Needs of Participants.*
- Lexmy van den Boogaard (VU): *Home Equity and the Demand for and Cost of Long Term Care.*
- Hailong Bao (TiU): *Intergenerational Risk Sharing in Collective DC.*

Granted in 2016

- Anne Balter (TiU): *Contract Specifications for New Pension Deals*
- Damiaan Chen (UM): *Valuation of Index-linked Assets in Incomplete Markets*
- Jaap Oude Mulders (NIDI): *Confronting Responses of Employees and Employers*

3. Topicality Projects

Granted in 2014

- Anja De Waegenaere (TiU) and Bertrand Melenberg (TiU): *Systematisch langlevensrisico (Systematic Longevity Risk)*
- Antoon Pelsser (UM), Ramon van den Akker (TiU) and Mark Brussen (PGGM): *Economische waardering (Economic Valuation)*
- Arno Riedl (UM), Jan Potters (TiU) and Paul Smeets (UM): *Definitie van risicobereidheid/ risicoperceptie (Definition of Risk Appetite/Risk Perception)*

Granted in 2015

- Kène Henkens and Harry van Dalen (NIDI): *Willen we ons pensioen nog wel samen doen? Over keuzevrijheid en solidariteit in aanvullend pensioen (Do We Still Want to Arrange Our Pensions Together? Freedom of Choice and Solidarity in Supplemental Pensions)*
- Bastiaan Starink (TiU): *De fiscaliteit en pensioen: Naar een nieuw fiscaal pensioenkade (Tax Issues and Retirement: Toward a New Tax Framework for Retirement Savings)*
- Raun van Ooijen (RUG): *Kwantitatief onderzoek naar uitgaven aan ouderenzorg en ondersteuning (Quantitative Research into Expenses for Elder Care and Support)*
- Joost Dankers (UU): *Honderd jaar pensioenwetgeving (1919–2019): visies en beleid (One Hundred Years of Pension Legislation [1919–2019]: Visions and Policy)*

Granted in 2016

- Casper van Ewijk (TiU), Joost van Valkengoed (PGGM), Loes Frehen (APG), and Johan Bonekamp (TiU): *Heterogeniteit in leeftijdsopbouw en de doorsneesystematiek (Heterogeneity in Age Structure and the System of Uniform Contributions)*
- Theo Nijman (TiU), Niels Kortleve (PGGM), and Agnes Joseph (Achmea): *Maatwerk en keuzevrijheid (Customization and Freedom of Choice)*
- Marijke van Putten (RUL): *Relevante informatie t.b.v. keuzes bij variabele uitkeringen en doorbeleggen na pensioendatum (Relevant Information in Decisions Related to Flexible Benefits and Reinvestment after Retirement)*
- René Maatman / Mark Heemskerk (RUN), Bas Werker (TiU), and Kees Kamminga (Aegon): *Welke ervaringen zijn er met het omgaan met bestaande aanspraken bij systeemwijziging? (What Has the Experience Been with Regard to Existing Arrangements When Systems Are Transformed?)*
- Marcel Lever (CPB): *Keuzevrijheden in de uitkeringsfase: hoe worden deze gebruikt in andere landen? (Freedom of Choice in the Payout Phase: How Is It Used in Other Countries?)*
- Lisa Brüggem and Thomas Post (UM): *Keuzearchitectuur (Choice Architecture)*
- Rob Alessie (RUG), Raun van Ooijen (RUG), and Marike Knoef (RUL): *Pensioenambitie (Retirement Goals)*
- Marike Knoef and Marijke van Putten (RUL): *Pensioenbewustzijn van jongeren verhogen (Increasing Pension Awareness Among Young People)*

5. Comparative Research Grants (previously Research Grants)

None awarded in 2014, 2015, or 2016.

APPENDIX II – PROJECT EXPENSES IN 2017

Here follows a more detailed summary of the payments made for ongoing projects in 2017. Payments were made for the following projects in 2017.

Theme Projects⁴

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 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 team participate in working groups 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.

	Total Grant Amount (Amounts in € 1,000)	Payments												
		Until												
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Granted in 2009	3,500	489	658	793	564	293	362	-	-	-	-	-	-	-
Granted in 2010	2,000	-	-	401	467	409	241	142	60	20	-	-	-	-
Granted in 2012	1,500	-	-	-	-	173	331	295	289	199	-	-	-	-
Granted in 2013	750	-	-	-	-	-	108	146	205	162	104	-	-	-
Granted in 2014	750	-	-	-	-	-	-	62	178	208	125	177	-	-
Granted in 2015	990	-	-	-	-	-	-	-	153	224	268	125	217	-
Granted in 2016	1,000	-	-	-	-	-	-	-	-	144	248	283	206	112
Granted in 2017	1,000	-	-	-	-	-	-	-	-	-	250	250	250	250
	11,490	489	658	1,194	1,031	875	1,042	645	885	957	995	926	673	362

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 (UM): *Design of Pension Contracts in Incomplete Markets and under Uncertainty*
- Marcel Lever (CPB): *Choice architecture in pensions and retirement*
- Peter de Goeij en Eric Postma (TiU): *Data Science Solutions to Enhance Pension Communication*

⁴ Up until 2011, large projects were referred to as Theme Projects. In 2011, the terms Large and Medium Vision Projects were introduced for large and medium-sized projects. As of 2015, however, we returned to the name Theme Project for this class of projects.

Individual Research Grants⁵

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. The PhD student or postdoc is required to write two industry papers and participate in Netspar events.

(Amounts in € 1.000)	Total Grant Amount	Payments									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Granted in 2011	354	18	94	107	66	-	11	-	-	-	-
Granted in 2012	65	-	10	21	23	11	-	-	-	-	-
Granted in 2013	260	-	-	27	39	98	88	20	-	-	-
Granted in 2016	176	-	-	-	-	-	12	62	65	31	-
Granted in 2017	240	-	-	-	-	-	-	21	60	60	60
	1,095	18	104	155	128	109	111	63	125	91	60

Granted in 2017

- Ellen Dingemans (NIDI): *Understanding the relationship between paid work after retirement and well-being in a European perspective*
- Wiebke Eberhardt (UM): *Facing the pension communication challenges of tomorrow: On aging, emotions, and artificial intelligence*
- Marleen Damman (NIDI): *Retirement preparation and retirement transitions of the Dutch solo self-employed*

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.

(Amounts in € 1.000)	Total Grant Amount	Payments							
		2011	2012	2013	2014	2015	2016	2017	2018
Granted in 2011	193	30	82	48	-	-	-	-	-
Granted in 2012	100	-	24	68	8	-	-	-	-
Granted in 2013	100	-	-	18	48	14	-	-	-
Granted in 2014	170	-	-	-	92	42	36	-	-
Granted in 2015	180	-	-	-	-	122	44	14	-
Granted in 2016	160	-	-	-	-	-	52	35	-
Granted in 2017	140	-	-	-	-	-	-	6	98
	1,043	30	106	134	148	178	132	55	98

Toegekend in 2017

- Jim Been (UL), Casper van Ewijk (TiU), Marike Knoef (RUL) and Roel Mehlkopf (DNB): *Vormgeving keuzevrijheid en maatwerk binnen pensioenregelingen (Design of Options and Customization in Pension Schemes)*
- Rik Dillingh, Daniel van Vuuren and Marcel Lever (CPB): *Gevolgen van (verder) verhogen van pensioendatum (Implications of Raising the Retirement Age [Further])*
- Ed Westerhout, Marcel Lever (CPB), Bastiaan Starink (TiU) and Eduard Ponds (APG): *Flexibele pensioenopname (Flexible Pension Payouts)*

⁵ Starting in 2015, the Small Vision Grants were renamed Individual Research Grants.

- Bas Werker, Wesley Kaufmann and Bastiaan Starink (TiU): *Keuze en maatwerk in pensioen; Economische en juridisch aspecten en Data (Options and Customization in Pension Plans: Economic and Legal Aspects and Data)*
- Marcel Lever (CPB), Bas Werker and Casper van Ewijk (TiU): *Overgangseffecten bij afschaffing doorsneesystematiek (Transition Effects of Eliminating Uniform Contributions)*
- Anja de Waegeneare (TiU), Michel Vellekoop (UvA), Agnes Joseph and Pascal Janssen (PGGM): *Effecten van verschillende vormen van het delen van macro-langlevensrisico (Effects of Various Forms of Distributing Macro-Longevity Risk)*

Comparative Research Grants⁶

Researchers who are not already receiving funding from Netspar are eligible to apply for a Research Grant of up to €20,000. The condition for this is that they write a Netspar Discussion Paper to be presented at the International Pension Workshop.

	Total Grant Amount	Payments							
		2011	2012	2013	2014	2015	2016	2017	2018
(Amounts in € 1.000)									
Granted in 2011	70	21	49	-	-	-	-	-	-
Granted in 2012	49	-	15	21	13	-	-	-	-
Granted in 2013	66	-	-	20	39	7	-	-	-
Granted in 2017	78	-	-	-	-	-	-	25	54
	263	21	64	41	52	7	-	25	54

⁶ Starting in 2015, the Research Grants were renamed Comparative Research Grants.

Granted in 2017

- Anne Balter (TiU), Malene Kallestrup-Lamb (Aarhus University, DK) and Jasper Rangvid (CBS, DK): *Comparison of variable annuities between The Netherlands and Denmark*
- Arthur van Soest, Henriette Prast (TiU) and Maria Christina Rossi (UniTo): *Pension Communication across Countries*
- Max Coveney, Eddy van Doorslaer, Tom van Ourti and Pilar García-Gómez (EUR): *Which type of pension systems protect against the income and health inequality consequences of a recession?*
- Hazel Bateman (UNSW) and Frederica Teppa (DNB): *Regulation of information provision for pension choices: Australia and the Netherlands compared*

One-time Projects

In 2017, funding for three special, one-off projects on research data were awarded alongside the regular grants program. These research projects have already started, but no payments have as yet been made.

Granted in 2017

- Martin Olsthoorn (SCP): *Actualisatie datakosten ten behoeve van fase 1 van het project 'Legitimiteit en toereikendheid van de pensioenhervormingen' (Updating Costs of Data for Phase 1 of the "Legitimacy and Adequacy of Pension Reforms" Project) (k€ 50)*

- Nitesh Bharosa (Thauris) and Marijn Janssen (TUDelft): *Naar een architectuur voor betere informatieposities en dienstverlening in het pensioendomein (Toward an Architecture for Better Information Positions and Service in the Pension Arena)* (k€ 20)
- Roy Kouwenberg (EUR): *Two studies of behavioral factors influencing household portfolios: ambiguity aversion and gambling motives* (k€ 5)

Instituut Gak

Three research projects were launched in 2015 in association with the two endowed pension chairs:

- Investment Results on Illiquid Assets in the Long Term
- The Deliberation between Costs, Ambitions, and Risk in Pension Contracts
- The Adequacy of Pensions

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

These projects started sometime in 2015. They ran through 2016 for the entire year and in 2017, as well, with a full staff (+k€ 40).

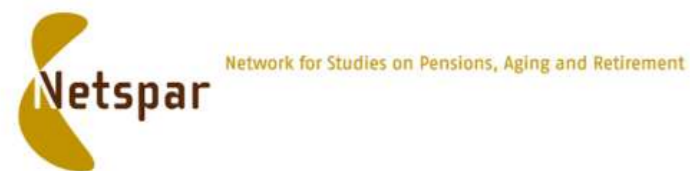
CEPAR

In 2015, an international comparative study of the Dutch and Australian pension systems was started in collaboration with CEPAR (funded in part by the Australian Research Council [ARC], which is similar to the Netherlands Organization for Scientific Research [NWO]). A full-time researcher has been working on the project since 2016. Expenses for this went up in 2017 (+k€ 7).

MOPACT

Netspar has been participating in the EU MOPACT project (Mobilising the Potential of Active Ageing in Europe) since 2013. The program content for this project was completed in 2017. The associated expenses were lower in 2017 (-k€ 5).

APPENDIX III – LETTER OF REPRESENTATION



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Stichting Netspar (Netspar Foundation)
 Attn: Chair of the Supervisory Board
 P. O. Box 90153
 5000 LE Tilburg / The Netherlands

Tilburg, April 10, 2018
 Re: Letter of Representation for the 2017 Financial Statements
 Reference no.: N2018.050

Dear Mr. Swank,

We hereby submit the 2017 Financial Statements and Multi-year Financial Statement as of December 31, 2017, 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.

Visiting address Faculty of Economics and Business Administration • Warandelaan 2 • Tilburg

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 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 2017, the so-called decentralized financial statements (based on figures with a run date of 19-02-2018 and a freeze date of 01-02-2018), along with the requisite notes, were delivered to the Executive Board on February 26, 2018.

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 included in its annual report, after first being approved by the Supervisory Board. The annual report is published on the Netspar website.

The figures listed in the 2017 financial statements for the annual report align as follows with the figures in the 2017 financial statements submitted to the Executive Board of Tilburg University.

	TU EB	Netspar Annual Report
Income	3,388	3,186
Expenditure	3,408	3,318
Profit/Loss	-20	-132

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 liquidity reserves (as stipulated in the aforementioned contract). The differences in income (-€202,000) and expenses (-€90,000) can be explained by the following:

- Income was increased by €132,000 in compiling the financial statements according to the Tilburg University format in order to arrive at the necessary result of -€20,000 (the amount of the required addition to the liquidity reserve). This amount was posted to the balance sheet as prepaid income.
- In addition, under the TU format, income received from Tilburg University in the amount of €70,000 was recorded for internal secondment, corrections to the way costs had been charged on, and project reimbursements, among other things.
- On the expenses side, the allocation to the dismissal provision was recorded in the financial statements as a return under the TU format and as an expense (€20,000) under the Netspar format. Finally, there were credit entries related to costs that were recorded as income under the TU format (-€70,000).

This thus entirely accounts for the difference in the two results.

We acknowledge our responsibility in drawing up the 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. 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,

Casper van Ewijk
 General Director

COLOPHON

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