



**TERMA<sup>®</sup>**  
ALLIES IN INNOVATION

**PENSION PLAN &  
HEALTH INSURANCE**

Terma A/S &  
Terma Aerostructures A/S

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## INTRODUCTION

The aim of this brochure is to provide you with information about the contents of our pension and insurance package that is easy to read, and to give you a general idea of, what is covered.

At the back of the brochure, you will find a checklist suitable for use during a potential pension review meeting. Receiving external advice may help answer any questions, you may have, and ensure that your pension plan fits your situation in the best possible way.



## OUR PENSION PLAN & HEALTH INSURANCE

At Terma we wish to ensure a high quality of life for you both during as well as after your employment.

We want to offer you the foundations for security in your old age or in case of an accident. Therefore, we have chosen to offer you a flexible pension and insurance package that may be tailored to suit your needs.

The pension and insurance package is compulsory for all white-collar employees at Terma, and as an employee, you are automatically enrolled in the pension plan. This also applies to our health insurance.

You are free to choose how you would like your pension savings to be invested within the framework of the pension plan, i.e. a certain level of risk or managing your own investments.

If you find the world of pensions and insurance difficult to understand, we encourage you to take advantage of a unique opportunity offered by Terma and have an impartial adviser guide you.

We have entered into an agreement with Mercer, who will continuously ensure that we have an optimal plan. As an employee with Terma, you are welcome to contact Mercer with any questions that you might have regarding your pension.

It is very important to us that your personal pension plan fits your situation and needs in the best possible way.

This brochure will provide you with more detailed information about our pension plan and insurance package.

Stine Würtz Jepsen  
Senior Vice President, Group HR





## STRUCTURE OF THE PENSION AND INSURANCE PACKAGE

Your pension plan is placed with Topdanmark. Below you can see an overview of your compulsory coverage as well as your opportunities for individual optional coverage.

INSURANCE COVERAGE (% of salary* or in DKK)	COMPULSORY COVERAGE	OPTIONAL COVERAGE** (‘Up to’ includes compulsory coverage)	TAXES ON BENEFITS
<b>Certain critical illnesses</b>	DKK 150.000	UP to DKK 800.000	Tax free
<b>Loss of ability to work</b> Disability (lump sum)	DKK 100.000	Up to DKK 1.805.000	Tax free
Disability (on going)	50 % of salary	80 % of salary	Income tax
Premium exemption	yes	–	–
<b>Death</b> Lump Sum	100 % of salary	Up to DKK 7.220.000	Tax free/Income tax
Childrens pension	No	Up to 25 % of salary	Income tax (child)
Savings protection insurance	Your pension savings will be paid out if you die before retirement age	–	–
<b>Retirement</b> Annual installment	***)	***)	Tax free
Life annuity			Income tax
Old age savings			Income tax
<b>Health Insurance</b> Topdanmark	Yes	Children & spouce/partner	Tax free

*The pension plan expires at 67/68 years of age no matter your public retirement age. The Health Insurance expires when you are no longer employed by Terma.*

*\*) The salary registered with the pension provider.*

*\*\*) Amounts listed under “Optional Coverage” are index 2020*

*\*\*\*) Benefits at retirement depend on factors such as interest rates, the savings period and how much of the pension contribution is used to purchase insurance.*

## PENSION CONTRIBUTION

The pension contribution is 12 % of your base salary. Terma contributes 2/3 and you pay 1/3 of the contribution. You can choose to pay an additional optional contribution.

## BENEFITS OF YOUR PENSION PLAN

### Certain critical illnesses

The lump sum will be paid if you have been diagnosed with a critical illness that is described in the insurance terms.

The insurance has been extended to include terminal coverage. If you are diagnosed as terminal, you will receive the pay-out, no matter if the diagnosis is part of the coverage or not. You need to present medical documentation of a remaining expected lifespan of 12 months or less.

### Loss of ability to work

The current pension will be paid if your ability to work has been reduced to half or less due to an illness or accident. The payment will begin once your ability to work has been reduced continually for a period of three months. Furthermore, Topdanmark will assume payments of your pension contribution (premium exemption).

The lump sum will be paid minimum 12 months after you ability to work was permanently reduced to half or less.

If you are assigned to a resource course, we have arranged for additional coverage to ensure that payments from Topdanmark will match up to a maximum of 92 % of your previous salary (incl. public funds, other insurance schemes, salary insurance and salary), offsetting the deduction in public funding.

### Death

Benefits will be paid to "next of kin" unless otherwise agreed. If you would like others to receive the benefits, a new beneficiary declaration is required (read about beneficiaries on page 13).

### Childrens pension

If opted in – the children's pension will be paid to the children of the insured until they reach 24 years of age.

### Retirement

You need to choose how you would like to structure your payments – either as old age savings, with the entire sum being paid as a lump sum, or as an annual installment / life annuity with running payments. There are limitations to contributions to old age pension and annual installment schemes as well as special tax regulation for old age pension.

People employed under a collective agreement may have more limited options.

### Health declaration

For drawing up your pension plan, no health declaration is required. You will be covered by the pension plan, provided that you are fully fit for work and are not or have not been employed in flex or light jobs, and are not entitled to disability pension.

If you would like to increase the insurance coverage and/or the pension contribution, you will (in some cases) need to submit further personal health statements.

## HEALTH INSURANCE AT TERMA

As an employee at Terma, you are automatically covered by health insurance with Topdanmark, running as long as you are employed – no matter your age.

Terma wants you, as an employee, to have the best conditions in which to resume your everyday life as quickly as possible in the event that you are affected by an illness or an accident. Among other things, the insurance offers you the option to skip public waiting lists and receive early treatment, and has been set up with no waiting period for existing conditions.

### **Spouses/partners and children can be co-insured**

You can choose to co-insure your spouse/cohabiter (under the age of 65 years) and children. The annual premium will be charged to you directly.

If you extend the coverage to include your spouse/partner, your (combined) children under the age of 21 years also become part of the coverage. Find the submission form on [www.topdanmark.dk](http://www.topdanmark.dk) or contact Mercer for help.

Please note that there is a two year waiting period before pre existing conditions of your spouse/partner and children are covered.

### **Notification of a claim**

As a starting point you need to see your own doctor for initial examination. Hereafter you contact Topdanmark by phone 4474 7003 or via Mit Topdanmark on [topdanmark.dk](http://topdanmark.dk), who will guide you in the process. You should always contact Topdanmark before starting treatments. If you have any questions, you are also welcome to contact Mercer's Customer Service.

Som ansat hos Terma er du automatisk omfattet af en sundhedsforsikring hos Topdanmark.

### **Stressfree**

Stressfree is part of your health insurance. It can help prevent initial stress to develop into anxiety, depression or physical conditions i.e. cardiovascular issues.

### **Stressfree is:**

- Advise and guidance from experienced psychologists – anonymously and with no strings attached
- Fast access to help – no doctor's referral needed

Via phone consultations with experienced psychologists you determine if you need additional advice or a structured course of treatments. Call Stressfree: 4474 7003.

### **Examples of coverage**

- Treatment at a private hospital/clinic – preliminary examination, surgery, aftercare
- Examination and treatment by a specialist
- Other specialist treatment – psychiatrist, psychologist, physiotherapist, chiropractor, accupuncturist and reflexologist
- Home care/home nursing after surgery
- Rehabilitation/recuperation
- Addiction therapy – e.g. alcohol and medicine
- Aids to help cure the disease
- Counseling and guidance

### **Limitations may apply**

Some treatments are limited by number or time restrictions. Details are available in the terms and conditions.

### **Excluded from coverage**

- Preventive treatment
- Cosmetic surgery
- Chronic illness – although if diagnosed while coverage is in effect treatment is possible for up to 3 months.
- Operation for short-sightedness, long-sightedness and stigmatism
- Eye glasses, contact lenses or dentalcare

## BOOK YOUR PENSION REVIEW WITH MERCER

Mercer is not a representative of the pension provider but is employed by Terma to provide you with impartial advisory services on pension and insurance savings. The aim is to put together a pension plan that best suits your current situation.

New employees at Terma are automatically notified by mail and offered a pension review with Mercer within the first three months of employment. Existing employees can book an advisory meeting as needed.

All meetings are booked via Termas online pension portal [www.merceronline.dk](http://www.merceronline.dk)

The following pages contain information about elements that are important when putting together your pension plan. This will ensure you are well-prepared for the pension review with your advisor.

**Please note!** Even if you have determined your insurance needs in the past, the choices made then, may not apply to your current or future needs. If your situation changes, you should reconsider the composition of savings and insurance. These changes could be: an addition to the family, marriage, the purchase of a house, or your expectations for the future simply might have changed. The pension plan is flexible, so you have good opportunities to make the necessary adjustments.

If you have a pension plan from a previous job, it can

either remain with the original provider, or you can transfer the savings value to your new pension plan, all according to your needs and wishes.

### Terma's Pension portal

As part of the cooperation with Mercer, employees at Terma have access to the web-based pension portal MercerOnline.

The portal lets you access a number of relevant pieces of information about your pension and insurance plan through your employer, and it provides you with answers to a number of questions such as:

- How am I covered through my pension plan?
- Where can I find the form to register a specific beneficiary in case of my death?
- How much does it cost to co-insure my spouse/co-habiter on my health insurance?
- How much of the premium is subject to taxation?

### Username and password

You gain access to MercerOnline through [www.merceronline.dk](http://www.merceronline.dk).

Your username is your work email address, and your password is your Danish civil registration number.

In case of problems when logging in, please call Mercer by phone: +45 45 95 96 68.



A modern interior scene featuring a chrome side table with a magazine rack, a lamp, and a white sofa. The side table is made of polished chrome and has a built-in magazine rack at the bottom. A stack of magazines is on the table, and one is in the rack. A lamp with a white shade is on the table. A white sofa is to the right.

# PREPARATION FOR YOUR PENSION REVIEW

- advisory based on your needs





## INVESTING YOUR PENSION SAVINGS

As an employee at term, how you want to invest your pension savings depends solely on your own needs and wishes.

Mercer therefore always uses the individual pension discussion to determine your savings horizon and risk.

As a rule, pension savings for newly hired employees are placed in a life cycle product (Profilpension) with

medium risk. You are free to adjust both the product as well as the risk tolerance, and you also have the option to target your savings on specific focus areas.

You also have the option of taking control and responsibility of your investments yourself.

The two primary ways to invest your savings have individual risk profiles and investment horizons.

### LIFE CYCLE/ DELEGATED SOLUTION

With a life cycle savings product the risk is continuously adjusted according to age and the savings horizon based on a defined assessment of risk, years left until retirement and return.

At Topdanmark they are called Profilpension or Purposepension. You can choose between different risk levels, and with Purposepension you can indicate special focus areas i.e. sustainable investments or Danish shares.

The distribution between shares, bonds and other investments is continuously adjusted, and you do not have to make these decisions on your own. However, you do need to continue to follow the development in return and savings.

Generally speaking, it is important that you continue to focus on the development of your pension plan.

### UNIT-LINK/ SELF SERVE SOLUTION

With Unit-link you become the master of your investments. Unit-link is suited for you if you have the time, interest and skill it takes to be your own portfolio manager, or if you in general would like to take on more risk than the life cycle products allow for.

If you choose Unit-link – you are the sole manager of your own asset allocation, choosing from a range of funds provided by Topdanmark. However, you also carry the whole responsibility, for monitoring and the adjustment of risk for your pension savings.

Limited access for persons employed under a collective agreement.

## ADJUSTING YOUR INSURANCE COVERAGE

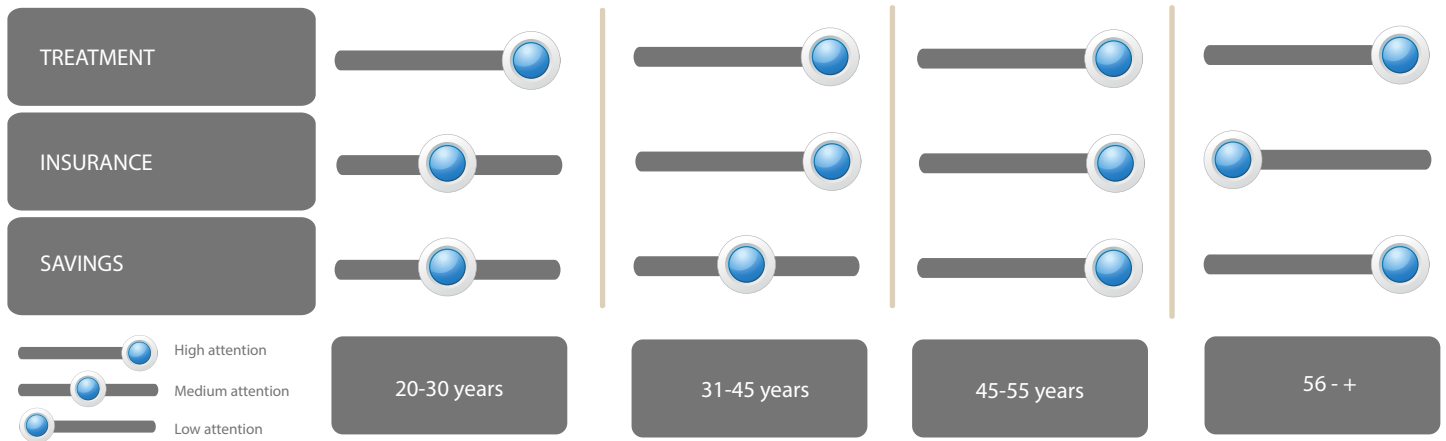
Your pension plan at Terma consists of savings for your pension and a number of insurance policies. It is important that your insurance coverage is correct.

If your insurance coverage is too poor, the consequence might be that you and your family will have to reduce your standard of living significantly if anything should happen to you.

However, if your coverage is too great and therefore too expensive, it will affect your pension savings as the insurance is being paid from the pension contribution.

### Focus areas at different stages

Below is a model illustrating the stages in life at which you typically should focus on the various elements in the pension plan.





## PENSION SAVINGS

Most people believe that pension savings are the most important part of a pension plan. Obviously, this is because that is the part of the plan that we all hope to benefit from.

How much you should set aside for savings depends in particular on your wishes and expectations for life in retirement. By answering the following questions, you will be guided to the areas that should be included in your considerations.

If you have a spouse or cohabiter, it might be a good idea to involve him or her in your considerations:

- When would you like to retire
  - when you turn 60, 65, 67 or later?
- How would you like to live in retirement
  - and would you like to live like that the rest of your life?
- What public benefits do you expect to receive
  - early retirement benefits and/or state pension?
- What are your other financial conditions like
  - do you possess equity, other assets etc.?

## LOSS OF ABILITY TO WORK

In case of an illness or accident preventing you from working for a long period of time, your salary income may be affected.

Therefore, it is important to have insurance that will replace your salary in whole or in part. How much of your salary you should insure depends on several factors, including:

- Expectations in terms of your standard of living
  - are you willing to accept a reduced standard of living?
- Expectations in terms of public benefit
  - should your finances be based on public benefits?
- Other financial conditions
  - do you have any other savings or assets to secure your finances?



## DEATH

If you die, your surviving relatives may need the insurance. Are they financially dependent on you, do you share expenses, or do you in other ways contribute to their finances?

If you have a spouse or cohabiter (as well as any children), it is therefore a good idea if you spend some time considering and going through the following:

Expectations in terms of your standard of living

- Should your surviving relatives accept a reduced standard of living?
- For how long should your surviving relatives be insured?

Other financial conditions

- Debts, assets etc. affecting the finances of your surviving relatives?

## BENEFICIARIES

You can decide who should receive the benefit upon your death. If you do not change the automatic beneficiary, your pension plan will be paid in the following order of priority:

- Spouse
- Cohabiter—with whom you are expecting, have or have had a child—or with whom you have had a shared place of residence for the past two years before your death
- Heirs by blood (children, grandchildren etc.)
- Heirs according to a will or the Danish inheritance law

Is this the order of priority that you want?

In pension schemes made before January 1, 2008, cohabiters will not automatically be included in the list of beneficiaries.

## SENIOR ADVISORY SERVICES

As an extra benefit of your pension plan at Terma you are free to use Mercer's Senior advisory services, giving you and your spouse/partner an overview of your financial wellness in retirement.

Output of a Senior advisory session:

- Bring to light and putting words on your needs and desires for life in retirement
- Financial gain by achieving the optimum interplay between pension savings, real estate value and liquid assets – taking into account taxation, public payments and return on assets. By having the proper plan in place you may gain significant funds.
- Concrete proposals for optimization
- Pension report / Senior analysis

Mercer's specialised senior advisors hold significant experience and know-how in planning financial wellness for life in retirement.

Mercer is an impartial advisor, with no proprietary interests possibly conflicting with our service to you. Our sole aim is to providing you with the best possible solution based on your needs and wishes.

Based on a thorough analysis of all available information Mercer will provide a combined report – your Senior analysis, containing concrete suggestions for optimization of your finances in retirement as well as a budget proposal for the desired time horizon.

For more information on Mercer's Senior advisory services and Senior analysis, please contact Mercer via:

[post@mercer.com](mailto:post@mercer.com)  
4595 9668

## LATE CAREER SEMINARS

At Terma we seek to ensure our employees a smooth transition to life in retirement, and we provide you with the opportunity to take part in a late career seminar with Mercer.

At Mercer's late career seminars you will be presented with a number of important issues regarding planning up to and after retirement.

You will be able to assess your situation regarding your readiness for retirement, get an overview of possible actions to take and what effect they may have.

At the seminar we focus specifically on your financial situation in retirement, your physical and personal well-being, inheritance and beneficiaries and mental preparation for a new phase of life.

Please contact Terma's HR department for further information on possible participation in a late career seminar by Mercer.



## CHECKLIST FOR PENSION REVIEW

We hope that the information in this brochure has provided you with an overview of subjects to consider for your pension plan.

It would be a good idea to write down your considerations so that you will remember them for the meeting. Below is a checklist of what you should bring to the pension discussion.

We also recommend that you take a look at the list of all pension and insurance schemes on the website [www.pensionsinfo.dk](http://www.pensionsinfo.dk).

- ☐ Nem-ID (key-card or app)
  - ☐ Overview of eksisting pension plan(s)
  - ☐ Overview of private pension savings in a bank or insurance provider
  - ☐ Overview of life- and pension insurance(s) in a bank or pension provider
  - ☐ Overview of assets (real estate, investments etc.)
  - ☐ Spouse/cohabiter's civil registration number, if you want your cohabiter to be your beneficiary upon your death
  - ☐ Current salary statement

## NOTES FOR PENSION REVIEW

You can make your own personal notes for the pension discussion below:

[illegible]

## MERCER PENSIONS RÅDGIVNING A/S

Our clients appreciate the impartiality we are able to offer them. It ensures transparent consulting and broker services that enable clients to provide their employees with the best possible pension and health plans, without having to consider Mercer's interests in terms of suppliers.

As pension brokers, Mercer has access to the products of all relevant pension providers. This gives Mercer full insight into and a comprehensive overview of the market.

As impartial advisers, Mercer does not specifically consider individual companies' product portfolios, but rather conduct analyses solely on the basis of our extensive market knowledge.

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## ADDITIONAL BENEFITS WITH TOPDANMARK

As an employee with Terma you have access to even more benefits with Topdanmark. You can save up to 20% on your private insurance in Topdanmark.

In order to qualify for the discount you need to set up your home insurance and at least one of the following insurances with Topdanmark:

- House insurance
- Car insurance
- Accident insurance
- Summerhouse insurance
- Motorcycle insurance

If you want more information on your discount options please contact Topdanmark by phone 70 13 79 13 or via [www.topdanmark.dk/terma](http://www.topdanmark.dk/terma).

Topdanmark is the second largest insurance company in Denmark offering both traditional insurance to private, business and farming clients as well as pension schemes to both businesses and private individuals via Topdanmark Livsforsikring.

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### Disclaimer

*The information in this folder illustrates the company's pension and insurance policy. It is presented in order to give perspective on the starting point of the company's pension scheme. Therefore, in some cases special terms, limitations or possibilities may apply. It is always the current terms and conditions of the pension and insurance providers which apply to the given pension and insurance scheme.*