

**Questions and Answers**

Pre-proposal conference, Tuesday, October 27, 2009

1. Why is there a split in historical reserves 2001 – 2005 & 2005 – 2009?  
*The pension bases for these reserves differed significantly enough to warrant keeping these reserves separate.*
2. In view of the profit sharing system we can offer, it is important for us to know if both reserves would be transferable from a legal or economic point of view.  
Hence the question whether both reserves would be transferable to a new plan carrier / pension insurer? And if not, why not (Embassy policy, current contract not allowing so, underfunding issue, etc)?  
Also, at which actuarial interest rate(s) is / are these reserves valued?  
*The Embassy does not anticipate transferring these reserves. Complexity in executing and communicating the transfer to participants prevents the transfer.*
3. C1.7.: Is the duty-free bonus of 3.67% a fixed percentages / amount or is this a variable bonus?  
*The 3.67% duty-free bonus is fixed.*
4. C1.12.: Indexation of the inactive participants: are these inactive participants your actual group of sleepers or will future leavers also be categorised under that group and indexation label?  
*In principle the method as described under C1.12 refers to future leavers. The level and the method of indexation still to be determined.*
5. C1.15.: We understand that the Embassy is not providing plan members with WGA-Gap (LTD) insurance. What about Excess Disability (WIA Excess) covering the salary exceeding the Social Security Ceiling (2009: € 47,811)?  
Do you want to in- or exclude this benefit in/from our proposal?  
*As discussed during the meeting of October 28, we would like to ask you to extend the proposal with the coverage of an income replacing allowance in case of disability:*
  - *So-called WGA-gap: additional coverage up to 70% of the pensionable salary up to the level of the social security ceiling (2009: € 47,802)*
  - *So-called WGA-exceeding arrangement to cover 70% of the part of the pensionable salary above the social security ceiling*
  - *WGA-gap and WGA-exceeding arrangement both according to the product specifications of your company and on a 6 class system*
6. F 2.: In the Request for Proposal is written that we should deliver the proposal before November 6, 2009. In the accompanying letter it is written that the proposal should be delivered before November 13, 2009. Can you please clarify which of the two dates is correct?  
*Proposals are due November 13, 2009 at 12:00.*
7. How will disputes under the contract be resolved?  
*Disputes between contractors and the U.S. Government are resolved according to the following sections of law:*  
41 USC Sec 601-613  
FAR Subpart 33.2