

Most adults understand the importance of planning for retirement, but internationals planning to remain in the Netherlands face specific challenges. Some spend decades – most of their adult lives – living here, but this is no guarantee for a smooth, easy retirement.

# Dreaming of retirement in the Netherlands?

BY LORRE LUTHER



### Immigration and integration

Silvia Calles, an ACCESS volunteer, left Mexico for Amsterdam at the age of 19. She considered Spain and Mexico before deciding that the Netherlands would be the best place to live as she aged. Dutch culture felt more comfortable for her. She notes the Netherlands' public transportation system and walkable terrain make it an ideal place to deal with mobility challenges posed by growing older, too.

Citizens of the European Union like Calles do not face restrictions regarding living in the Netherlands, according to Jeremy Bierbach, an immigration attorney with Franssen Advocaten in Amsterdam.

**Did you know...**  
From 2022 the age of retirement will be linked to life expectancy

Obtaining permanent residency, however, is the only way for non-EU citizens to retire here. Non-EU citizens may apply for permanent residency after living in the Netherlands for five uninterrupted years. Most applicants must pass all portions of the civic integration exam, demonstrate proficiency in Dutch, and provide evidence of long-term financial support. However, people of Dutch legal retirement age, or AOW *leeftijd*, may be exempt from these requirements.

Bierbach suggests non-EU citizens meet with an immigration attorney approximately one year before planning to apply for permanent residency.

### More info

For more information on financial planning for retirement, check out the Education article in this issue on pg. 39. See also our Partner Feature, from Legal Expat Desk on pg 38.

Calculate when you are eligible to receive your first AOW pension:

[www.svb.nl/int/nl/aow/wat\\_is\\_de\\_aow/wanneer\\_aow/](http://www.svb.nl/int/nl/aow/wat_is_de_aow/wanneer_aow/)

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### To learn Dutch or not?

When a new client from a non-EU country comes to Bierbach's office to discuss permanent residency, he asks them, "How's your Dutch?" In his experience, lack of Dutch proficiency creates the biggest obstacle for these clients.

Canadian citizen and long-term Netherlands resident Katherine Fortier does not speak fluent Dutch. Yet she doesn't believe this will be an obstacle to growing older in the Netherlands. She has deep social ties in the international community and trusts the strong English-language skills of Dutch health care providers. "Once you've lived here for 21 years, you realise that you really do get by," says Fortier.

ACCESS volunteer and American retiree John Fields has a different perspective. "I see the language barrier as the most significant problem," he says. Upon moving here a few years ago, he took a Dutch course at the British School of the Netherlands and meets regularly with a language exchange partner.

### Housing and pensions

Qualifying for a mortgage can be difficult, even for internationals with sufficient resources.

Henk Jansen, a mortgage specialist with Expat Mortgages, says that "Dutch banks look at three things when determining whether to loan money: how was the money earned, what currency was the income earned in, and which tax system will be applicable to the income that is being used to qualify for the mortgage."

The variability of these factors adds a layer of difficulty to the mortgage application process for international applicants. A pension paid in a foreign currency has the potential to drastically fall in value with respect to the Euro and may become insufficient to repay the debt.

The AOW is the Dutch state pension, so check with a professional to determine if you are eligible to receive it. "Pensions in the Netherlands are lifelong.

## "Pension systems abroad vary. How do you prove how much money you will get after your partner dies?"

After a partner dies, 70% goes to the surviving partner. Dutch banks know this," Jansen says. However, "pension systems abroad vary. How do you prove how much money you will get after your partner dies?"

Determining how much money will be received from a pension if an international chooses to retire in the Netherlands is a complex yet critical step in the retirement planning process. Treaties negotiated between the Netherlands and various countries govern how pensions based abroad will be taxed, says Eelco Zweerts de Jong, a pension expert with ZJHT Risk & Insurance Specialists BV in Wassenaar.

"First, you should think about what your options are," he says. "Then think about what you want... If you have a lot of assets then your pension doesn't really matter. Your pension might not be as important as they think it is."

Financial planning for retirement should begin at least five years before individuals plan to leave work, and Jansen suggests potential mortgage borrowers begin the process of applying for mortgages at least one to two years before they stop working.

Retiring in the Netherlands is not impossible for internationals who want to make this land on the North Sea their permanent home. The process will take planning and patience, but with persistence this dream can come true! «

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### About the author

Lorre Luther is a writer who lives in the Netherlands.