

Conversion of old pensions to retirement at 68

Retirement age for all pension rights now 68, but option to choose an alternative retirement age remains

If you already participated in Philips Pensioenfondsen before 2018, you have accrued pension rights that carry different default retirement ages, since on 1 January 2018 the retirement age was changed from 67 to 68. Effective 1 January 2019, however, the default retirement age will once again be the same for all your pension rights. All the pension rights that you have accrued will be converted to retirement at 68. This will make it easier to understand your pension rights. The conversion will not lead to any loss of value. More importantly: if you want, you can still start drawing your pension at a different age. Generaties tells you everything you need to know.

On 1 January 2018 the default retirement age was raised from 67 to 68. All retirement pension rights accrued from then forward are based on the assumption that you will retire when you turn 68. If you already participated in Philips Pensioenfondsen before 2018, you have also accrued pension rights with a default retirement age of 67. That portion of your pension will now be converted to retirement at 68. You might also have accrued pension rights that carry an entirely different default retirement age; if so, those will also be converted to retirement when you turn 68. As a result, the default retirement age for your entire pension is now 68. However, if you want, you can still start drawing your pension at a

different age. This change makes your pension considerably easier to understand, without losing any value.

What does this mean for the value of my pension?

The pension rights that you accrued up to 31 December 2017, which carry a retirement age of 67, will automatically be converted into a pension that carries retirement at 68. You will not lose any value as a result of this process: in fact, your pension will be higher after this conversion, as the period over



May I choose not to have my pension converted?

No, you cannot choose not to have your pension converted. By law, we do not require your consent. Accordingly, we will automatically convert your pension rights that carry retirement at a different default retirement age than 68 into a pension with a default retirement age of 68. However, as explained above, you still have the full range of options.

When can I see what my new pension is?

The Uniform Pension Overview that you will receive later in 2019 will show the consequences of the pension change. The Uniform Pension Overview shows your pension situation at 1 January 2019, after your retirement pension has been converted to retirement at 68. This change will also become visible in the Pension Planner no later than when you receive your Uniform Pension Overview. Visit the Pension Planner at www.philipspensioenfondsen.nl/mijnppf to calculate the various options that are available to you when you retire. ■

which that portion is paid will now be a year shorter. If you do not actively announce that you wish to retire at a different age, your entire pension will start when you turn 68. However, most of Philips and Signify's people choose not to retire at 68, but at a different age. If you choose this option, your pension will be recalculated from the base age of 68 to your preferred retirement age, between 60 and 70. If you start drawing your pension before you turn 68, the amount that you receive will be lower, since it will be paid out over a longer period.

How will the survivor's pension be affected?

Under the flex pension plan, you also accrue a survivor's pension for your partner, as well as an orphan's pension for any children below the age of 21. The survivor's pension and orphan's pension rights will remain unaffected by the conversion of your retirement pension. For example, if you had accrued a survivor's pension of €1,000 before 1 January 2019, it will still be €1,000 in 2019. As a consequence, the survivor's pension is no longer precisely 70% of your retirement pension.

What options are available?

The flex pension plans offers an extensive range of options that you can use at your retirement date to customise your pension situation to suit your personal preferences. All these options are now still available for your entire pension:

- You can choose a retirement age between 60 and 70;
- You can purchase a bridging pension if you retire before you reach state retirement age and are not yet drawing a state pension;
- You can exchange survivor's pension for a higher retirement pension;
- You can draw more pension initially and less pension later on.

