

Using the years ahead to make a strong start in the new pension system

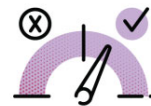
With the introduction of a new pension system within a few years, pensions in the Netherlands are set for an overhaul. Every member will have their own individual pension reserve. The Board of Trustees believes that specific policies are needed to handle this unusual situation. That is why the Board has started preparing, by making some decisions that will make sure that our members can start as strongly as possible under the new system.

What do we want to achieve by the time the new pension system comes into force?

Every member's pension should reflect the ambition as closely as possible: full pension accrual and indexation.



Healthy finances with the highest possible funding ratio



What is the situation at the end of 2021?



Our members' pensions:

- No indexation (or only partial) in recent years
- Pension accrual rate under pressure in 2022 and beyond: with interest rates so low, the same contributions would mean less pension accrual under the existing policy.

Financial health:

- Strong rise in funding ratio after the dip in early-2020: actual funding ratio 127.7%, policy funding ratio 121.7%
- Result: large buffer of € 5 billion (as at the end of September 2021)

What decisions have been made for the years ahead?

Protecting the financial buffers

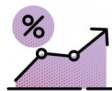
Less risk in investment policy to better protect the existing buffer, in preparation for the transition to the new pension system.



Our member benefit from the buffer at the moment the new pension system comes into force. It is in their interests that the buffer is as large as possible.

Greater certainty about pension increases

Making use of new legislation that could come into force as early as on 1 January 2022.



This will make it very likely that full indexation can be granted during the next two years. In the case of partial indexation, it will be higher than is possible now.

Limited cut in pension accrual in 2022 and 2023: 1.65% accrual

If the existing policy was continued, the low interest rates would significantly reduce the pension accrual in 2022 and 2023. The Board of Trustees has decided to minimise the cut in the pension accrual rate and has set the accrual rate to 1.65% (currently 1.85%).



Active members will accrue slightly less pension in 2022 and 2023. The accrual rate for 2024 is still uncertain.