

Generaties

#44

June 2023

volume 20



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Foreword

Dear reader,

Earlier this month we published our annual report online. In this issue of our magazine *Generaties*, Frederieke Leene and Mike Pernot of the Board of Trustees describe some of the themes that are addressed in the annual report (starting on page 4). Two of those themes – the new pension system and an assessment of our indexation policy – are of particular interest to our members, as your questions show. To better understand precisely what questions you have about these themes, earlier this spring we organised a series of discussions between two members of the Board and some of our pensioners. I was part of three of those discussions, where I heard your views on how we communicated about the indexation decision and what questions you have about the new pension system. Starting on page 18, five of the members who took part in those discussions answered the question: “What would you prefer: a higher pension now, or more security for the future?”

On page 14, you can read about the channels that we are using this year to ask members for their input on how the future pension plan should be communicated. We will present our ideas to our members. What our discussions highlight again and again is that many of our members want to know what to expect with regard to their pensions. I will take this opportunity to refer you again to our website, where we have listed an extensive FAQ, and where you can watch recordings of our webinars about this topic:

www.philipspensioenfond.nl/en/pensionagreement

Of course the new pension system is not the only topic that you have questions about. Several members have asked about the current reorganisation at Philips, and how it will affect their pensions. Turn to page 12 for the answers to three commonly asked questions.

In this issue you can also read about Elian de Kruijff, who lost her husband Peter long before his time. Starting on page 15, she recalls her experiences with Philips Pensioenfond in the granting of the pension in the event of death. As her story shows, it is important to make arrangements for a survivor’s pension for your partner, even when you are still young.

Lastly, I hope you enjoy reading the story (page 22) about Olaf Mastebroek and Henk Stevens. Olaf and Henk are putting the technical experience that they gained at Philips and Signify to excellent use in a wonderful initiative: Oradio. They hope that their story inspires others as well. Will you be one of them?

Jasper Kemme
Managing Director Philips Pensioenfond



“We spoke with pension beneficiaries to learn more about what questions you have”

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“A strong financial position in these circumstances”

For this issue of *Generaties*, we sat down with Frederieke Leene and Mike Pernot of the Board of Trustees to look back on 2022 and the first months of 2023. They talked about what issues the Board discussed and what topical developments it was forced to consider. “The new pension system of course was a recurring theme in every one of our decisions.” After years of very low interest rates, they surged in 2022.

Although this plunged our investments deep into the red it had little impact on the funding ratio. Frederieke and Mike explain why. Their shared conclusion? “Given the circumstances, we’re quite happy with the Pension Fund’s financial position. The high inflation rates and rising interest made 2022 a challenging year.”



Big impact of rising interest rates

Interest rates surged during 2022. Frederieke explains how this affects Philips Pensioenfonds, “The higher interest rates plunged the investment results on our portfolio of fixed-income securities – bonds, primarily – far into the negative. On top of this, when interest rates go up, it becomes less attractive to invest in equities, so we recorded severe losses there too. What also did not help was the interest rate hedge that we have had since 2021. This hedge protects the funding ratio in the event of falling interest rates, but also ensures that you benefit less or not at all from a rise in interest rates. Only the real estate portfolio achieved positive results. Equities and real estate together make up our portfolio of return assets. Despite a positive return on the real estate portfolio, the overall value of the return portfolio fell during 2022. In total, our investment assets lost 25% of their value. I can imagine that most members will be shocked by that number!” Mike adds, “Still, the returns on investments don’t give the whole picture. Our main focus is on achieving a stable funding ratio. The funding ratio reflects where our investments stand relative to our pension liabilities. In 2022, those assets fell significantly, as a result of the developments that Frederieke just outlined. The value of our liabilities, being the total amount that we have to pay out in pensions now and in the future, also dropped sharply in 2022, as a result of the higher interest rates, even despite the large increase in the pensions in 2022. On balance, the assets fell

“Our main focus is on achieving a stable funding ratio. The funding ratio reflects where our investments stand relative to our pension liabilities”

slightly more than the liabilities, causing the current funding ratio to go down by 4 percentage points. However, the policy funding ratio rose. This is important for matters such as our indexation decision.”

Realising our ambition and preserving our buffer

In 2022, the pensions of all our members were raised by the full rate. This means that pensioners and policyholders were compensated for the price inflation of the previous year and the active members for wage inflation, which is in line with the Pension Fund’s ambition. In addition, a piece of indexation that was previously missed, has been caught up. Frederieke continues, “In 2022, pension beneficiaries and policyholders were awarded a much higher rate of indexation than active members. The reason is that the ambitions for these groups are very different: prices rose by much more than Philips wages did. We don’t want the difference in indexation over previous years to increase much further in the run-up to the new pension system. This was one of the factors that we considered in our indexation decision for 2023. For the period until the new system starts affecting you, in 2026, we’ve defined two goals. First, we want all our members to have a pension that reflects the ambition as closely as possible. Second, we want our funding ratio to be as high as possible when we switch to the new pension system.” Mike explains why a high funding ratio is so important, “If a pension fund has a funding ratio of 100%, this means that its assets are precisely enough for it to pay its existing pension liabilities. If the funding ratio is greater than 100%, the portion above that 100% is called a ‘reserve’ or ‘financial buffer’. At the end of 2022, our current funding ratio was

Quick summary

- In 2022, the policy funding ratio rose from 125.8% to 128.7%. The current funding ratio dropped from 132.3% to 128.4%.
- Pensions of our pension beneficiaries and policyholders, went up by 4.0% on 1 April 2023.
- Our active members’ pensions were raised by 2.1% on 1 April 2023.
- Active members will accrue their pension at a rate of 1.85% in 2023.

128.4%, meaning that our financial buffer was 28.4%. As we transition to the new system, we want to give that buffer extra protection, which is in the best interests of all our members: when we switch to the new system, that buffer will eventually be divided among all the members.”

New pension rules still seem a long way off

As Frederieke and Mike already noted, the new pension system was a recurring topic on the agenda for their meetings. Frederieke explains, “At the time of this interview, the Dutch Senate still has to approve the plans for the new pension system. Employers and pension funds can’t wait for that to happen, though. Our members aren’t expected to be affected by the new pension rules until midway through 2026. That might seem a long way off, but we need to know by the end of this year what the parties to the collective labour agreement want to do. Those parties are the

employers and the unions. Much of how the new pension plan is given shape, will be determined by the employers and the unions.” Mike adds, “And even that is too long for us to wait. Last year, the Board already discussed two possible plans in detail. Basically, we’re doing all the work twice. It’s quite possible that some of our work will end up in the bin. That’s alright though: no matter what, for the sake of our members, we want to be properly prepared.”

Importance of proper working relationships within the Pension Fund

Proper working relationships are vital as we prepare for the new pension system. The Board of Trustees has had a stable composition for some time now. Frederieke explains, “Sometimes the discussions leading up to decisions can be quite intense. It’s nice for everyone that almost all the members of the Board have been in office for a while. The Accountability Body also plays a key role in the decisions on the new rules for pensions. Over the years, the Board and the Accountability Body have learned to work together better, thanks to efforts on both sides.” Mike adds, “The Accountability Body’s composition will change on 1 July 2023. It won’t be easy for the new members to understand the complicated subject matter surrounding the new pension system right away. Of course, the current members will make sure that the handover is handled carefully, and the Board will also invest in that. This will benefit the working relationship.”

Mike Pernot (54)

Mike has been an Executive Member of the Board of Trustees since 1 July 2017. He is also the Pension Fund’s Pensions Director.

Frederieke Leene (52)

Frederieke has represented the employees on the Board of Trustees as Non-Executive Member since 2016. She works for Philips as Corporate Finance Manager.

More and more sustainable

One topic that is, perhaps, not immediately related to the new pension system is the Pension Fund’s policy on responsible investment. Even so, Philips Pensioenfond made progress in this area too last year. Mike talks about the developments, “For each asset class, we look at ways to make the portfolio more sustainable without compromising on our returns or assuming unacceptable risks. First, Philips Pensioenfond substantially improved the sustainability of its developed markets equities portfolio. In 2023, we’ve begun to update the asset class ‘emerging markets equities’. I’m very pleased with that: in an earlier survey, members indicated how important it is for us to switch to sustainable investment.”

Looking ahead

As soon as the conversation with Frederieke and Mike turns to the future, the topic of the new pension system raises its head again. Frederieke explains, “We’ll continue to work hard on preparing for the new system, even though it’s not always clear precisely what effect the new rules will have. We’d love to talk to our members and present our ideas to them now. We value their thoughts.” Mike concludes, “It was great, for example, to hear from retirees that they were quite positive about how we communicated about the indexation decision for 2023. Even better, they also gave us concrete tips for further improving our communications, including about the new pension system.”



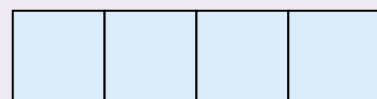
“No matter what, for the sake of our members, we want to be properly prepared”



Download the annual report

The 2022 annual report of Philips Pensioenfond contains more information about the most important developments, backgrounds and other decisions of the Board of Trustees. You can find out more about the annual report at www.philipspensioenfond.nl/en/annualreport

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Sudoku Twins are two sudokus that share three overlapping blocks. Complete both Sudoku Twins by entering the numbers 1 to 9 in the cells. Each row, each column and each 3x3 block of cells must contain each number once. For the solution, take the numbers in the four highlighted cells, in the normal direction of reading.

1st prize



Airfryer XL

Enjoy healthy food that's crispy on the outside, and tender on the inside, thanks to the Rapid Air technology. Discover tasty new recipes every day.

2nd prize



Viva Compact food processor

The Philips Viva Compact food processor is designed specially for preparing healthy, home-cooked meals. No matter how tricky the ingredients are, preparing food is easy with the Viva Compact.

3rd prize



SoupMaker

Soup, stew, compote or smoothie: the Philips SoupMaker's standard programmes make cooking easier than ever. Can also be used as a regular blender.

How to enter your solution

Send the solution to Philips Pensioenfonds **before 31 July 2023**, referencing 'Generaties puzzle'. You can email us at generaties@philipspensioenfonds.nl, or send a card to Philips Pensioenfonds, Afdeling Communicatie, Postbus 80031, 5600 JZ EINDHOVEN. Remember to include your name, address and client number.

The solution to the puzzle in the previous issue was: **flitswebinar**. The winners have already received their prizes.

Helping to achieve sustainable development goals through responsible investment

Investment decisions for 'Responsible consumption and production'

In 2021, we made a decision to invest more in companies that make a positive contribution towards achieving four sustainable development goals (SDGs). We already provided information about investments that help to achieve SDG3: 'Good health and well-being'. This article zooms in on investment choices to help realise SDG12: 'Responsible consumption and production'. This SDG is aimed at reducing environmental impact by changing how people handle natural resources, materials and waste. But what does 'responsible' actually mean, and how do we make investment decisions to help achieve this specific SDG?

How do we select our investments?

At this time, we hold shares ('equities') in around 5,000 companies as investments. For every company in our equities portfolio, we use data to establish its contribution towards SDG12, 'Responsible consumption and production'. This SDG is made up of four sub-goals, for which good investment opportunities exist. These include 'managing chemicals and all wastes in production processes' and 'efficient use of natural resources and raw materials'.

A specialised organisation measures what proportion of the company's revenue comes from products and services that contribute to achieving these targets. This is used to select companies that are suitable for investment towards achieving SDG12. We also consider several questions in our investment decisions, for example:

- How does the company manufacture the products that it sells and do its methods align with the SDG?
- Will the risks and returns of our investments in equities remain at a similar level?





Sustainable Development Goal 12: responsible consumption and production

In total, the United Nations have defined 17 Sustainable Development Goals. Those Sustainable Development Goals, or SDGs, are intended to help create a fair and sustainable world by 2030. The SDGs give people all over the globe guidance in facing challenges such as poverty, healthcare and the climate change crisis. 'Responsible consumption and production' (SDG12) is one of the goals that Philips Pensioenfonds considers when it makes its investment decisions. This SDG is about investing in companies that make more efficient use of raw materials, for example, or whose products help to reduce waste products, food waste and pollution or that deliver solutions to recycling, upcycling and renewable energy. The ultimate purpose of 'Responsible consumption and production' is to make sure that companies, governments and individuals everywhere become less of a burden on the environment by using materials and resources as carefully and optimally as possible.

Companies that we invest in more than we used to

Consumption and production can be made responsible in numerous ways. For example, we are investing more in shares in waste separation companies or companies whose products are aimed at reducing food waste. However, we also look at companies that have set up their operations in a responsible manner: by making efficient use of raw materials, for example, but also through smart processes for disposing of hazardous substances or reusing materials in the production process.

Below are two examples of companies where we have increased our investments since we added SDG12 as an explicit consideration for our equities portfolio. The amounts given are based on the value of the equities portfolio in early-April 2023: around €3.7 billion.

- DS Smith is a UK company in sustainable packaging solutions, paper products and recycling services. The design and production of the packaging materials are geared towards a final product that is 100% recyclable. The company also uses fibres as the basic ingredients in its packaging materials wherever possible. By reducing the amounts of natural resources that are used, and through responsible business processes, the company is helping in several ways to achieve SDG12. The investments in this company have gone up from €300,000 to €3 million.
- Tomra Systems from Norway is known for its reverse vending systems in supermarkets. Besides solutions for collecting and reusing bottles, the company also offers solutions for other used materials: machines for sorting waste and for processing metals into renewable resources. Through these efforts, Tomra is helping to make waste management more responsible and making recycling accessible. The investments in this company have gone up from €200,000 to nearly €2 million.

More investments in 'SDG companies'

We refer to companies that derive more than 10% of their revenue from products and services that help towards one or more of our selected SDGs as 'SDG companies'. Since December 2021, we have increased our investments in developed-markets SDG companies by 20%-points. Emerging markets offer fewer SDG companies than developed markets do, so the increase is less sharp there: approximately 5%-points.

Companies that we do not invest in now

Sometimes, a company's SDG profile makes it an attractive investment option, but we might still decide not to invest because the company also makes decisions that are incompatible with other SDGs that are important to us. We refer to such negative aspects as 'controverses'. For example, a company might produce filters to prevent emissions of hazardous substances, but its production process presents a serious threat to the health of its workers, which is incompatible with SDG3: 'Good health and well-being'. Depending on the degree of the controversy, we will reduce our investment in the company, or even phase it out entirely.

The next step

The process of putting together an equities portfolio that is more focused on SDGs is being carried out in stages. In December 2021 we began with the portfolio for developed markets, such as countries in Western Europe or North America. Since early-April, these sustainable investment choices also apply for the portfolio of emerging-market equities, for example shares in companies from countries in South America or Eastern Europe. 🌐



Find out more about how we make our sustainable investment decisions

To find out more, visit www.philipspensioenfonds.nl/en/mvb

Developments at Philips & your pension

Last January, Philips announced new plans to cut jobs. What will this mean for you, if these plans affect you and you lose your job with Philips? What will happen with the pension that you have accrued with Philips Pensioenfonds? What arrangements can you make? Even if you are not affected, you may have questions about your pension. One question that our Service Desk has been asked, for example, was how Philips Pensioenfonds will be affected with fewer people working for Philips. Will it mean higher costs? Generaties answers three commonly asked questions.



1 What will happen with my pension if I lose my job?

As soon as your employment contract formally ends, you will no longer be a member of the Flex pension plan and you will stop accruing a pension with Philips Pensioenfonds. However, the pension that you have already accrued will remain with us. Shortly after your employment ends, you will receive an overview of the pension that you have accrued. You have also accrued a survivor's pension during your employment; this happens automatically. The survivor's pension will be paid out to your partner in the event of your death, provided that your partner is registered in our system. If you had optional ANW shortfall insurance, it will also end automatically when your employment ends. This means that you will no longer pay any insurance premiums, but also that your partner will not be entitled to benefits under the ANW shortfall insurance in the event of your death.

If you start accruing a pension with a new employer, you can transfer your pension to your new pension administrator. This is known as a 'value transfer'. However, you can also leave your pension with Philips Pensioenfonds, if you prefer. In this case, we will start paying out the pension that you have accrued when you reach the retirement age. We will try to increase it every year by the same rate as price inflation, to protect your purchasing power.

You will still be able to use MijnPPF after your employment ends, for example to check your annual Pension Overview. Remember to register your private email address on the Profile page in MijnPPF (www.philipspensioenfonds.nl/en/mijnppf), so that we can keep you informed about relevant developments.

2 If Philips has fewer employees, how will this affect Philips Pensioenfonds?

All the accrued pensions are administered by Philips Pensioenfonds, a foundation that is entirely separate from the affiliated companies. If the number of people working for Philips drops, this will not have any direct implications for Philips Pensioenfonds: even if Philips has fewer employees, Philips Pensioenfonds will still be one of the largest company pension funds in the Netherlands, handling the pensions of almost 96,000 members. Besides the pensions of some 10,000 Philips employees, we also administer the pensions of the employees of Signify and Versuni (formerly Domestic Appliances), as well as nearly 35,000 former employees who are not retired but whose pensions are still administered by Philips Pensioenfonds. We expect that many of the employees who will be laid off in this reorganisation will leave their pensions with Philips Pensioenfonds. The largest group of members are pension beneficiaries: every month, the Pension Fund pays out the pensions of nearly 50,000 members.




Further information about your pension if your employment ends?

Visit www.philipspensioenfonds.nl/en/endofemployment

3 With fewer members, will the costs of administering my pension go up?


If an employee loses their job, we turn their pension accrual into a non-contributory policy. These members stay registered with Philips Pensioenfonds, but they do not pay any more contributions or accrue any more pension. Although this changes the membership population (fewer active members, more non-contributory policyholders), the overall membership of the Pension Fund will stay the same.

You might see a slight increase in the average costs per member in next year's annual report, since the calculation of the costs per member for administrative purposes is based on the number of active members and pension beneficiaries, without including non-contributory policyholders. With fewer active members (and more non-contributory policyholders), the costs are divided over a smaller number of members. However, as we have a total of around 60,000 active members and pension beneficiaries, the impact will be minor. Your personal pension will not be affected by these developments. 



Your input on our communications about the future pension plan

Did you know...

- 1 pensions in the Netherlands will be overhauled under the new pension system and the new legal rules for pensions?
- 2 the new pension rules are not expected to apply to members of Philips Pensioenfondsen until 2026?
- 3 as soon as we switch to the new pension system, we want to help you understand how your pension will work in the future? With this in mind, we are already preparing how to communicate about the future pension plan.
- 4 we are urging our members to share their thoughts on how we communicate, by joining a members' panel about the new pension rules?
- 5 almost 100 members have already signed up for that panel?
- 6 we have organised various panel sessions, including a session about a design for showing your personal pension capital in MijnPPF and about a preliminary version of the MijnPPF environment where you can enter your pension preferences?
- 7 one of the things we have learned from those sessions is that most of our members prefer to begin with an easy-to-understand overview, before clicking through to see more details?
- 8 our members' feedback is vital in the phase of designing our communications? We are still tweaking the preliminary versions based on what we learn from the discussions.
- 9 we also organised a series of round-tables with a delegation from the Executive Board, to exchange ideas with pension beneficiaries about how the indexation decision for 2023 was communicated, and what lessons we could learn for the future?
- 10 we learned during those discussions that you enjoy reading about the backgrounds to current pension developments? 



Share your thoughts!

Join our members' panel to share your thoughts! You do not need to be an expert on pensions to take part. You can simply sign up by emailing us at algemeenbestuur.ppf@philips.com. In the subject line, write 'Sign-up for members panel'.



Elian de Kruijff explains how Philips Pensioenfondsen took care of her after her husband Peter passed away

“Worrying about money was the last thing I wanted to have to do just then”

It is not something we like to think about, but your death has a huge impact on your partner. He or she has to deal with all kinds of matters, including financial issues. This is what happened to Elian de Kruijff after her husband Peter passed away in October 2022. Peter, who had been diagnosed with a brain tumour some years before, worked for Philips (later Signify), so he had a pension with Philips Pensioenfondsen. When he died, at 44, he left the love of his life Elian and three young children. In Generaties, Elian describes the hectic period immediately after his death, and how Philips Pensioenfondsen took care of the financial arrangements for her.

More than just an 'old age' pension

When we asked Elian whether she would be interested in doing this interview, she agreed almost immediately. She is happy to talk about Peter and explains that she has peace of mind about her finances, thanks in part to the arrangements

that Philips Pensioenfondsen makes for surviving relatives. Philips Pensioenfondsen has a pension plan that not only gives you a pension when you reach your retirement age: you also accrue a pension for your partner and your children in case you die, as well as insuring you for a disability pension.

ANW shortfall insurance: a net difference of 800 euros every month

Elian tells, "Peter joined Philips in 2005. He loved his time there, right from day one, and he always went to work with a smile on his face. Even so, a little less than 10 years later he accepted an interesting job offer somewhere else. He didn't stay there for long, though, because a year later Philips asked him to come back. It was an exciting career move, so he signed his new contract without hesitation. He started his new position in July 2015. But unfortunately things changed very quickly."

Peter ended up in hospital during the first week of his new position at Philips. After a severe epileptic incident, Peter was kept in an induced coma for several days. Elian continues, "When Peter came to, one of the first things he told me was to get in touch with Philips Pensioenfonds to take out the ANW shortfall insurance. He already had the form ready at home. I just had to send it in."

If you do not receive full benefits under the Dutch Surviving Dependents Benefits Act (Algemene nabestaandenwet, or 'ANW'), ANW shortfall insurance covers the difference. Often, a surviving partner is unable to claim the full government benefits (or even any at all) under the ANW. At certain specific moments you have the option of taking out ANW shortfall insurance with Philips Pensioenfonds. "Because Peter had just signed a new contract with Philips,



he was able to take out the insurance then. I'm very happy that we arranged that immediately. Since Peter's death, the insurance pays out monthly benefits on top of my survivor's pension. It's a net difference of around 800 euros every month. Philips Pensioenfonds will continue paying me those benefits until I reach state retirement age, which is still a long way off for me."

"Not something you want, but great to have if you need it"

After a period of arduous medical treatment, Peter was able to work for a few more years. Elian continues, "By 2018, Peter wasn't capable of working properly anymore. He lived for his job, so this was very difficult for him to accept, and it was strange for the kids and me too that suddenly he was at home all day. His employer and Philips Pensioenfonds took great care of us. Peter always joked that he was already retired, because the Pension Fund was paying him a disability pension. Of course it's something you'd rather avoid, but it's great that it's all arranged in case you don't have any choice."

When can you take out ANW shortfall insurance?

You can only take out ANW shortfall insurance if you are employed by Philips, Signify or Versuni, and if your partner is not drawing a state pension. The insurance can only be taken out at specific moments:

- within three months after you start working for Philips, Signify or Versuni;
- within three months after you enter into a relationship: marriage, cohabiting or registered partnership;
- within three months after you have a new child.

Is your partner registered with us?

On 15 October, less than a year ago, Peter passed away long before his time. Elian tells, "Even though we knew that Peter wouldn't live to grow old, his death still hit us hard.

Fortunately we had the chance to talk lots of things over, like what he wanted for his funeral. But we also sat down with a financial adviser a few years ago to see what my financial situation would be without Peter's income. What I wanted most of all was to be able to stay in our home with the kids. I've managed to do that, thanks in part to the survivor's pension that Philips Pensioenfonds pays me now."

Under the Flex pension plan, you automatically accrue a survivor's pension, which is a lifelong pension that is paid to your partner in the event of your death. Elian explains, "Peter and I were married, so I was automatically registered as his partner with Philips Pensioenfonds." Even if you are in a registered partnership, your partner's details are automatically forwarded to us. If you are living together without official status, it is your own responsibility to register your partner with us. Your partner will only be entitled to a survivor's pension in the event of your death if we have a record of them in our system.

An orphan's pension for the children

Elian continues, "Our three kids are still below the age of 21. Every month since their dad passed away, they've received a payment under their orphan's pension with Philips Pensioenfonds. The information that I received shortly after Peter died included forms to register the kids' details. Those forms weren't difficult to complete, and the member of the Service Desk I spoke to was also very helpful. Just now, our family's income is enough without the orphan's pensions to supplement it. So it's nice to know that when the kids are old enough to move out they'll have a bit of money that their father worked for. They can decide for themselves what they want to do with it."

Are your children under the age of 21 at the time of your death? Then your children are eligible for an orphan's pension. The orphan's pension ends as soon as the child turns 21.

No complicated paperwork

It is very important to us to communicate properly with surviving relatives. We want the paperwork to cause as little hassle as possible for the surviving partner. Philips Pensioenfonds is automatically notified if a member passes away. As soon as we hear, we set the communications with their surviving relatives in motion. Elian ends the interview: "You have so many things to think about when your partner dies. I understood very quickly what Philips Pensioenfonds needed me to do. The payments under the survivor's pension were started up without problem. That was great. Worrying about money was the last thing I wanted to have to do just then."



Further information about the arrangements for your surviving relatives

To find out more, visit www.philipspensioenfonds.nl/en/passingaway

“A higher pension now, or more security for the future?”

In March 2023, the Board of Philips Pensioenfondts established by how much the pensions could safely be raised on 1 April 2023: a pension increase of 4.0%, even though by law the maximum increase could be 5.0%. This decision was based on the idea that all our members should get off to a strong start under the new pension system, and it is therefore in the interests of all our members that the financial buffer is as high as possible at the time of the switch. It was not easy for the Board to decide how much indexation to award, particularly with inflation so high just now. The Board needed to explain its decision carefully to our members, and several Board members met with pension beneficiaries of the members’ panel to find out their thoughts on how the decision was communicated. We spoke to five of the members who took part in those panel discussions, and asked what they prefer: ‘A higher pension now, or more security for the future?’ You can read their opinions in Generaties.

Joop van der Linden (66)

Last position: Manager MRI Development

“I prefer to have more security for the future. To me, 1% less indexation isn’t an issue, but not everyone is in the same position. What all our members have in common is the uncertainty about the switch to the new pension system. I understand the Board’s decision to maintain reserves, to compensate any negative impact of that switch as much as possible. I believe that a pension system should be based on solidarity, and that’s what the Board’s decisions reflect. But it will also be important to be clear and transparent in the communications about how the reserves are spent.”



Koen Huizer (66)

Last position: Business Development Manager

“It’s difficult for me to choose. I’d like both: maintaining purchasing power now and in the future. This year, apparently, it was impossible to maintain our purchasing power, so it’s logical for the indexation to be less. The usual policy would have resulted in a 5% increase, which is already several percent below the inflation rate, and I think that would have been a balanced decision. In my opinion, the Board’s decision to give 1% less indexation, and instead leave more money for when we move to the new pension system, was playing it too safe. Hopefully it will soon become clear how the transition will take place, and why Philips Pensioenfondts needs such a large buffer.”



Lesley Seraus (69)

Last position: independent adviser

“For myself, I don’t need more indexation than the Board decided, nor do I need more security for the future. Still, that’s not a decision I can make for others. Everyone’s financial situation is different. I get the feeling that the new pension system will be more individual-centric, and I’d like to see some form of solidarity. For example, now we get a state pension, which is a chunk of money every month that’s financed by today’s younger workers. Those same young workers might lose out when we switch to the new pension system, and I think that we should have a reserve to compensate them as well.”



transition to the new pension system. Will we retain our purchasing power in the future? I see an analogy with the transition in the late 1990s when we had to choose between average pay and final pay. Enough information and calculation floppies, but still lack of clarity. I missed an evaluation after that.”

Frans Bierings (80)

Last position: Corporate Finance

“I understand that 5% indexation would have been possible. Instead, we got 4%, which is less than price inflation. Last year it was 7.78%, meaning nearly 12% in two years’ time, so I think that



Philips Pensioenfondts is doing quite well. I believe that we need to be careful, with the new Future of Pensions Act on the horizon. I’m not a fan, and even refer to it as ‘Koolmees’s monster’, after the Dutch Cabinet minister. When they convert our pensions into a hundred thousand individual pension pots, everyone wants to get the right amount. If we start eating into our savings now, I think that those conversions might end badly. Just imagine what would happen if everyone starts suing!”

Theo de Wispelaere (79)

Last position: Purchasing Workstream Specialist

“I understand why Philips Pensioenfondts, given its fiduciary function, strives to create as much security as possible and prefers to maintain a buffer. Still, I’d rather have had the full 5%, particularly after all those years when our pensions weren’t indexed and with current inflation rates gnawing away at our purchasing power. Back in the day we were promised a pension that would retain its value. Sadly, that has not worked out. Like many other members, I have plenty of questions about the complicated and costly



Find out more about how the Board made its decision



To find out more about the factors that the Board considered, read the news item ‘Pensions of Philips Pensioenfondts members go up’ on www.philipspensioenfondts.nl/en/news

New members appointed

In the previous issue of *Generaties*, we invited our members to take part in the elections to represent our pension beneficiaries in the Accountability Body. Only the Federatie van Philips Verenigingen van Gepensioneerden (FPVG, the federation of associations of Philips retirees) responded. This means that no elections were necessary. Roland Takken has been reappointed, and Wiebo Vaartjes, Geert Schuurmans and Paul van der Steen are the Accountability Body's new members. The four members will assume their seats in the Accountability Body on 1 July 2023. Let's find out who they are.

Wiebo Vaartjes (69)

Retired since: 2014

Last position: *Philips Consumer Electronics*

Hong Kong – CEO

"Since my retirement, I've been eager to apply and increase my international

experience and expertise in the area of organisation and leadership. I believe that my experience will be very useful as a member of the Accountability Body, particularly to find the right balance in how the new pension laws are given shape for the various interested groups."



Geert Schuurmans (68)

Retired since: 2019

Last position: *Philips Lighting/Signify, BPE Finance Master Data, chair of the Central Works Council*

"I want to use my experience and expertise to help with the dynamic developments in the pension system. My goal is to work with the other representatives to help create a fair and solid pension plan for all the members of Philips Pensioenfonds."



Roland Takken (67)

Retired since: 2019

Last position: *Philips Lighting / Signify, Head of Finance Transformation*

"I've been a member of the Accountability Body for four years now. This has prepared me for the complicated subject matter of the new Future of Pensions Act. I can use the expertise and skills that I've learned to represent everyone with a pension from Philips Pensioenfonds during the years ahead."



Paul van der Steen (67)

Retired since: 2023

Last position: *Philips, Head of Finance D&T*

"After 36 years with Philips, I'm glad to help make sensible and balanced decisions on the important issue of pensions. I'm interested in the subject of pensions, and I possess the necessary knowledge and experience to do this properly."



Further information about the Accountability Body ?

To find out more, visit www.philipspensioenfonds.nl/en/accountabilitybody



Federatie van Philips Verenigingen van Gepensioneerden

Future of Pension Act: is the voice of the retired member heard?

We are on the verge of a fundamental overhaul of the pension system. At the time of publication, the Dutch Senate still has to pass the legislation. Nevertheless, how the new system is given shape at Philips Pensioenfonds will be determined largely by the Pension Fund and the social partners (Philips, trade unions). Formally, the legislation grants retired members only a very minor role. This makes it vital for retirees to join forces and make sure that their views are made clear to the social partners and Philips Pensioenfonds.

The FPVG, the federation of all associations of retired Philips employees in the Netherlands, is the only organisation that represents the interests of retired employees of Philips, Signify and Versuni (formerly Domestic Appliances). Its membership consists of twenty-five local worker associations and one national association: the LBPG (the national association for the interests of retired Philips employees), which concerns itself exclusively with representing the interests relating to your pension.

Last November, the FPVG organised a meeting for members of the LBPG with the national 'Koepel Gepensioneerden' (KG), the Dutch organisation of retired

workers' associations. The FPVG is associated with the KG, which lobbies for our interests in national politics. The meeting saw a lively discussion about the new legislation with more than 150 members.



During the coming years, proper representation will be particularly important, as the Future of Pensions Act is implemented.

- Important decisions need to be made. The FPVG has listed its views in a Position Paper (www.federatie.nl).
- The FPVG puts forward qualified candidates for the Pension Fund's Board of Trustees and the Accountability Body. Although those members should give equal weight to the interests of all members when decisions are made, they can make sure that the interests of retired employees are given explicit consideration.
- The FPVG's external network, working through the KG and through consultation with similar interest organisations (at Shell, Unilever, DSM etc.), also gives the FPVG national possibilities for taking a strong position in respect of the national government.

If you want to be able to influence the decisions about your pension, visit www.lbpg.nl/why-should-you-support-de-federatie-and-join-the-lbpg and join now. Philips Pensioenfonds will withhold the monthly membership fee of € 1.50 from your pension.



Every year, the general members' meeting discusses and adopts the policy plan, and you will receive newsletters and a magazine with updates.

We need your help to carry on our work of representing our interests. Join now!

[Jan Konijnberg – Chairman, FPVG and LBPG](#)

Olaf Mastebroek and Henk Stevens bring music into the lives of older people suffering from dementia with the Oradio

“People’s reactions show us that we’re doing something incredibly special”

When Olaf Mastebroek (55) fell sick and was unable to continue working, the forced end of his career with Philips meant a huge change. Even though he wasn’t working anymore, he still felt the drive to use technology to develop products. Then his mother-in-law mentioned that she loved listening to classical music, but she couldn’t operate her CD player. Olaf went in search of a music player that could do what she wanted. Olaf spent three evenings in fruitless online searches before realising that no-one was selling such a device. The technologist inside him was awakened again, and he built one of the predecessors of the Oradio: a device that’s so simple that it always plays music, no matter what. This was the start of an amazing project, with a technical team consisting of Olaf and retired Philips employee Henk Stevens (66).

A passion for new technology

Olaf studied Physics in Eindhoven, with courses in Electronics as well. “I really wanted to work for Philips, but the Centurion reorganisation ruled that out. I spent some time in the space and aviation industry before finding a job at Philips’s fluorescent tube factory in Roosendaal. Later I transferred to Turnhout. The transition to LED was in full swing. I wanted to explore this new technology and switch to electronics and physics, which was at Philips Consumer Luminaires, where I also worked with Philips’s Hue team.” In 2014 Olaf fell sick with a form of blood cancer called multiple myeloma. He spent a year and a half undergoing a difficult treatment process. Eager to return to work, he joined the Hue team in Eindhoven. Unfortunately, the disease returned in 2019, and Olaf was forced to stop working. Now he is applying his technical skills to help people with the Oradio that he’s developed.

Technical sparring partner

The first version of the music player that Olaf built for his mother-in-law contained little technology. He went in search of someone who could help him develop it. He mentioned his Oradio project to an ex-colleague, and asked, “Do you know any retired Philips software engineers who might be able to help?” Henk Stevens’s name came up and they got in touch quickly.

Henk Stevens spent 40+ years working for Philips and Signify. He began at Data Systems in Apeldoorn, and spent the last 10 years of his career working for Signify’s R&D department. “My wife used to tell me, ‘You switch to something new every five to seven years.’ She was right, that was about how long it would take before I wanted a change of scenery. I’m a software developer, and I’ve seen an incredible revolution. Everything that’s now fitted onto a microcontroller module, used to take up half a room.” Henk retired two years ago, at the age of 64. Working from home during the pandemic eased him into the transition and helped him to bring his retirement forward.



“Through music people are able return to a state where they remember things”

with volunteers. We set up a foundation, with ten to fifteen volunteers, and we’ve found a sheltered workshop to help us assemble the Oradios.” The Oradio is available for purchase by care homes. They’re also looking for sponsors so that the devices can be given on loan to individuals.

Further plans

Olaf continues, “We still have loads of plans. The prototype for the second version is coming along nicely. That version also works with playlists from streaming services, to personalise the music that’s played.” Henk adds, “That was completely new to me too, and something that I got stuck into. It needs to be simple, so you don’t create extra work for the caregiver or healthcare worker.”

Would you like to help?

Olaf and Henk could use extra help to realise their plans. “We’re seeing for ourselves how great it is to apply the skills that we learned during our working lives to bring music to people we care about. It keeps you mentally fit, and it energises you. It would be great if other retired Philips or Signify workers read our story and become excited. If you want to help, explain what skills you have, and we’ll find a role for you in our Oradio project. That might be in technology, like us, but it could also be in procurement or installing or testing Oradios for customers.”

From prototype to Oradio 1.0

A neighbour was touched by Olaf’s tale and the music player that he’d built for his mother-in-law. “Her mother was reaching stage 2 dementia. She used to be a dance instructor, and music was important to her. It turned out, however, that the music player that I’d built for my mother-in-law didn’t work for her at all,” Olaf explains. So began a search that resulted in the first version of the Oradio. “We visited care homes and day activity centres to see how our prototypes worked. We started by just talking to people. If a client was interested in the device, I’d simply tell them, ‘Go ahead, try it out.’ The device has a familiar shape that people recognise from when they were younger. They can make the device play music simply with the On and Off buttons and the volume dial. On the outside, it’s very simple, but it’s built on loads of technology. We’re never finished. It’s a new experience every time.”

“We’re working with volunteers”

At one point they were contacted by a care home that wanted ten of the devices. They realised that they needed to go into production, and it was time to take the next step. They succeeded. By now there are around 120 Oradios playing music for people who would otherwise have nothing to listen to. Olaf continues, “I ran some numbers, and to produce the device commercially would easily cost 800 or 1,000 euros. Our conclusion was simple: we needed to work

Find out more about the Oradio and what you can do to help

Send an email to olaf@stichtingoradio.nl or visit www.stichtingoradio.nl

Short notices

Information about the new pension system

By the time you receive this issue of *Generaties*, the Dutch Senate will have voted on the law for the new Dutch Future of Pensions Act. If the law passes, it will change how your pension works, probably starting in July 2026. Of course we will inform you well in advance of how the new pension plan will affect you. Until then, we will keep you updated on any developments. Many of the details are still unclear. However, some elements have already been confirmed. We have posted a FAQ on our website, and a recording of the flash webinar on the topic. Visit: www.philipspensioenfondsnl/en/pensionagreement

Generaties in English



Exciting news: from this edition onwards, our Magazine *Generaties* appears in Dutch and English. Do you prefer to receive this magazine and other pension information from Philips Pensioenfondsnl in English? Simply go to your Profile page in MijnPPF (www.philipspensioenfondsnl/en/mijnppf) and set your language preference to 'English'.

Uniform Pension Overview

By late-June, members who were working for one of the employers on 1 January 2023 will receive their Uniform Pension Overview 2023, with details about their future pension income. The overview also shows what your surviving relatives will be paid in the event of your death.

When your pension will be paid

Your pension payments for the next six months will be transferred on the following payment dates:

**3 July – 1 August – 1 September – 2 October –
1 November – 1 December**

The day and time when the payment is credited to your account depends on your bank.

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General pension information

Do you have questions about **pension matters**?

Then call **Philips Pensioenfondsnl Service Desk**

on working days from 9.00 - 17.00 hours on telephone number: +31 (0)88 – 015 79 00. You can also send us an email: info@philipspensioenfondsnl.

Please include your policy number and/or client number in your email.

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