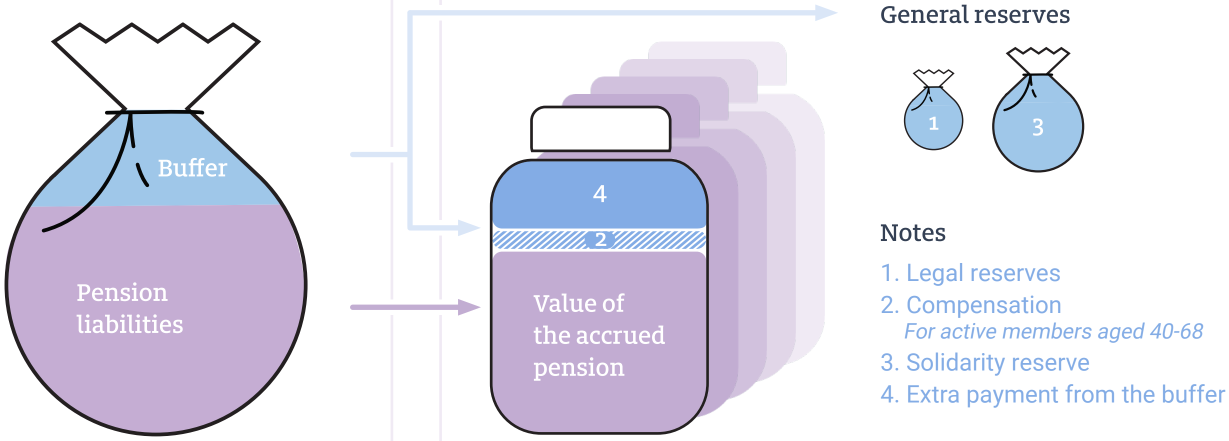
Carrying over your accrued pension to the NexT Pension scheme

Entitlement conversion: how does it work?

Existing & new pension scheme

From: all the pension savings held by Philips Pensioenfonds in one big pile, ...

... to: a personal pension capital for every member. This corresponds to approximately 90,000 individual ‘pension pots’.



Existing pension scheme

The Pension Fund’s total assets are made up of the value of all our members’ pensions (100%), plus a buffer in case of financial shortfalls and for funding the annual indexation of the pensions.

New pension scheme

After the entitlement conversion, every member will have their own pension savings, containing the value of the pension that they have accrued. A portion of the existing buffer will be added as well. Directly or indirectly, the buffer will always be used for the members’ benefit. If the funding ratio is 107.5% or higher, you will immediately start with a personal pension capital exceeding the value of your accrued pension alone.

Value of the accrued pension

If the funding ratio is at least 102%, we proceed with the conversion

No loss of value

- For each member, we calculate the value of the pension that they have accrued. That value will become the basis for the member’s personal pension capital. As a result, you have at least the value of your accrued pension added to your pension pot.
- All our members’ pensions are converted, also if you are already drawing your pension. It is not possible to opt out.

Important change compared with the existing pension scheme

- If you are not drawing your pension yet, you will be able to track the movements in your personal pension capital in MijnPPF and on your Uniform Pension Overview. You can also see how much pension you may look forward to when you retire.

NexT Pension
for today’s generation and tomorrow’s

Read on to find out how the buffer will be divided

How will the buffer be divided?

1 Legal reserves

- A small portion of the buffer will be used to set up legal reserves under the new pension scheme. These include reserves to cover unforeseen expenses and to remedy future mistakes.

If the funding ratio is 102%, the legal reserves are fully funded

2 Compensation

- For some of our members, the switch to the new pension scheme could have a negative impact on their future pension accrual. Those members will be compensated in the form of an extra one-time payment into their personal pension pot.

From a funding ratio of 106% onwards, full compensation from the buffer is possible

Who will be compensated?

- You will receive this compensation if, on 1 January 2027, you are accruing a pension with Philips Pensioenfonds and if you are then between the ages of 40 and 68.

3 Solidarity reserve

- A portion of the buffer will be used for a collective 'solidarity reserve'. The target for that reserve is 4% of the Pension Fund's assets.

From a funding ratio of 115% onwards, the solidarity reserve is fully funded

What is this reserve for?

- This reserve will be used to protect retired members (now and in the future) from pension cuts if the investment yields and other results fall short.

4 Extra payment into pension pots

- What remains of the buffer after forming legal reserves (1), paying compensation (2), and forming the solidarity reserve (3) will be used for an extra payment into the personal pension pots (4). This is carried out in a balanced way.

From a funding ratio of 107.5% onwards, an extra payment to the pension pots is possible

Balanced division

- We will divide these payments among the members' personal pension savings in line with our ambition under the existing pension scheme: *'a pension for all our members that is based on full pension accrual and full indexation'*. This takes into account indexation missed in the past as well as future indexation. A portion of the value of missed indexation and an equal portion of the value of future indexation will be added to your pension pot. The amount of this extra payment depends on your personal situation, and is primarily determined by the level of your accrued pension, your age, and whether you are an active member, non-contributory policyholder, or retired member. Read on for more details.

Missed indexation

When we divide the buffer, we will look at the indexation that members missed in the past. This is particularly relevant to our older members. All our members are assumed to have missed the same amount of indexation. How much is added to your savings for missed indexation depends on how much pension you have accrued.

Future indexation

When we divide the buffer, we will look at future indexation. This is particularly relevant to our younger members. How much is added to each member's savings for future indexation will be calculated individually. It will depend on factors such as your age, the expected rates of wage and price inflation, interest rates and expected future returns.

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This document is based on our implementation plan, which is currently (September 2025) under review by our supervisory authority DNB.