Compensation during the transition to the NexT Pension scheme

NexT Pension
for today's generation and tomorrow's

Why? And who is it for?

Why is this compensation necessary?

The new pension scheme will introduce a new way for our members to accrue their pension. For some of them, unfortunately, this new method could work to their disadvantage.

How much is the compensation?

What will change?

Under the existing flex pension scheme, the contributions paid are the same for all members. Everyone accrues their pension at the same rate (1.85%). In actual fact, however, younger members do not need to contribute as much towards their accrual: their money has longer to generate returns. Older members, on the other hand, should contribute more. To balance this, part of the younger members' contributions go towards their older colleagues' pension accrual.

This will change under the NexT Pension scheme: whatever is contributed for you will be added directly to your own personal pension capital (or 'pension pot'). Abolishing this 'averaging method' will benefit younger members, whose entire contributions will go towards their own pension accrual. However, it could have negative consequences for certain groups of members. They will accrue less pension than they do under the flex pension scheme, where they benefit from the solidarity of the youngest colleagues.

Who will receive compensation?

We have calculated that the future pension accrual of active members between the ages of 30 and 68 on 1 January 2027 could be negatively affected. To compensate for this potential disadvantage, those members will receive an extra one-time payment into their personal pension capital when we switch to the NexT Pension scheme.

How will the compensation affect you...

- if you are an active member below the age of 30?
- if you are an active member between the ages of 30 and 68?
- if you are retired or close to retirement?
- if you have left or will leave your employer?
- if you are a new employee?
- if you switch to part-time employment, or take (un)paid leave?
- if you are or become disabled?
- if you and your partner divorce?

More information

Compensation arrangement expanded

The compensation arrangement has recently been reassessed and adjusted, based on consultations with our supervisory authority, De Nederlandsche Bank (DNB), as well as developement in the market (including higher interest rates). The information in this e-brochure has been updated accordingly. The compensation arrangement will become final once DNB has granted approval for converting the already accrued pensions to the NexT Pension scheme.

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How much is the compensation?

How much is the compensation?

How much compensation you receive will depend on:

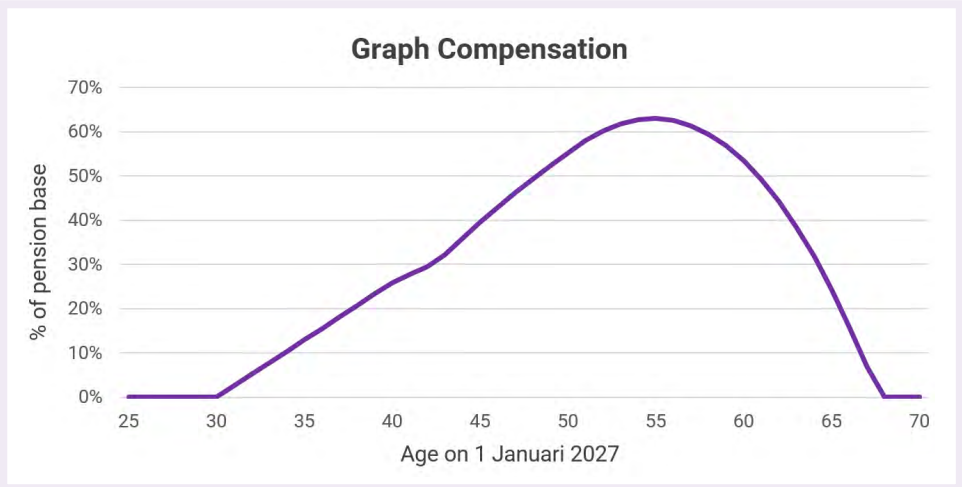
- Your age on 1 January 2027
- Your pension base on 1 January 2027
- The percentage shown in the graph 'Compensation'

Current compensation calculations are for indication only

Precisely how much compensation you will receive can only be calculated when we switch to the NexT Pension scheme. You will receive more information about the compensation arrangement near the end of 2026. The calculations in this e-brochure are estimates of the compensation. They are intended to give you a general idea, and show how specific events could affect how much compensation you receive.

How will the compensation be paid?

When we switch to the NexT Pension scheme, every member who qualifies will receive a one-time extra payment into their personal pension capital. If the funding ratio is 106% or better, the compensation will be paid from the Pension Fund's assets. If the funding ratio is lower, some or all of the compensation will be financed from the contributions. In that case, the employers and the unions will make further arrangements on the exact implementation.



- Your pension base is your pensionable salary, on a full-time basis, minus the 'offset' (1 January 2026: € 19,172). This amount is then multiplied by your part-time factor.
- By law, your pensionable salary is capped at € 137,800 (2026, based on full-time employment).

How will the compensation arrangement affect you personally?

If you would like to find out more about how the compensation arrangement will affect your personal situation, call our Service Desk on +31 (0)88 - 015 79 00 (available on weekdays from 9 a.m. to 5 p.m.). Shortly before we switch to the NexT Pension scheme, we will send you a provisional calculation of your personal pension amounts at 1 January 2027. This will include information about the compensation arrangement.

How will the compensation affect your situation?

Active member below the age of 30

In short:

- For younger members, the new pension accrual method will generally work to their advantage. Their contributions will go entirely towards their own pension.
- If you are below the age of 30, therefore, you will **not receive the compensation**.

If you are below the age of 30

Under the NexT Pension scheme, younger members' contributions will be used entirely for their own pension accrual. This means that the new system will generally work to their advantage: they have a large part of their working life to benefit from the contributions that are added to their own pension pot, and from the returns that this generates. Younger members are expected to have a higher pension under the new system. Compensation is only allowed if it can be proved that the future pension accrual will suffer a disadvantage, so members below the age of 30 will not receive the compensation.

An example: Tamar (29)

On 1 January 2027, when we make the switch, Tamar has not turned 30 yet. She will **not receive any compensation** for her future pension accrual.

Under the new system, all her pension contributions will go towards her personal pension capital. Her own future pension accrual will benefit from the fact that she is not paying towards her older colleagues' pension accrual anymore.

How will the compensation affect your situation?

Active member between the ages of 30 and 68

In short:

- You will **receive the compensation** if you are between the ages of 30 and 68 and are accruing a pension with us on 1 January 2027.
- Precisely how much compensation you will receive can only be calculated when we switch to the new pension scheme.

If you are an active member of our Pension Fund on 1 January 2027

If you have already turned 30 on that date, you will receive the compensation. Members over the age of 30 who are accruing a pension with us could be negatively affected by the new pension accrual method. The compensation will prevent the new system from having an imbalanced impact on these members.

How much compensation

Precisely how much compensation you will receive can only be calculated when we switch to the new pension scheme. Further details of the compensation arrangement will be shared near the end of 2026. For now, we can provide an indication, based on the graph in this e-brochure. That graph shows what percentage of your pension base will be added to your pension savings in compensation, according to your age on 1 January 2027.

How much is the compensation?

An example: Rajesh (almost 50)

Rajesh turns 50 shortly after 1 January 2027. On 1 January 2027, he is accruing a pension with us, and so he will **receive the compensation**. The compensation rate for a member who is almost 50 is 54.9%.

Rajesh has a pensionable salary of € 67,479. With a pension base of € 48,307, an amount of € 26,500 will be added to his personal pension capital as compensation. This corresponds to 2 years of pension contributions.

Note: if Rajesh is working fewer or more hours at 1 January 2027 than now, this will carry over to his compensation. Find out more > Working part-time

Note: if Rajesh's employment ends during 2026, he will not receive the compensation. Find out more > Leaving your employer

How will the compensation affect your situation?

(Close to) retirement

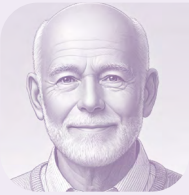
In short:

- If you are retired on 1 January 2027, you will **not receive the compensation**.
- If you have taken part-time retirement, you will only receive the compensation for the hours that you still work.

If you retire during 2026

You will not be eligible for the compensation if you retire before 1 January 2027, even if you only start drawing your pension on 1 January 2027. The reason is that retired members do not have any future pension accrual. Before deciding when to retire, you can always ask our Service Desk about how the transition to the NexT Pension scheme will affect your situation.

An example: Hans (75)



Hans is already retired when we make the switch. On 1 January 2027 he is 75 years old, and not accruing a pension with Philips Pensioenfonds anymore, so he will **not receive the compensation**.

If you go into part-time retirement in 2026

If you go into part-time retirement before 1 January 2027, you will only be eligible for compensation for the hours that you still work and accrue a pension on with Philips Pensioenfonds. You will not receive the compensation for the hours that you are retired. For example: Brigitte retires for 40% of her hours. At 1 January 2027, 31.8% of € 37,526 = € 11,933 will be added to her personal pension capital.

If you retire during 2027

If you retire after 1 January 2027, you will receive the compensation because you are still accruing a pension with us when we switch to the NexT Pension scheme.

An example: Brigitte (64)

Brigitte plans to retire in 2027, although she has not yet decided precisely when. On 1 January 2027 she is 64, with a pensionable salary of € 81,715 (pension base: € 62,543). The compensation rate for a member aged 64 is 31.8%.

Brigitte will receive a compensation of € 19,900 added to her personal pension capital. This corresponds to 1.2 years of pension contributions.

Note: if Brigitte decides to retire in 2026 instead, she will not receive the compensation.

How will the compensation affect your situation?

Leaving your employer

In short:

- If you leave your employer before we switch to the new pension scheme on 1 January 2027, you will **not receive the compensation**.
- If you leave your employer due to a reorganisation, please enquire with your employer whether you can make use of an arrangement that may still allow you to qualify for compensation.
- If you are moving to a new employer, we advise you to enquire if you are entitled to compensation there.

If you are not accruing a pension with us anymore at 1 January 2027

If your employment ends, for whatever reason, before we switch to the new pension plan on 1 January 2027, you will not receive the compensation. The purpose of the compensation is to make up for a future negative impact on your pension accrual with Philips Pensioenfonds, and as an ex-employee you will not be accruing a pension with us anymore.

Involuntary termination

If the termination takes place before 1 January 2027, there will be no compensation under the compensation arrangement. If you leave due to a reorganisation, please enquire with your employer whether you can use an arrangement to still qualify for compensation.

New employer

If you accrue a pension with a new employer, you might be entitled to compensation there. However, this depends on your new employer's arrangements for switching to a pension plan under the Future Pensions Act, and when they make the switch. Make sure that you ask about the possibilities beforehand.

If your new employer does not offer any compensation under the new pension plan, or not as much, you could find yourself with less pension overall than you expected.

An example: Karin (44)

When we make the switch on 1 January 2027, Karin is not accruing a pension with us anymore. This means that she will **not receive the compensation** from Philips Pensioenfonds. She would be entitled to compensation if her employment with Philips, Signify or Versuni ended after 1 January 2027.

She might be entitled to compensation at her new job instead.

How will the compensation affect your situation?

New employee

In short:

- If you are an active member of our Pension Fund on 1 January 2027, you will **receive the compensation**.
- How much compensation you receive does not depend on when your employment began.

If your employment begins before 1 January 2027

You will receive the compensation if you are an active member of our Pension Fund on 1 January 2027. Your compensation will be the same as for everyone else your age, even someone who has been accruing a pension with us for 20 years: the compensation is intended to make up for a potential negative impact on the future pension accrual with Philips Pensioenfonds. It does not matter what history the member has with our Pension Fund, or how many years of pension accrual they have under the existing pension scheme. How much compensation you receive is determined only by your age, your pension base and your part-time factor on 1 January 2027.

An example: Karin (44)

Karin (re)joins Versuni on 1 November 2026. When we make the switch on 1 January 2027, Karin is accruing a pension with us, and so she is entitled to **compensation** from Philips Pensioenfonds. It does not matter how much pension she accrued before the switch.

If your employment and pension accrual begin after 1 January 2027

If you start accruing a pension with us after 1 January 2027, you will fall under the NexT Pension scheme as soon as you join. You will not be entitled to the compensation. If you were working for another employer before, you might receive compensation there. However, this depends on your previous employer's arrangements and timing for switching to a scheme under the Future Pensions Act.

An example: Frank (56)

Frank (re)joins Signify on 1 February 2027. When we make the switch on 1 January 2027, Frank is not accruing a pension with us. This means that he does **not receive the compensation** from Philips Pensioenfonds.

How will the compensation affect your situation?

Working part-time or taking (un)paid leave

In short:

- If you start working fewer or more hours on or before 1 January 2027, this will carry over to your compensation.
- Paid leave will not affect your entitlement to compensation.
- With unpaid leave on 1 January 2027, we calculate your compensation based on your contracted hours immediately prior to the leave.

Working fewer or more hours

One of the factors determining how much compensation you receive is your pensionable salary when we switch to the NexT Pension scheme.

- If you start working fewer or more hours, this will carry over to the amount of your compensation.
- Are you temporarily working fewer hours due to (un)paid leave? Or are you making use of an 80-85-100 or 80-90-100 scheme? This will not carry over to the amount of your compensation.

How much is the compensation?

An example: Rajesh & part-time

Rajesh starts working part-time (80%) in 2026. His pensionable salary, based on his new part-time factor, is € 53,983, and his pension base is € 38,646. As a result he will receive less compensation. If he works 80%, he will receive 54.9% of € 38,646 = € 21,200.

If Rajesh only starts working part-time after 1 January 2027, his compensation will be higher: working full-time entitles him to 54.9% of € 48,307 = € 26,500.

If you are on paid leave on 1 January 2027

If you take paid leave, your pensionable salary and your part-time factor stay the same: paid leave will not affect how much compensation you receive.

If you are on unpaid leave on 1 January 2027

If you have unpaid leave on 1 January 2027, your part-time percentage at that moment is 0%. You will not accrue pension during the leave. Because the leave is temporary and the intention is that you will return to work afterwards, you will still receive the compensation. We then calculate the compensation based on your part-time percentage (the number of contracted hours) immediately prior to your leave.

How will the compensation affect your situation?

Disability

In short:

- You will also **receive the compensation** if you are aged between 30 and 68 on 1 January 2027, with non-contributory pension accrual by reason of a disability.
- However, an alternative Compensation graph is used in this situation, which is based on the end date of your non-contributory pension accrual.

If you are disabled on 1 January 2027

If you are aged between 30 and 68 on 1 January 2027, and your pension accrual is non-contributory by reason of a disability, you are still entitled to the compensation. The new pension system uses a new pension accrual method for your situation as well. How much compensation you will receive depends on your age, your pension base and your disability factor on 1 January 2027.

Compensation graph does not apply

On page 2 of this e-brochure, the Compensation graph is included. If you are disabled, this graph will generally not apply to you.

Alternative compensation percentage

The compensation for active members is calculated based on the assumption that their employment will continue until they turn 68. For members with a disability, we factor in the end date of their non-contributory pension accrual. The non-contributory accrual ends at the state retirement age, or else no later than the retirement age under the pension scheme that applied when the member suffered the disability; for example, older pension schemes specified a retirement age of 62.5, 65 or 67.

The compensation, therefore, is based on a different age when the accrual ends. You have fewer accrual years left that need to be compensated, and so the compensation is lower. Check your Uniform Pension Overview to see at what age the accrual will end in your specific situation.

We will send you more concrete information about your personal situation near the end of 2026. The alternative Compensation graph will be published on our website at the same time.

How will the compensation affect your situation?

Divorce

In short:

- Divorce **will not affect** your entitlement, nor how much compensation you receive.
- However, the timing of the divorce could affect how your pension is divided between you and your partner.

If you divorce around the time of the transition

Your divorce will not affect your entitlement, nor how much compensation you receive: the factors determining your compensation are your age, your pension base and your part-time factor on 1 January 2027.

Timing of the divorce could affect how your pension is divided

The timing of the divorce will be important for how your pension - and with it the compensation - is divided between you and your partner. If you are entitled to the compensation, you will receive a one-time extra payment into your personal pension capital when we switch to the NexT Pension scheme.

- If the divorce and division occur before 1 January 2027, the compensation will not be included in the legal division of the pension.
- The compensation will be included in the division, however, if the divorce and the division occur on or after 1 January 2027. If you have a prenup, registered partnership agreement or a notarial civil partnership agreement, it might contain alternative arrangements for how your pension will be divided between you and your partner.

Please note! The legal rules for dividing pensions after a divorce will also change, and this will affect the division as well.

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More information

Tip! To find out more about the compensation arrangement, visit >philipspensioenfonds.nl/en/newrulespensions/compensation

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Watch the video:

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