PDN
PENSIOENFONDS

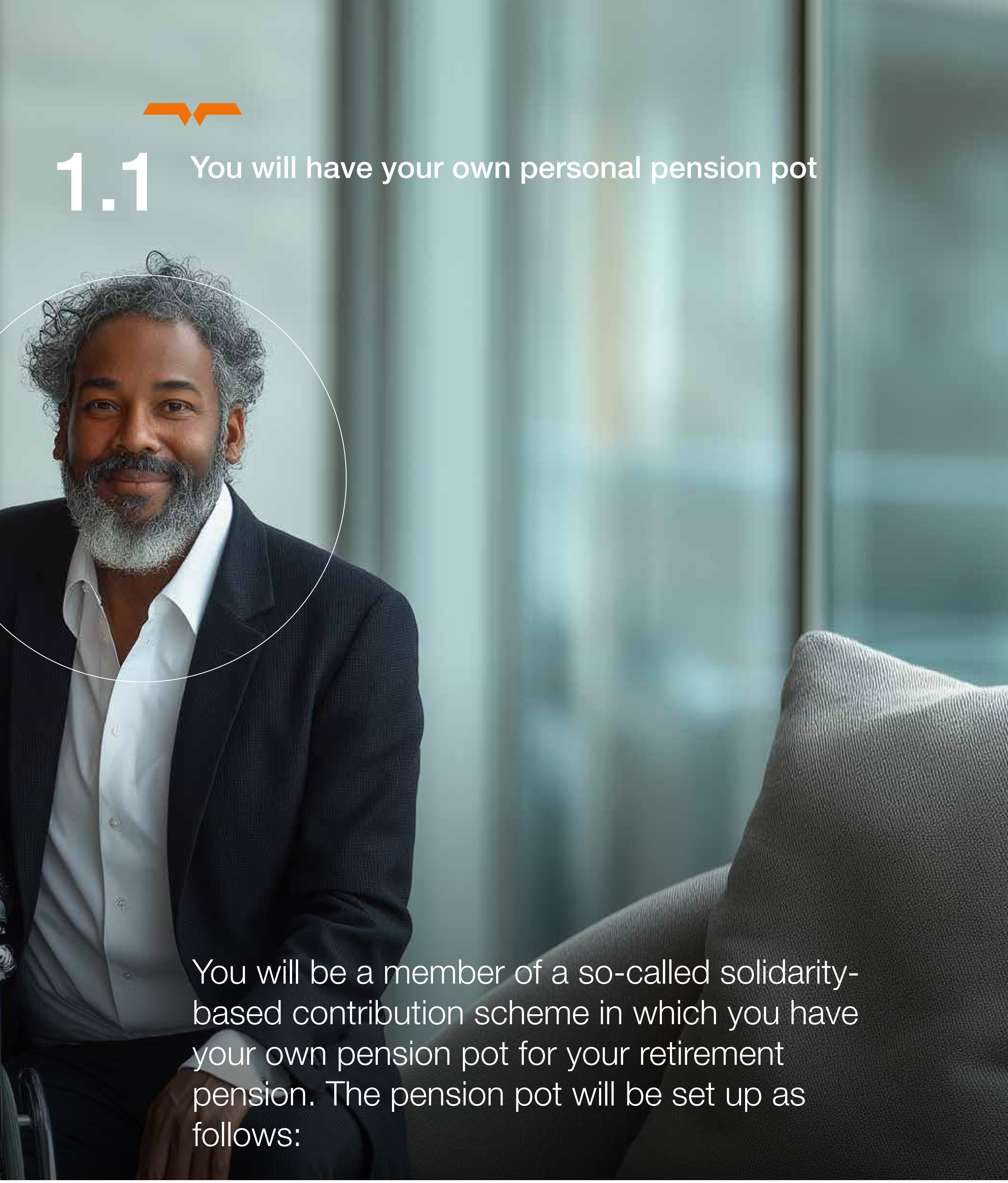
The new pension. Also for you.

Our employers have made agreements with the unions or works councils regarding the new pension. They aim to ensure that this new pension starts on 1 January 2026.

It's now Pensioenfonds PDN's turn get to work on this. PDN must assess whether the social partners' agreements are balanced and are as fair as possible for everyone. PDN will also assess whether and how it can implement these agreements. The fund will need to continue working on this in the coming months and nothing will be finalised until this work is complete.

You can read here which agreements the employers and unions or works councils have made and what these agreements mean for:
all former employees who have kept their pension with Pensioenfonds PDN.

1 The new retirement pension is different than you are used to



1.1 You will have your own personal pension pot

You will be a member of a so-called solidarity-based contribution scheme in which you have your own pension pot for your retirement pension. The pension pot will be set up as follows:

1. On 1 January 2026, Pensioenfonds PDN will calculate the value of your pension and will ensure that this value is transferred to your own pension pot as starting capital.

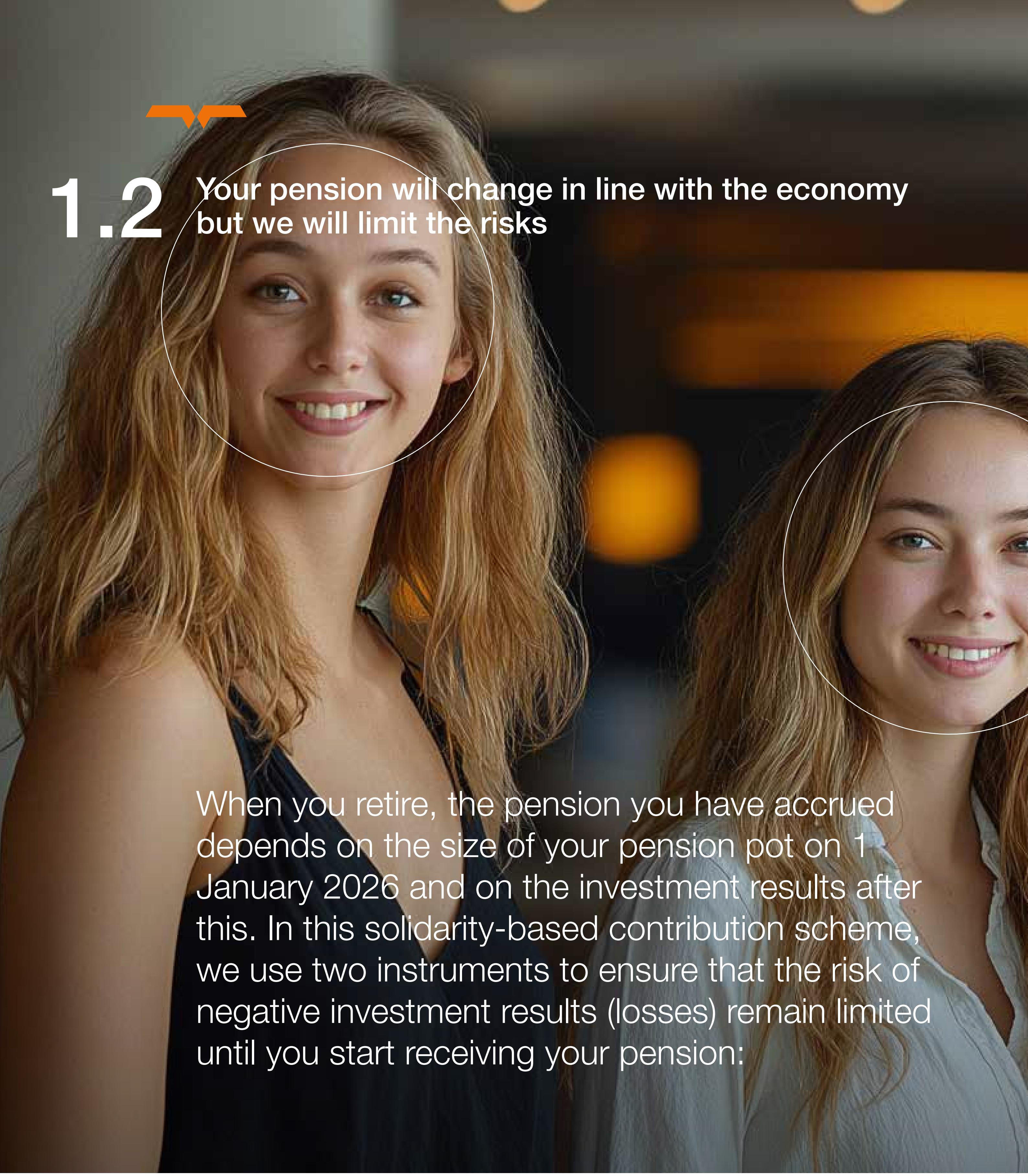
   Pensioenfonds PDN will invest your pension pot together with the pension pots of all other members.

Total pension assets that Pensioenfonds PDN invests

2. The investment results achieved by Pensioenfonds PDN will also be paid into your pension pot. The results can be positive or negative:

3. When you retire, Pensioenfonds PDN converts your pension pot into pension payments. PDN is unable to predict the exact level of your pension as this will change in line with the economy. The fund can, however, state how much pension you can expect to receive (expected scenario). PDN will also explain what your pension will look like in the event of prolonged poor economic conditions (bad weather scenario) and in the event of prolonged good economic conditions (good weather scenario).

4. Your pension pot can never run out, as we all share the ‘risk’ that you will live for a long time and will therefore need more pension payments than average.



1.2 Your pension will change in line with the economy but we will limit the risks

When you retire, the pension you have accrued depends on the size of your pension pot on 1 January 2026 and on the investment results after this. In this solidarity-based contribution scheme, we use two instruments to ensure that the risk of negative investment results (losses) remain limited until you start receiving your pension:

1. The first instrument is the investment policy itself. Pensioenfonds PDN invests all of the pension pots together. PDN ensures that the investment policy is aligned with the average risk appetite of everyone who has a pension with PDN. The risk appetite shows how much risk everyone who has a pension with PDN wants to and can accept. PDN requests this via a risk preference survey, which PDN repeats periodically.

PDN will seek an optimal balance between achieving the best possible return and an acceptable risk, in line with this risk appetite. This balance differs per age category.

A 25-year-old member can take more risks to achieve a higher return than a 55-year-old member. The 25-year-old member still has some considerable time to redress any disappointing investment results (long-term investment horizon). For the 55-year-old, who is somewhat closer to retirement, there needs to be a good balance of investments with less risk, but also with lower returns (shorter investment horizon).
A 25-year-old therefore shares in the returns of riskier investments for a greater portion of their pension pot than the 55-year-old. This means that Pensioenfonds PDN determines per age category what is a good ratio between returns and risk and translates this into allocation rules.

In practice, this will work in the following way: Pensioenfonds PDN will divide the achieved investment returns into protection returns and excess returns.
The protection returns protect the level of your future pension benefits from falling interest rates. The closer to retirement you are, you will also see that there are fewer changes to the level of your pension benefit.

The excess returns are the total investment result minus the protection returns. If the excess returns are positive (the investment makes a profit), everyone will receive a share of this based on their own optimal balance between return and risk. A higher percentage applies to a younger person (more risk/higher returns) than to an older person, who receives more protection returns (less risk, lower returns).

The downside is that, in event of negative excess returns (an investment loss), a younger person also shares in that loss more than an older person and thus sees the value of their pension pot fall more because of the investment loss.

2. The second instrument is the solidarity reserve. This is a buffer. If economic conditions are disappointing, the employers and unions want to ensure that a potential investment loss on excess returns cannot exceed 15% in a year. If that does actually happen, they want Pensioenfonds PDN to use the solidarity reserve to limit the investment losses on the excess returns to 15%.

1.3 The solidarity reserve

The employers and unions have made proposals regarding how Pensioenfonds PDN can use the solidarity reserve in our new pension. We can summarise this as follows:

The solidarity reserve is a reserve of 5% of the total pension assets (all pension pots added together). We will use this reserve to:

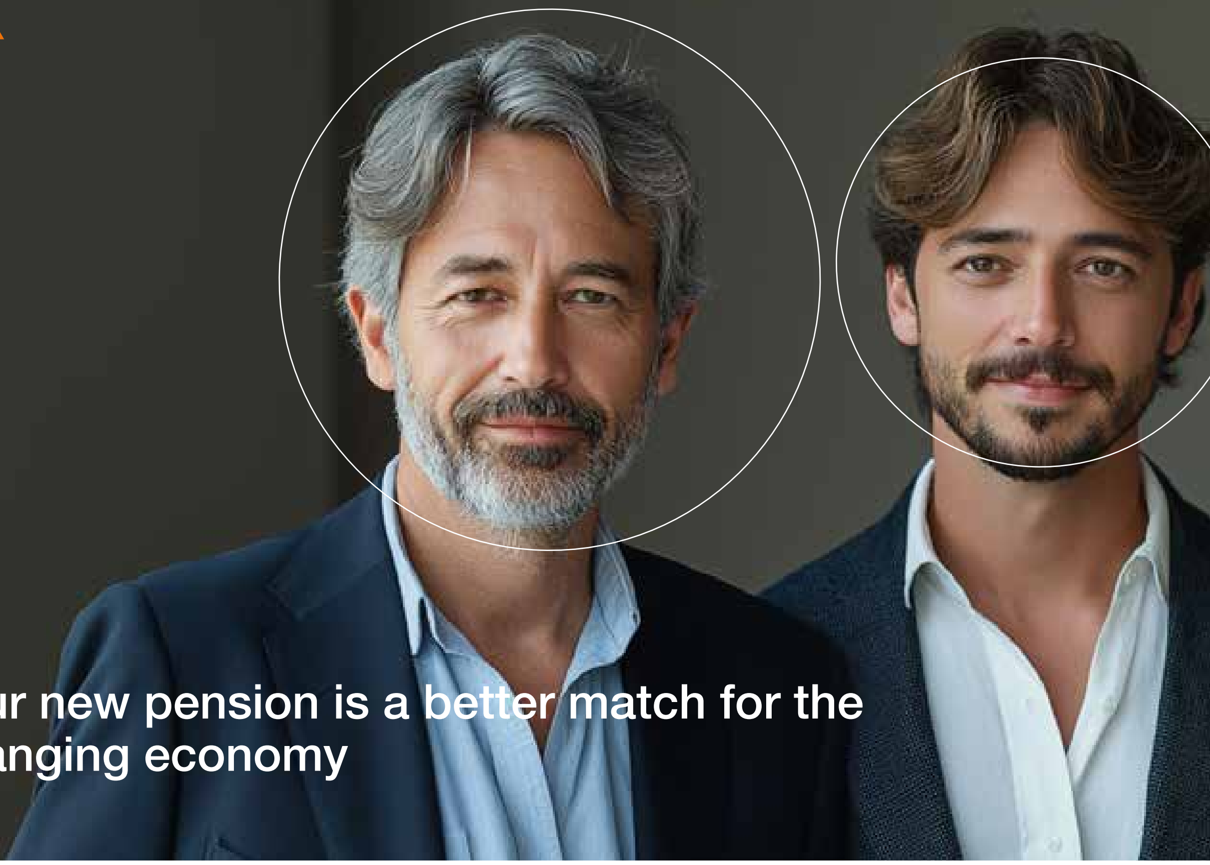
- Prevent that we need to cut pensions that are currently being paid.
- Prevent that the investment losses on the excess returns in a year are higher than 15%.

If we do need to use the solidarity reserve, no more than 40% can be used in a year: up to 20% may be used to prevent cuts in current pension payments to pensioners. Up to 20% can also be used to prevent investment losses on the excess returns being higher than 15%. This means that the solidarity reserve cannot be used up in one go.

Pensioenfonds PDN will supplement the solidarity reserve with up to 10% of the positive investment returns in times of economic prosperity. This means that, before PDN allocates investment returns to the individual pension pots, up to 10% of the investment profits will first be transferred to the solidarity reserve, if the reserve is not completely filled.

If the value of the solidarity reserve exceeds 5%, everyone will receive a prorated amount of the excess in their own pension pot.
This ensures that everyone benefits from the solidarity reserve and everyone also contributes to it.

Pensioenfonds PDN will ultimately determine how the solidarity reserve is set up.
In doing so, PDN will, of course, take the wishes of the employers and unions into account.



1.4 Your new pension is a better match for the changing economy

It has become clear in recent years that pensions are less certain than we always anticipated. Between 2009 and 2021, Pensioenfonds PDN was unable to ensure that pensions increased with inflation (retention of purchasing power), even though we did have enough money in the coffers.

This was partly because of the strict statutory requirements. They prescribe that Pensioenfonds PDN needs to retain high buffers. The goal of this was to guarantee as far as possible that everyone could receive at least the same pension in times of economic hardship. But not all pension funds managed this in recent years. They had to cut pension payments to pensioners anyway. Fortunately, Pensioenfonds PDN did not have to do this. We were actually able to increase pensions in 2022 and 2023.

The strict requirements with respect to the buffers are being abolished. This means that Pensioenfonds PDN will be able to increase pensions earlier when the economy is doing well. If there's a downturn in the economy, pensions can also be lowered earlier. This is why the new pension provides tools (the investment policy and the solidarity reserve) to minimise the risk of decreases (See above under section 1.2 'Your pension will change in line with the economy but we will limit the risks').

1.5 The new pension is clearer

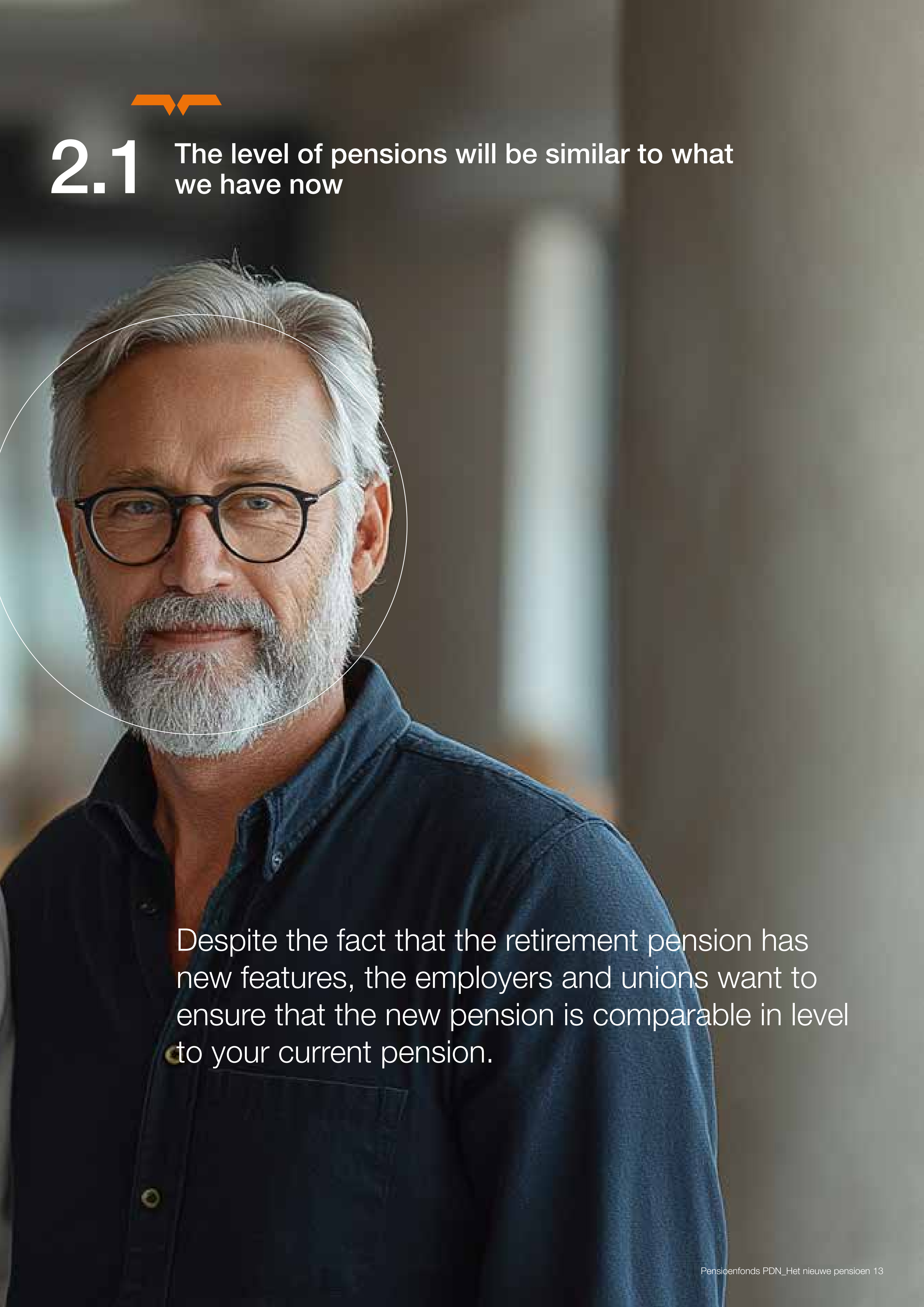
Pensioenfonds PDN currently has one pension assets pot from which everyone receives a pension. A disadvantage of this is that you cannot see which part of those assets are reserved for you.

As you have your own pension pot in the new pension, how much money has been set aside for your pension will be much clearer.

In the new system, you will also be able to see what is added to your pension pot following profits on investments or a contribution from the solidarity reserve. And you can see what is deducted in the event of a loss on the investments.

As is currently the case, Pensioenfonds PDN can only use your pension pot for your pension. And like now, Pensioenfonds PDN will pay the pension for as long as you live.

2 Most of the retirement pensions will stay the same as now



2.1 The level of pensions will be similar to what we have now

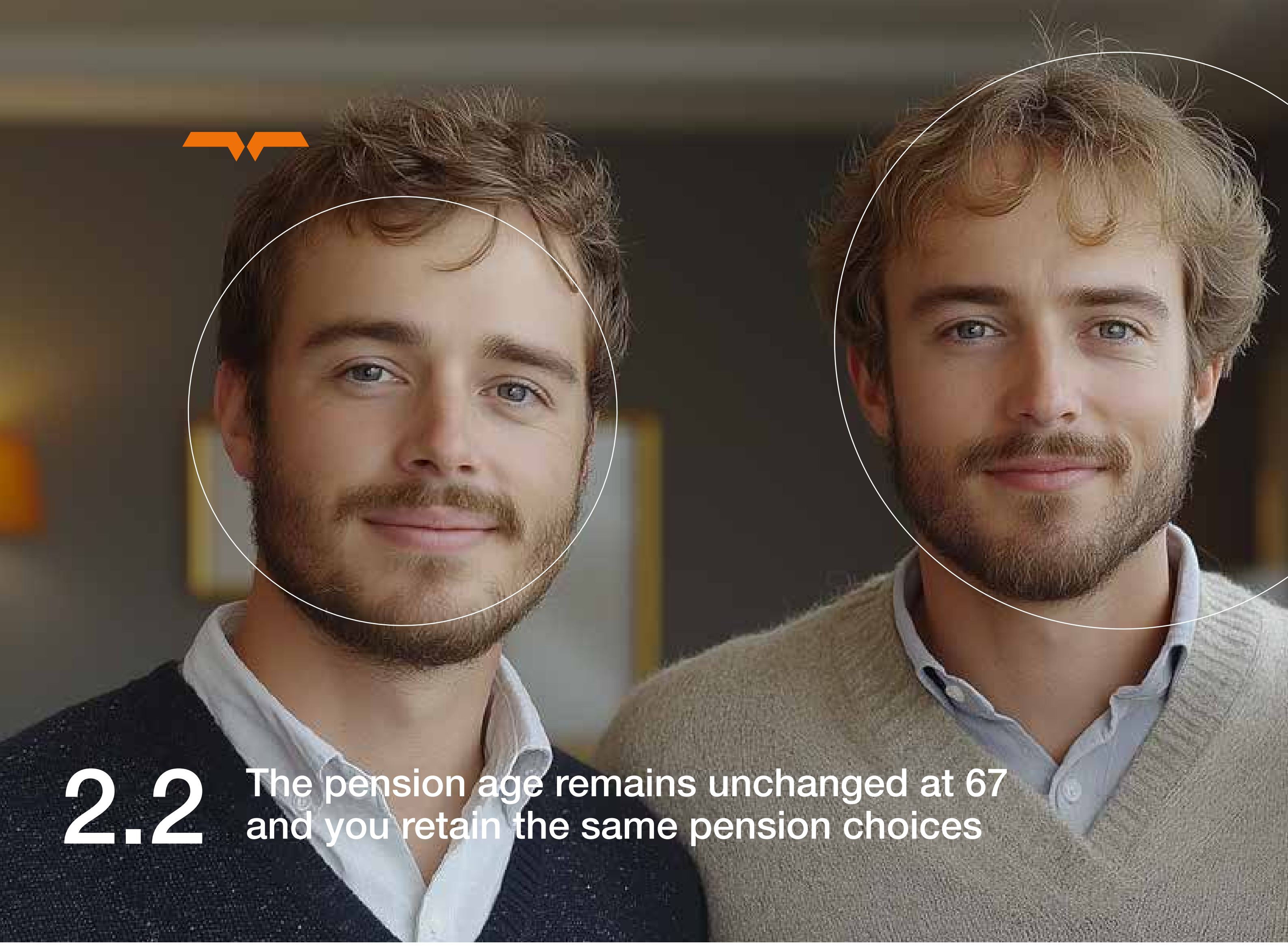
Despite the fact that the retirement pension has new features, the employers and unions want to ensure that the new pension is comparable in level to your current pension.

When making the agreements, many calculations were made to check whether this would be the case. The social partners can generally say that the new pension you can expect to receive will at least be equal to the former pension and may even be somewhat higher. However:

- In the event of a prolonged economic downturn (the bad weather scenario), the pension will end up being lower than the current pension.

- In the event of prolonged economic prosperity, the pension will end up being higher than the current pension.

At the time of making the agreements, the social partners could not check whether these principles would always apply in individual cases. They must therefore add the caveat that they cannot provide certainty that this applies to everyone.

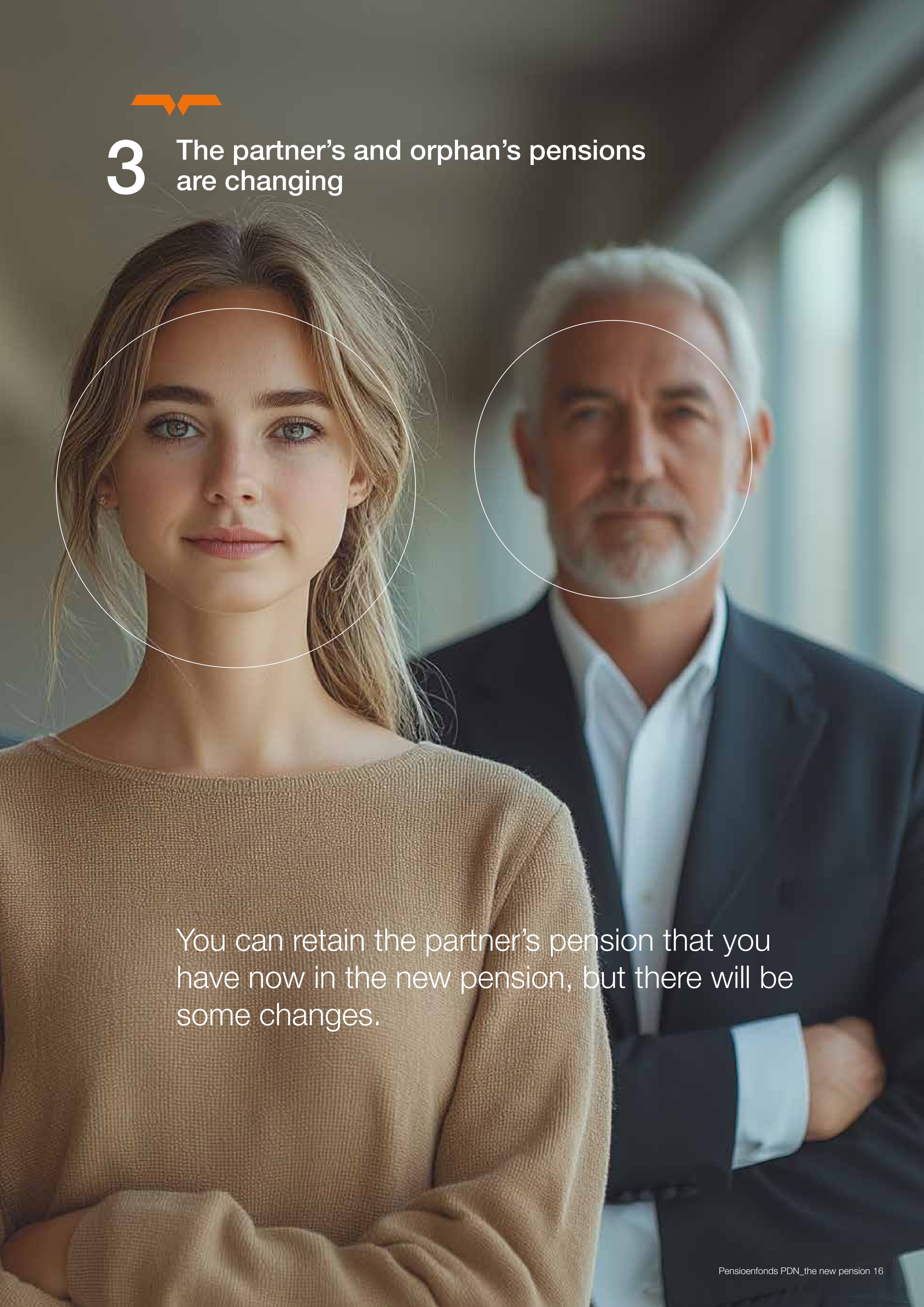


2.2 The pension age remains unchanged at 67 and you retain the same pension choices

Like now, the pension age will still be 67 and you will still be able to choose whether to retire earlier or later. At Pensioenfonds PDN you can start your pension from age 55.

The choice to opt for a part-time pension will also remain the same and you can still choose to vary the amount of your pension (e.g. higher payments first for a number of years followed by lower payments, or vice versa).

As soon as this is permitted by legislation, you can also opt for a lump-sum payment.



3 The partner's and orphan's pensions are changing

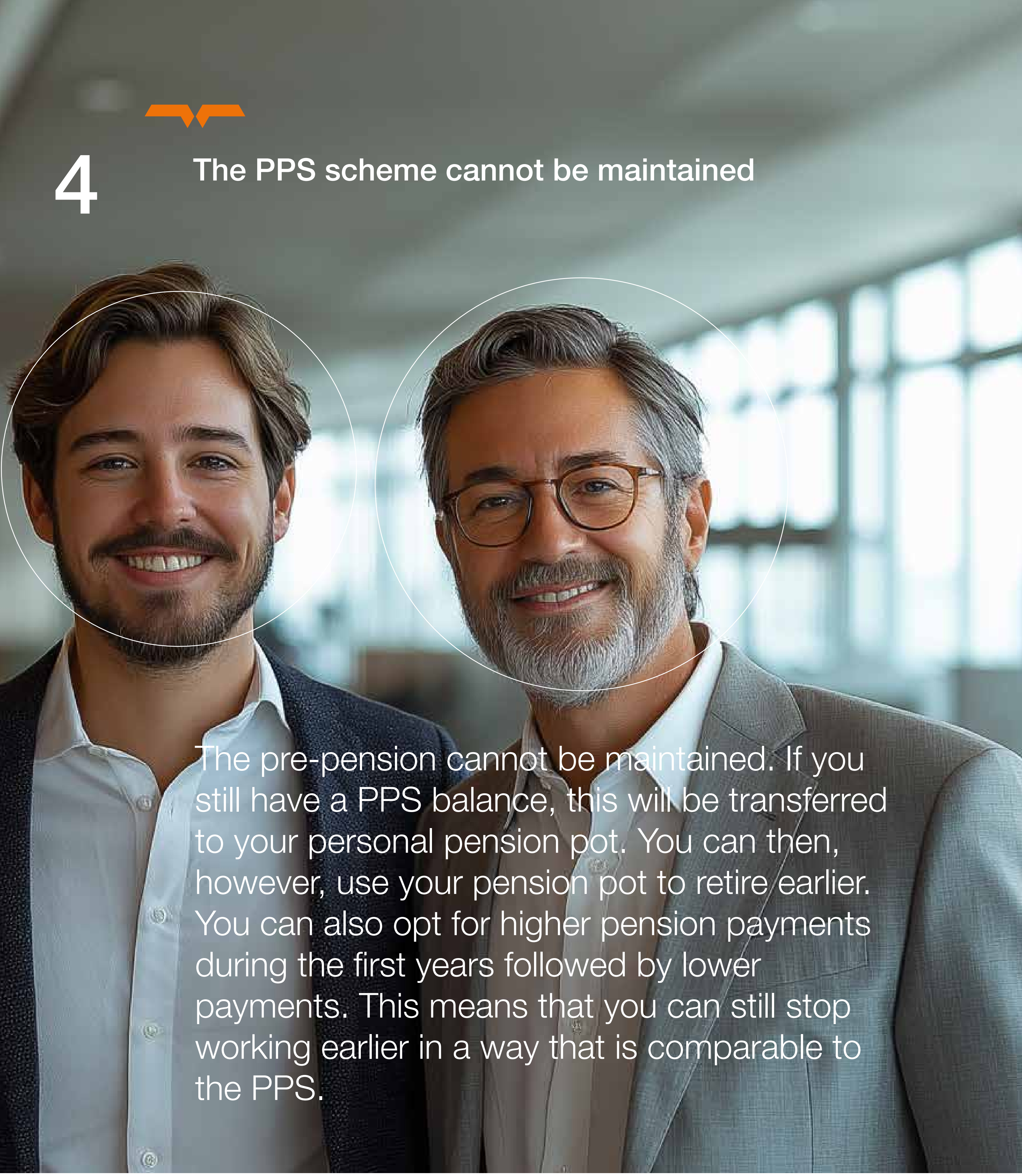
You can retain the partner's pension that you have now in the new pension, but there will be some changes.

3.1 The conditions to be eligible for partner's and orphan's pensions are changing

Partner's pension conditions:
The conditions will not change for married persons and registered partners. For cohabitees, it will be easier to be eligible for the partner's pension. This is because you will no longer need to submit a notarised cohabitation contract to prove that you are partners. It will be enough to demonstrate that you have a joint household together. You can do this by declaring together with your partner that you are registered at the same address in the municipality's personal records database and that you take care of each other. If you have not submitted such a declaration, your partner can, in the event of your death, also use a declaration to demonstrate that this was the case.

Orphan's pension conditions:
Orphans currently receive an orphan's pension until age 18. After this age, this period is extended up to age 27 if they can demonstrate that they are following a study programme. In the new pension, each orphan will always receive a benefit until age 25. This means that it no longer matters whether the orphan is following a study programme or not.

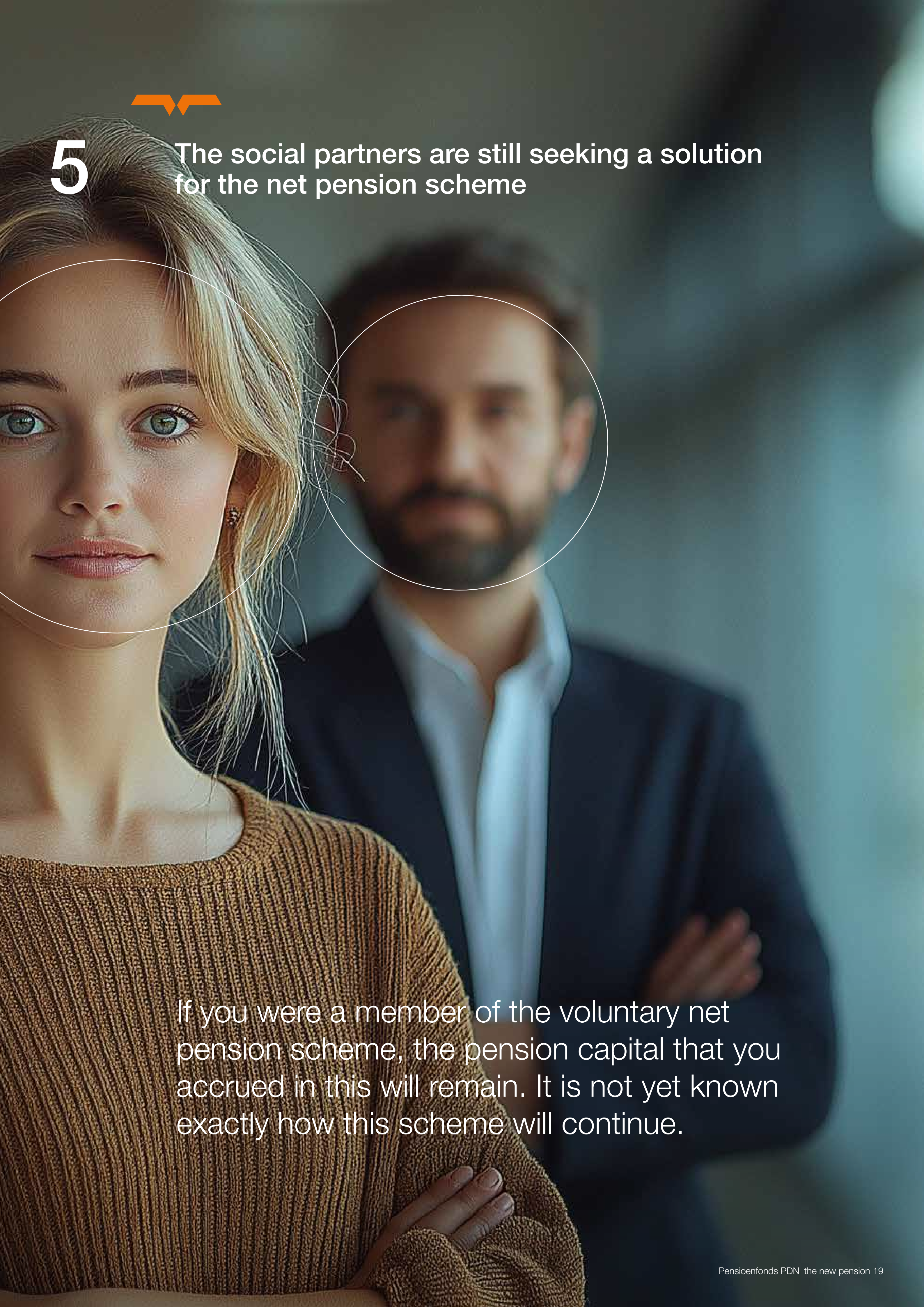
The level of the partner's pension
If you have already accrued partner's pension up to the transition to the new pension, you will retain that pension. You can see whether this is the case on your latest pension statement (UPS) or by logging onto the PDN pension portal. Like the retirement pension, Pensioenfonds PDN will calculate the value of this pension on 1 January 2026 and will ensure that this value is transferred to a pension pot for your partner and children. For the rest, this works in the same way as described in section 1.1 'You will have your own personal pension pot'. The accrued partner's pension will, therefore, also change in line with the economy.



4 The PPS scheme cannot be maintained

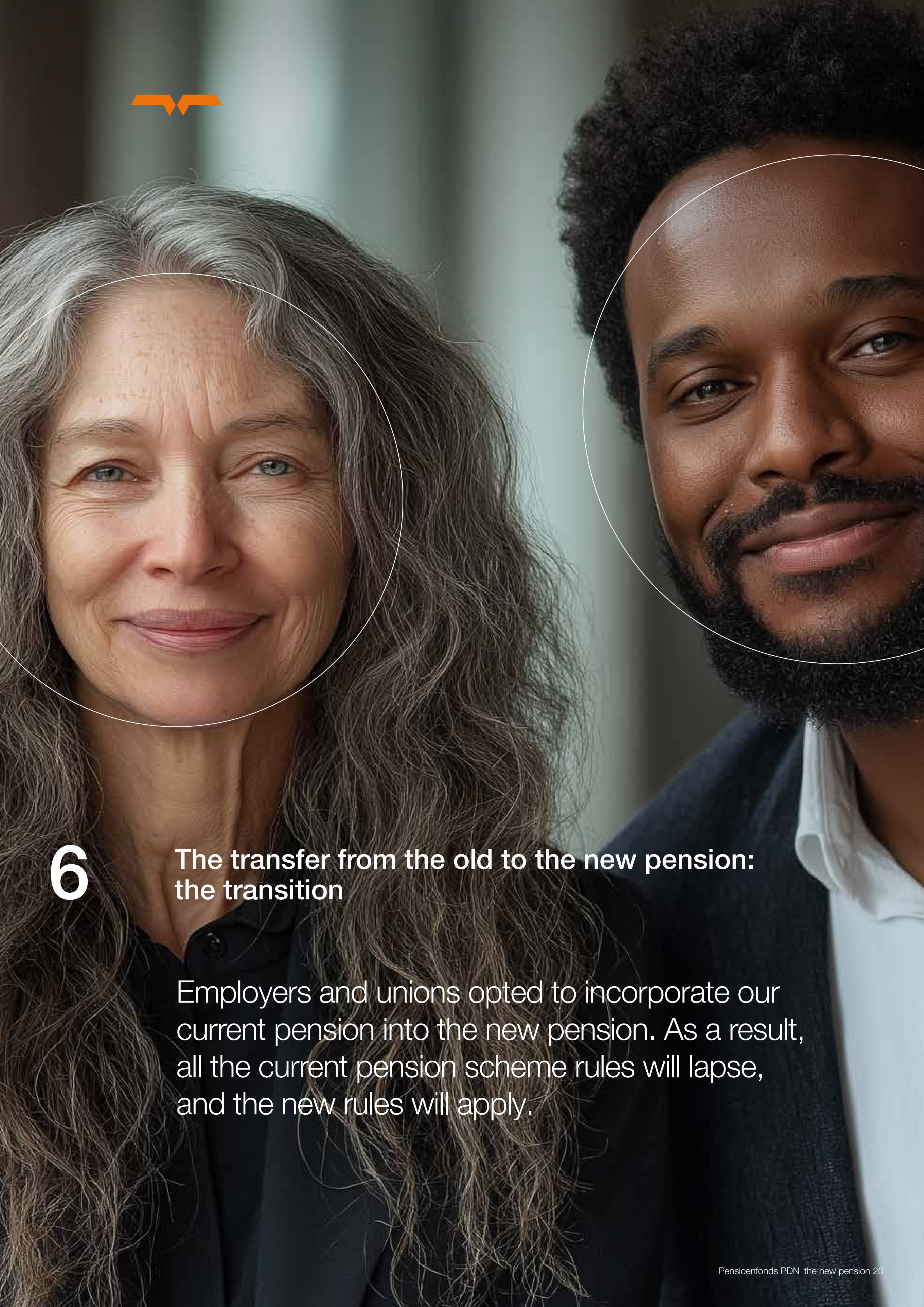
The pre-pension cannot be maintained. If you still have a PPS balance, this will be transferred to your personal pension pot. You can then, however, use your pension pot to retire earlier. You can also opt for higher pension payments during the first years followed by lower payments. This means that you can still stop working earlier in a way that is comparable to the PPS.

We will continue to pay out pre-pension that started prior to 1 January 2026 as agreed when the pre-pension started. If it becomes apparent in due course that this is not permitted by legislation and regulations, we will seek another solution.



5 The social partners are still seeking a solution for the net pension scheme

If you were a member of the voluntary net pension scheme, the pension capital that you accrued in this will remain. It is not yet known exactly how this scheme will continue.



6 The transfer from the old to the new pension: the transition

Employers and unions opted to incorporate our current pension into the new pension. As a result, all the current pension scheme rules will lapse, and the new rules will apply.

Pensioenfonds PDN will therefore calculate the value of your current pension on 1 January 2026 and will ensure that this value is transferred to your own pension pot as starting capital.

This also means that the buffer that Pensioenfonds PDN holds will become available. This buffer is currently needed to guarantee the level of your pension. However, this guarantee will no longer exist in the new pension, as from then on your pension will move in line with the economy.

We express the size of the buffer that becomes available using the term ‘funding level’. At a funding level of 100%, exactly the same amount of assets are available in the pension fund to make all pension payments now and in the future. The buffer will then be 0%.

If the funding level is 110%, this means the pension fund has 10% more in assets than is needed to make the pension benefit payments. The buffer is then 10%. The employers and unions have agreed how they intend to distribute the buffer when this ceases to exist on 1 January 2026.

You can see from the chart below that they need a minimum funding level of 107% to transition properly to the new pension. This will enable them to ensure that pensions are equivalent to the current pension for everyone. And with the buffer of 7% we can

- comply with statutory requirements,
- compensate those who are disadvantaged by the transition to the new system. (This disadvantage only applies to certain groups of employees currently accruing pension at PDN.)
- supplement the solidarity reserve sufficiently to minimise the short-term likelihood of pension pots falling by more than 15% or cuts being needed in pension payments to pensioners.

If the funding level is 109%, the employer and union targets for the transition will have been fully met. The solidarity reserve will then also be at the desired level of 5% of the assets set aside for pensions.

If the funding level is higher than 109%, the social partners aim to increase pensions for everyone. For example, if the buffer is 120%, Pensioenfonds PDN can, according to the social partners' agreements, increase everyone's pension pot by 11% (120 - 109 = 11). This increase can partially compensate for previous missed indexation.

Priority	Used for:	Needed	Funding level:
1.	Compliance with statutory requirements: • Minimum required assets • Reserve operational costs	1%	
2.	Conversion of current pension to value in the pension pot	100%	
3.	Compensation for the cancellation of the flat-rate contribution system	2%	
4.	Supplementing the solidarity reserve	3%	
	Minimum required funding level. If the funding level is below 107%, the employers and unions will consult again, and the new pension will not start on 1 January 2026.		107%
5.	Further supplementing the solidarity reserve up to 5%	2%	
	Target funding level: All the employer and union targets have been achieved.		109%
6.	Increasing pension pots by 1% to 21% depending on the funding level.		110% tot 130%
7	Employers and unions will consult again regarding the distribution of the buffer		Higher than 130%

As the funding level changes in line with the economy, we are currently unable to predict which funding level we will have and how high the buffer will be. You can monitor the funding level changes on the Pensioenfonds PDN website.

The funding level will be determined at the end of 2025.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Contact

For questions about your pension, please visit the website: pdnpensioen.nl

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