

Indexation at PDN

Every year, PDN endeavors to increase the pension of pensioners and deferred members in line with **price** increases and the accrued pension of members in line with **pay** increases. The pensions and accrued pensions have not been increased in the last few years. The indexation arrears are shown in the table below.

The total cumulative indexation arrears amount to 17.42% for pensioners and deferred members and 17.74% for members. If PDN's financial situation improves, the Board may decide to make up the supplements not granted in previous years. The table below gives a summary of the supplements granted and missed in the past few years. The next occasion when the Board can consider granting supplements is 1 January 2021.

The cumulative arrears have affected the buying power of pensions and accrued pensions. The statutory rules and the buffers required mean that there will be little chance of indexation in the foreseeable future. PDN's financial situation, expressed by the funding level, will have to improve before indexation is possible again.

Supplements

In (year)	For (year)	Pensioners and deferred members			Price increase (Statistics Netherlands – price index figure 'CPI non-derived')***	Members		
		% supplement (indexation)	Price increase CPI derived (basis for indexation by PDN)	Supplements missed		% supplement (indexation)	General DSM pay increase (basis for indexation at PDN)	Supplements missed
2020	2019	0.00%	1.73%	1.73%	2.72%	0.00%	3.00%	3.00%
2019	2018	0.00%	1.68%	1.68%	2.10%	0.00%	3.00%	3.00%
2018	2017	0.00%	1.34%	1.34%	1.33%	0.00%	2.00%	2.00%
2017	2016	0.00%	0.36%	0.36%	0.42%	0.00%	0.00%	0.00%
2016	2015	0.00%	0.41%	0.41%	0.63%	0.00%	3.00%	3.02%**
2015	2014	0.00%	0.75%	0.75%	1.05%	0.00%	1.50%	1.50%
2014	2013	0.00%	0.90%	0.90%	1.56%	0.00%	1.00%	1.00%
2013	2012	0.00%	2.03%	2.03%	2.91%	0.00%	2.00%	2.00%
2012	2011	0.00%	2.74%	2.74%	2.94%	0.00%	1.00%	1.00%
2011	2011					3.53%	1.50%	0.00%
	2010	0.69%	1.90%	1.21%	1.97%		2.00%	
2010	2009		0.69%	0.69%	0.82%	3.50% (or 2.00%*)	0.00%	- 3.50% (or -2.00%*) (catch-up)
	2007	1.00%	1.91%	0.91%	2.03%			
2009	2008	0.00%	1.44%	1.44%	1.93%	0.00%	3.50% (or 2.00%*)	3.50% (or 2.00%*)
Arrears of missed supplements				16.19%	Arrears of missed supplements			16.52%
Arrears of missed supplements (incl. indexation on indexation)				17.42%	Arrears of missed supplements (incl. indexation on indexation)			17.74%

* The supplement of 2.00% applied to DSM Executive Services B.V.

** This percentage includes the indexation on indexation.

*** These figures are not used for PDN's purposes, but must be reported at the request of the Netherlands Authority for the Financial Markets.

PDN finances future increases of pensions in payment and accrued pensions with its returns on investments. These increases and the expectation of increases in years to come do not automatically entitle active members, deferred members or pensioners to increases in the future.

More information about indexation at PDN can be found in the PDN regulations on the PDN website.