

NUMBER 1 | APRIL 2018

PDN MAGAZINE

PDN magazine
sustainable and
environmentally
-friendly

Pension journey:
Ger Wagemans

A little gambling
can be fun, just
not when it comes
to your pension

CONTEXT



14 PENSION JOURNEY: GER WAGEMANS

04 A LITTLE GAMBLING
CAN BE FUN, JUST
NOT WHEN IT COMES
TO YOUR PENSION



Here in the Netherlands, we have a good pension system and we should keep it that way, they say. What does Piet think about this?

07 ASK SANNE



Your age counts, but what age counts when it comes to your pension?

08 PRIVACY –
IT AFFECTS US ALL!



The General Data Protection Regulation (GDPR) enters into force on May 25, 2018.

10 INTRODUCING...
DSM SINOCHEM
PHARMACEUTICALS
(DSP)



DSM is a global leader in sustainably-produced antibiotics, statins (cholesterol-lowering drugs) and anti-fungal medications

07 PDN MAGAZINE
SUSTAINABLE AND
ENVIRONMENTALLY-
FRIENDLY

16 PENSION PAYMENT
DETAILS

17 YOUR PENSION: FACT
AND FICTION

20 CREATURES OF HABIT

It's the moment you have been waiting for. Welcome to PDN Magazine. A paper magazine about pensions and other financial topics. Paper, you say? In this day and age? Is PDN that hopelessly old-fashioned?

Well, we like to think of it more as retro. PDN Magazine is the new name for Pensioencontact, which had been sent to PDN members since December 1990. Since PDN is intended for everyone, the magazine should also be available to everyone. That means not digitally, but on paper. After all, some members can't or don't want to receive the magazine digitally, and prefer to receive their pension information on paper. And because seeing the magazine on your kitchen table might just give you that extra push to read more about your pension or about your colleagues past and present. Besides, there are electronic magazines all across the digital world that PDN contributes to, so that is why we are launching a retro magazine.

PDN GOES RETRO

It has been an exciting few months for our new editorial team, who have had a lot on their plate. In choosing a paper format, we had to make sure the paper used was sustainable and accredited. And we had to make sure the magazine would arrive in postboxes unscathed. A plastic wrapper seemed to be the best bet. What's that, you say? Plastic? Yes, because the plastic we have chosen is an environmentally-friendly version.

Then, we needed to make sure that a magazine about pensions would appeal to everyone. So, how do you go about doing that? We put our heads together and went over lots of ideas. The most important thing is not to complicate things. Pensions should also be understandable and interesting.

The editorial team is so incredibly proud of the first issue of PDN Magazine. And we are keen to know what you think. Let us know your thoughts at redactie.pdn@dsm.com.

Happy reading,

Harry, Ilona, Karin, Mark, Monique & René

“A little gambling can be fun, just not when it comes to your pension”

There has been talk of the reforms to our pension system for some time now. It has since transpired that labor unions don't see the benefit in this. There is no guarantee of a system with its own pension pot for every member or a pension for the self-employed. We asked PDN Board member Piet Rennen, appointed on recommendation by the DSM Nederland Central Works Council, about his views on a new pension system.

Some people see no need at all to change the pension system. Here in the Netherlands, we have a good pension system and we should keep it that way, they say. What does Piet think about this?

“A lot has changed in our society. Fewer and fewer people will still be working at the same company for 40 years. That means people will be accruing their pension in different pension funds at different stages of their life, or sometimes not at all. This puts the system under pressure, whereby a single contribution results in the same pension accrual (known as the flat-rate premium). It hasn't always been that bad. Younger people who paid 'too much' in contributions received a rebate in the form of a lower contribution amount later on. But as has already been pointed out, people are not working for the same company or industry for so long any more. There are also a lot more self-employed people who either choose to pay into a pension or are almost forced to after being made redundant. They are faced with pension contributions that they can't afford if they want to

build up a private pension. Another trend we need take into account is that people have become more independent. Individualization has had quite an impact. People are questioning the value of mutuality, for example. All of this made it clear a few years ago that something needs to change.”

How is PDN preparing for a new pension system?

“We don't yet know all the fine details exactly. What we can do is come up with a few different scenarios. PDN is currently working towards updating the pension scheme for employees with a salary of more than €105,075. We are calling this the Net Pension Scheme (NPS) 2.0. We can harness the experience that PDN has gained in any new pension system that involves individual pension pots. The new NPS will offer a number of things that came up in discussions about the new pension system. PDN has carried out a survey among the members of the Net Pension Scheme, which revealed that members know and understand very little about pensions. When rolling out the new scheme, we

will focus a lot of attention on conveying our message clearly. We can also use that experience too.”

How do you feel personally about individual pension pots in a new pension system?

“A lot of people believe that they will get their own pot of money that they can use as they wish. We need to make it clear that this is not the case. You will get your own pot, that much is true, but you cannot take any money out of it. The money is there for a specific purpose. You cannot pass the money on if you die, either. You have your own pension pot until you need to use it to purchase pension entitlements. Imagine you were single and had quite a big pension pot. You use the pot in the first year but then you die that same year. That means you don't have an individual pot anymore. I'm concerned that a lot of people don't realize that. We need to make it crystal clear how it works in practice.”

Members will have more choice with the new pension system. How can we prepare them for this?



Piet Rennen

“This is much more complicated than most people appreciate. We are getting the impression that the individual pension pot is rather easy to explain, but the choices that are available are not so straightforward. It's important for us to agree on some standard options with our social partners. We also want to clarify the alternatives to members. That's quite a challenge, so we need to take things step by step.”

What can and can't members do with the money in their personal pots? Some people are saying they can pay off their mortgage with it. Is that true?

“I don't think it's a good idea to take all the money out of it. You wouldn't have much of a pension then, if any at all. But we do need to allow limited access to it. The whole idea of a pension system

is to maintain a duty of care, to make sure that people will be financially comfortable once they retire. Members need to understand that they are personally responsible for making sure they have enough money after retiring. Pensions have been considerably reduced lately. There was a time when you could build up 70% of your salary, but you cannot do that anymore. Far fewer people are seeing decent salary rises in their working life. What people often don't realize is that there is also a difference between your actual salary and your pensionable salary - i.e. the salary that your pension is based on.

A major component of the new pension plan is the scrapping of the flat-rate premium, whereby everyone pays the same premium and builds up the same pension (in proportion to their

pensionable salary). Younger people who pay into the scheme may get a yield for longer, but this does not result in a higher pension accrual for them. What are your thoughts on the flat-rate premium?

“There is pressure from social partners, the employer, and labor unions to apply the flat-rate premium. In reality, the problem is not so much the flat-rate premium, but the flat-rate accrual. Employers find it difficult to tell their employees to keep on paying more in contributions for a fixed pension accrual. Older staff would also have to work harder. Under the planned new pension system, you will accrue a bigger pension with a fixed premium if you are younger. Paying in the same amount of money will lead to a different pension level depending on the amount of time that it yields for. >>

“The pension system needs to change, but it does not need to involve individual pension pots.”



Different pension pots will also give members a say on how their money is invested. While one person might act more cautiously, someone else might want to take more of a risk. How much freedom should members have? And how does PDN's duty of care come into it?

“We do have a duty of care. I think it would be a good idea to offer a range of options, or profiles even, but not to give members absolute freedom over how the money is invested. We could, for example, offer options for a low and a high-risk profile. These profiles will indicate the risks involved. There is still a major difference between investing and gambling. A little gambling can be fun, just not when it comes to your pension. This is one hell of a job for your typical employee. Many people will not even want to make a decision and will simply resort to the standard option recommended by the pension

fund. This standard option will need to be somewhere in the middle. And some people will then want to deviate from this and take either a bigger or smaller risk.”

How does mutuality come into the new pension system if everyone has their own pension pot? Mutuality is an important part of the system and makes the pensions cheaper.

“A certain degree of mutuality is unavoidable because no-one can assume their life risk alone. You don't know how long you'll live for. So, you have to do something about that, whether it's being forced to take out insurance or join a collective system. The way I see it, there is a different kind of mutuality at play. Currently, the pension system makes no distinction among the people who retire, such as people with physically-demanding jobs. That imbalance forms part of current social discussions. As

long as everyone is young, there seems to be little difference, but once you convert your pension pot to pension entitlements, then it's a different picture for someone who is still in work and fighting fit, compared to someone who is moaning and groaning about reaching retirement.”

Ask Sanne



Your age counts, but what age counts when it comes to your pension?

It never used to be this complicated. You had your statutory retirement age and your retirement date - 65 years in both case. These days, there are so many different ages used in your pension that you might not be sure you'll ever see your pension at all!

Let's start with the ages that the Dutch government works with, such as the ever-changing statutory retirement age. This is currently 67 years and 3 months if you were born after 31 December 1954. If you were born before that date, it is somewhere between 66 and 67 years. According to the latest reports, the current statutory retirement age of 67 years and 3 months is valid until 2024, at which point it could be raised.

Then there is the government's pension computation age, also known as the standard retirement age. This is used to calculate everyone's pension accruals. The government has set this at 68 years and has an accrual rate of 1.875%. To make things even more complicated, social partners may opt for a different age in the pension regulations. At PDN, our social partners have done just that and instead chosen to set the pension computation age at 67 years. This comes with a lower accrual rate of 1.738% and appears in the pension regulations under state pension age - not to be confused with your statutory retirement age.

Will you ever see your pension?

Fortunately, there is an important date that you can choose yourself, which is your own retirement date. This is the date when you want to start receiving your pension. But to further complicate the matter, in the Netherlands your pension must start between your 55th birthday and statutory retirement age plus 5 years. This is another choice made by our social partners. At PDN, you can start your pension from your 55th birthday.

Do you have a question for Sanne?
Let us know at redactie.pdn@dsm.com

PDN Magazine: sustainable and environmentally-friendly



PDN strives to make the majority of its communications electronic. But the new PDN Magazine will still be printed on paper. When designing the magazine, we were careful to ensure it would be produced in a sustainable and environmentally-responsible way. This is also true when it came to choosing the paper on which the magazine is printed, as well as the plastic packaging.

We opted for FSC-certified paper, as demonstrated by the FSC label. This paper is made from 60% recycled paper and 40% FSC-certified fibers.

FSC stands for Forest Stewardship Council, an international organization committed to responsible forestry policy worldwide. Responsible forest management means taking a balanced account of the social, ecological and economic aspects of forest management. FSC is supported by all major environmental and development organizations.

Wood and paper products from FSC-certified wood can be identified by the FSC label, which must only be used if forest managers, paper mills, paper wholesalers, and printers can demonstrate that they fulfil the FSC criteria. These companies are certified by independent organizations.

The EU Ecolabel for the plastic wrap used to package PDN Magazine is the European label for non-food products, seeking to promote sustainable production and consumption. The label is recognized by all countries in the European Union, as well as Norway, Liechtenstein, and Iceland. Products with an EU Ecolabel are produced with a lower environmental impact of raw materials, energy, water, harmful substances, waste, and packaging. The LDPE wrap used to package PDN Magazine is made from oil, a raw material that is easy to recycle.

What changes does the GDPR introduce?

The GDPR imposes stricter requirements for storing, using, and processing personal data. The new legislation is about all the data that can identify or be traced back to people - such as your name, marital status, date of birth, gender, and citizen service number. To protect our privacy, an organization may store and use such information only if it is necessary to perform the core tasks of that organization.

The main effects of the GDPR for pension funds are as follows:

1. Enhanced rights for members:

The new privacy legislation strengthens and extends the rights of citizens. They now have the right to limit the personal data about them that is processed, for example. A right to access, correct, and object to the use of data already existed. Not all the provisions of the GDPR are applicable to pensions. For example, the GDPR lays down a right to be forgotten, but when it comes to your pension fund, you might actually want the opposite to happen.

2. More duties for pension funds

Almost the entire process of administering a pension fund involves processing personal data. So, the new obligations apply extensively to pension funds and their administrators. For example, a fund must have an active policy in place to demonstrate compliance with the GDPR. What data concerning a pensioner or an active member do we use, how do we obtain it, and who can access it within the organization?

A register must be maintained of all personal data processing. Procedures must also ensure members' privacy rights. When designing a system, personal data protection must be taken into account. And the system must contain no more data than is strictly necessary. When we update the administration system, there must be a privacy impact assessment to determine whether privacy will still be guaranteed in the updated system.

Plus, the GDPR also introduces the role of the Data Protection Officer - the single point of contact in the organization who can be approached with regard to privacy issues.

3. Stronger supervisory powers

The GDPR affords more powers to the Dutch Data Protection Authority. If the supervisory authority asks for clarification, then the fund must provide it. This requires much more effort on the part of organizations when it comes to registering procedures and risk analyses. You will need to demonstrate that the technical and organizational measures that you have implemented are actually effective.

4. Data leaks must be reported

A data breach occurs when personal data falls into the hands of third parties who are not permitted to access the data. There has been an obligation to report data leaks in the Netherlands since January 1, 2016. But for most EU member states, this is new requirement.



The General Data Protection Regulation (GDPR) enters into force on May 25, 2018. This new privacy legislation applies to the whole of Europe, but there are also other rules for pension funds and rights.

Much has changed since the current Dutch Personal Data Protection Act was written in 2001. Technology is developing at a lightning-fast rate. Practically everything is done, stored, or found online. And in many cases, all this data can be put together to provide a detailed picture of us. If something happens without your knowledge or permission, you can end up in a very nasty situation.

Large files with sensitive information are a prime target for hackers, because they contain so much data about us. Hacked data be sold on, and data obtained illegally, or even legally, can

fetch a high price. And we provide of this information free of charge. Many people think Facebook, WhatsApp, and countless other services are free to use. But of course we are really paying with our personal data. And it's worth a lot! Then we get ads, offers, and misleading e-mails, all trying to clear out our bank account or even steal our identity.

PDN ready for tightened privacy laws

PDN has been processing personal data for many years in a way that is controlled and reliable. The pension scheme is administered by DSM Pension Services (DPS). Both PDN and DPS are currently working together to ensure all new legal requirements are complied with. These include a mandatory list of systems, mandatory policy documents, risk analyses, and appointing a data protection officer. All relevant documents must be provided to the national supervisory authority

on request. What is more, all internal working processes need to be reviewed and structured in such a way that allows them to be modified if the GDPR so requires.

What does the GDPR mean for members?

Very little will change for you personally. The way that PDN and DPS guarantee the privacy of members pursuant to the GDPR is explained in the Privacy & Cookie Statement. Moreover:

- You can access your own data on the website under "My PDN pension" or "My complete pension overview".
- Your identity will always be verified if you contact a DPS member of staff;
- Unless you have already given permission, you will first be asked for your permission to send correspondence to your personal e-mail address. You can withdraw your permission at any time.

What can you do yourself?

We give out huge amounts of information about ourselves on the internet. On top of the data that we more or less know is collected online, data is also gathered about what we do on social media, what we buy online, and what we search for on the internet. So, here are a few tips to protect yourself:

- Use a strong password (combination of upper and lowercase letters, numbers, and punctuation) and use a different password for every site or service.
- Be mindful of what information you give away. You might unconsciously give away more information than you think. Think whether the information you are providing is necessary.
- Don't be lax. If you make a purchase online, for example, make sure to take steps to protect your privacy.
- There are some services you can hardly do without. Think how hard life would be without WhatsApp. But are you aware that you are accepting the privacy policy simply by using the service, even though you haven't explicitly agreed to the Terms and Conditions?

Did you know that there are more than fifteen different employers affiliated with PDN? So it's not just DSM employees who have a pension with PDN; employees of the other affiliated companies do too. In this feature, we will be showcasing a different affiliated company each time. First up in this inaugural edition of PDN Magazine is DSM Sinochem Pharmaceuticals (DSP). We're pleased to welcome Ella Groenendijk, HR Director for Europe & America.

Introducing... DSM Sinochem Pharmaceuticals (DSP)

If we go back to the roots of DSM Sinochem Pharmaceuticals, it all started in 1869 with the founding of Nederlandsche Gist en Spiritusfabriek, a yeast and methylated spirits factory. It later became Gist Brocades and was bought by DSM in 1998. In 2011, DSM sold half of its shares to the Chinese state company Sinochem Group. The company has since been renamed DSM Sinochem Pharmaceuticals. "DSM is a global leader in sustainably-produced antibiotics, statins (cholesterol-lowering drugs) and anti-fungal medications," explains Ella Groenendijk.

Life-saving medicines

"Antibiotics are our oldest products, and very successful ones too. The Gist Brocades factory was one of the first two pharmaceutical companies to produce penicillin on an industrial scale, just after the Second World War. Innovation is something we value enormously – it's in our blood. That's why we started making end products like pills, capsules, and sachets five years ago. Until that time, we only supplied the active ingredient in medicines to producers of the end products. Now we make them ourselves in our own Drug Products unit. And we have had great success because we already make the active ingredients found in the finished products. We are not dependent on other suppliers.

Antibiotics are our oldest products, and very successful ones too

Sustainability is important

Ella is very enthusiastic about DSP's unique, sustainable method of production. "The way we make our active ingredients and medications is unique and patented. Unlike other production methods, we don't use any harmful solvents and there are far fewer steps to get to the final product.

This makes our method cleaner and more efficient. In addition, we have a very effective wastewater treatment system that runs 24/7 for all our production sites to make sure that no antibiotics left over from production enter the environment. Thanks to our sustainable production method, we are playing our part in preventing bacteria from developing a resistance to antibiotics and contributing toward a cleaner environment. Unfortunately, there are still antibiotics producers namely in India and China whose production methods are not clean, which is why DSP – together with other large pharmaceutical companies, the World Health Organization (WHO), and the United Nations – is campaigning to increase awareness of antibiotic resistance caused dumping antibiotic residues in the environment and is calling for proper global legislation and regulation."



Ella on...

DSM

I have been working at DSM (Anti Infectives) since 2002. In 2011, I moved to the joint venture DSM Sinochem Pharmaceuticals (DSP).

Pride:

DSP is a lovely, informal place to work. It delivers high quality – reliably and sustainably. I am very proud to work for a company that makes life-saving ingredients and medicines. Without these, people would die from something as simple as an infected finger.

Her own pension:

I am kept well informed about my own pension. I hear a lot about it. And I've had a personal pension consultation



with someone from DSM Pension Services. That helped me to understand my own situation perfectly.

Herself:

59 years old, married, mother of 2 sons, aged 18 and 22, both of whom are studying.

DSP: Facts and figures

Sites

in Singapore, China, India, Egypt, Spain, the USA, Mexico, and the Netherlands.

2,100 employees worldwide.
250 employees in the Netherlands.

Products:

Active pharmaceutical ingredients, intermediate products and end doses of antibiotics, statins (cholesterol-reducers), and anti-fungal medications.

Three sites in the Netherlands

“Our headquarters are in Singapore and we also have sites in China, India, Egypt, Spain, the USA, Mexico, and the Netherlands”, says Ella. Some 2,100 employees work at DSP across the world, of whom about 250 are in the Netherlands. “Our Dutch headquarters are in Rijswijk, but we also have two factories in Delft, where we have around 100 employees making various intermediate products and enzymes. In Rijswijk, we have our Sales, Marketing, Finance, Legal, Communications, and HR departments, as well as our Drug Products business unit. A very diverse group of approximately 150 people work here, comprising no fewer than 25 different nationalities. That makes my work more interesting and challenging.”

Well informed

DSP employees build up their pension with PDN. Ella tells us about the information they receive about their pension. “When people start working here, they receive an information pack from PDN. There is also more information on the website, in the pension planner, and through the Pension Desk. Our staff also appreciate the pension sessions run by DSM Pension Services. They feel well informed this way.” There is close cooperation between DSP, the pension fund, and the pension administration organization, according to Ella. “We are kept up to date through the employer council and there is always someone at DSM Pension Services who wants to help.



I think PDN and DSM Pension Services are very customer-focused. They are very open in their communications.” DSP also offers personal pension consultations to all employees, in partnership with DSM Pension Services. “This means everyone gets a better understanding of their personal situation.”

Privileged

DSP benefits from the agreements that DSM makes regarding pensions. “Our influence may be small, but with DSM everything works great. We are quite privileged here in the Netherlands when it comes to pensions. They are so well regulated in comparison to the countries where other people who work for us come from.”

Did you know?

Your Uniform Pension Statements (UPS) – the letters that the pension fund has sent you over the last few years – can all be found in a secure part of the PDN website. It’s your own digital pension folder. No longer do you need to keep all your pension documents in a file – it’s all available online for you. Useful if someone else maintains your records for you.

Your digital pension folder has several tabs and sub-folders, so everything isn’t just thrown into one pile. This is how to find your digital folder:

Step 1.

- Go to the PDN website: www.pdnpensioen.nl
- Click on ‘Log in’ or the ‘My PDN pension’ tab.

Step 2.

- Click on ‘DigiD login’ and then on ‘Log in’.
- If you don’t have a DigiD, click on ‘Log in’.
Enter your user name and password.

Step 3.

- Enter your DigiD details and click on ‘Log in’.

Step 4:

- Click on ‘Go to my pension’.

Step 5:

- You are now logged into your ‘My pension’ digital folder.
- Click on ‘My documents’ in the menu bar.

Step 6:

- On the left-hand side, you will find a number of tabs (sub-folders).
- Click there to access the documents you need.



- by Leo Smits -

Jacques van Marken, Syb Lewis, and Willem Drees. Do these names mean anything to you? Perhaps our more seasoned readers will remember Willem Drees. These three men were the founders of the pension system as we know it today.

In 1880, entrepreneur Jacques van Marken* said that just as we have to set aside money to replace machines at the end of their service life, we must also set aside money for people to give them a worthy existence at the end of their working life.

A wonderfully social thought by Mr. Van Marken. It might seem rather cold to compare man to machine, but it is still a pertinent observation. In 1913, Syb Lewis, then Dutch Minister of Trade, Industry and Agriculture, introduced the first Disability and Old Age Pensions Act. The legislation stipulated compulsory insurance for people in employment, with contributions to be paid by both the employer and employee.

The juicy apple

In 1947, just after the Second World War, Willem Drees was responsible for the emergency law on care of the elderly – the predecessor of the General

Old Age Pensions Act. The law provided an old-age benefit for both employed and non-employed persons, who were not required to pay any contributions. It was government-funded instead. Later, the state pension became a compulsory national insurance scheme.

In 1952, the Pension and Savings Funds Act came into force, which required pension contributions to be paid to a pension fund or insurer outside of the company. The juicy apple saw the light of day. In 2007, the Pension and Savings Funds Act was replaced by the new Pensions Act, which remains in effect today.

The arrival of a regulated pension system also changed family ties. Grandparents no longer had to live with their children or other family. It created a need for care homes, and secularization brought an end to the pillarization that had shaped Dutch society. The first seeds of

individualization were sown and the consumer society warmed to the idea.

The forbidden fruit

Pensions are also known as deferred compensation and belong to ‘the people’. In 1980, Ruud Lubbers, the Christian Democratic Prime Minister of the Netherlands set aside 30 billion guilders for the ABP government pension fund. Did this mark the beginning of the end of the pension system? Since the late 1990s, pension schemes are no longer afraid to take risks when it comes to investments; the juicy apple has become the forbidden fruit.

Long live progress! Would we ever return to the garden of Eden and take a bite out of the forbidden fruit? Can we trust the government with a single cent of our money? All pension funds need to do now is ensure ‘the people’ get a return on their contributions and receive what they are entitled to in their later years. As Van Marken said in 1880: ‘a worthy existence’. Fait accompli.

*Jacques van Marken founded Nederlandsche Gist- & Spiritusfabriek in 1869, which later became Gist Brocades and is now known as DSM.



We're sitting down at the table with Ger Wagemans, at the DSM office in Heerlen. Since retiring, he has been back a couple of times. But Ger doesn't miss it here. Looking back is not really his kind of thing. He doesn't like to talk about the past; that's all over. "But it's nice to see former colleagues again, because I'm really interested in finding out whether things are going well for the people I used to work with."

Keeping the brain working

His résumé is impressive, even after retiring.

"Yes, I do still plenty," says Ger. "But everything is in the non-profit sector, nothing to do with business anymore. Otherwise I might as well have carried on working there. I was involved in non-profit activities even when I was working at DSM. I come from a generation that emphasizes your social responsibility in your local area. When I was 25, I was already a board member and chair of a couple of mental health institutions as well as a local hospital. DSM thought that was great, and I learned a lot from

those experiences. Doing something that didn't revolve around chemistry and the market really broadened my horizons. I have a lot to thank society for, so I want to give something back. That's what drives me.

When I finished at DSM, I knew I wanted to do more of it. I now work around 25 hours per week. I believe that you need to keep your brain working. I know quite a lot of pensioners and early retirees who did not. It makes you a poorer person. Keeping busy is important for my generation.

I have a lot of additional roles as chair

or vice-chair. As a chair, I am called upon for my organizational skills, which is something I enjoy the least. As a board member, you have more of an opportunity to speak your mind. Maybe that's why they make me chair all the time," chuckles Ger.

Pensions are the blood in my veins

"I've known pensions all my life. When I was 22 and starting as a lawyer, I was dealing with social matters, which involved pensions. That's how it has been throughout my entire career. It was Piet Verwijlen who taught me everything about pensions – that was before they were cool.

I was a PDN Board member for three years, once I'd been with the company for 12 years. Then when I was 59, I started taking my own pension. Pensions are the blood that runs through my veins."

Planning mode

"Throughout my working life, including in my spare time, I have always worked using time slots of half an hour. When I retired, I fell out of planning mode. That's what I found most difficult. I have now been on my pension for six years and only recently did I get back into planning mode.

My wife also has a lot on her plate, so we both need to plan well. Whether it's going to the museum or doing nothing at all, we plan it."

The Dutch Pou-Pou

When it came to asking Ger about his hobbies, he lit up. "Sport and especially

cycling are my life and soul. I've just bought a new bike. I've got the date I can pick up my bike highlighted in my diary. When I was 44, I had to have two new hips, so to celebrate I bought a new bike. When I was 55, I bought another one. Now it's time for the next one. I use all kinds of bikes. I cycle around 60 miles every Sunday, and in the winter I do 30 miles on the mountain bike. Sometimes in a group, sometimes alone, other times with my wife. Our vacations in the mountains also involve cycling together. My nickname is Pou-Pou, named after the French cyclist Raymond Poulidor, because of the silly way that I cycle and the fact I never win. I'm renowned for setting off at the wrong time, and I get out of breath too easily. I have cycled 'properly' no more than three times in my life, and won! But I don't like taking cycling too seriously.

I play golf once a week too, whenever it suits. I am now at that stage of my life where I am free of obligations. I also go walking, often with my wife. I have set myself the challenge of taking 5555 steps a day. There's no logic behind that number; it's just a random target to keep me fit.

**Like I always say,
'there's no such thing
as impossible'**

I've just come back from a winter vacation with my wife. We also enjoy downhill and cross-country skiing together. Throughout my working life, my wife and I have done a lot of things apart. But since she had a major operation, I thought it was time to start doing a lot of things together. Neither of us like just sitting around."

Grab life by the horns

"Like I always say, 'there's no such thing as impossible'. We all need to

Life story: Ger Wagemans

Born on: July 18, 1952

Career:

- Company lawyer
- In charge of working conditions at DSM Limburg
- Head of P&O at DSM Kunststoffen
- Social Policy Director at DSM Limburg
- Director at the Geleen site, including Health, Safety, and Environment, major restructuring and positioning of Chemelot and the Campus

Took his pension at 59 years old

Current roles:

- Member of the Limburg Water Board
- Chair of the Supervisory Board, Continuing Education Parkstad Limburg, Heerlen
- Chair of the Management Board, LWV Park Management, Roermond
- Vice-chair of the Supervisory Board, Sheltered Employment MTB, Maastricht
- Vice-chair of the Board, Institute for Asbestos Victims (IAS), The Hague
- Vice-chair of the Board, Pilon, Heerlen
- Vice-chair of the Supervisory Board, Continium Discovery Center, Kerkrade
- Chair, Mountain Bike Development South Limburg (MOZL), Margraten
- Member, PDN Communications Panel

take responsibility for ourselves. Make your own choices and decide your own future. Here in the Netherlands, there are a number of things that work really well, and a number of things that don't. We need to cherish the things do work well. Let systems work for you and don't think of them as a hindrance. And don't let yourself be influenced too much by what others are doing. If you wanted something else to happen, why didn't you make it happen?

Admittedly, young people these days have it much harder than I ever did. That has to do with access to information. There is so much of it now. How do you make your choices? The world used to be a much smaller place, so our frame of reference was much smaller too. How can you encourage children in education to get the best out of themselves? That's something I've always wondered. My advice is to grab life by the horns. Be bold but also make sure you have a Plan B to fall back on. Make sure you have people around you who aren't afraid to tell you the truth; that is something I've been lucky enough to have. If anything goes wrong, don't look to blame anybody else. You will have played a crucial part in it. And work with young talent. That will really challenge you."

Most proud

"With DSM and my managers, I was always given space to develop, and to make mistakes. It was a great place for me to work. I also think the transformation that is happening within DSM is fantastic. It's a company with real values!

What I'm most proud of is how the Geleen site has been transformed and especially the pre-pension saving scheme (PPS) that we created. I'm particularly proud of the team I worked with, as well as the internal and external partners I dealt with. We even won the DSM Innovation Award for the PPS scheme. That's also a prime example of seizing opportunities, which is exactly what attracted me to DSM. If you see something not quite right, you need to find a solution. You feel challenged to do that."

Pension payment details

Pensions payments are made on the 27th of the month (with the exception of December). If the 27th falls on a weekend, your pension will be paid before then.

2018 payment dates

April	26
May	25
June	27
July	27
August	27
September	27
October	26
November	27
December	20

PDN funding level

One important indicator of a pension fund's financial health is the funding level. This shows the relationship between PDN's pension assets and PDN's pension obligations, both now and in the future. If the funding level is 110%, for example, then for every €100 PDN pays to pensioners, PDN has €110 worth of assets at that time.

The figures are published each quarter on PDN's website.

The table below shows the funding level from 2014 onwards.

As at end of	Funding level	Policy funding level	Interest rate	Max. yield funding levels
2014	109,3%		1,8%	17,7%
2015	103,7%	106,1%	1,6%	0,3%
2016	102,8%	98,8%	1,3%	7,6%
Q1 2017	105,7%	100,8%	1,4%	1,4%
Q2 2017	108,0%	102,9%	1,5%	2,0%
Q3 2017	109,7%	105,6%	1,6%	3,5%
Q4 2017	110,1%	107,8%	1,5%	5,6%

- Pension funds must use the so-called policy funding level from 2015 when making decisions on increasing or decreasing the funding. The funding level is the average taken over the last twelve monthly



Older people are bleeding the pension pot dry for younger people

Your private pension contributions are invested and are used, together with the yield, to fund your future pension.

But that's not how it works when it comes to the state pension, which is paid from the state pension contributions and taxes paid by the workers of today. That is why the financing for the state pension is also known as pay-as-you-go, whereas the private pension is a fully-funded system.

Dutch pension pots have more money than ever before, with assets totaling more than €1,300 billion. That money is for everyone who has now retired, who is working now, and who has left work and kept their pension with PDN. This means there is definitely a pension for everyone who is currently working. Unlike the state pension, the pension pot at PDN is not something everyone has access to; it is for members only.

Fortunately, there are a number of mutuality aspects in the PDN pension scheme. For example, disability is insured

and if pensioners retire earlier than planned, the pension is paid as normal. In addition, if a member dies, their surviving dependent(s) are covered; both the partner and the child receive a pension from PDN.

However, it is true that the value of pension obligations (what we need to pay out to all current members both now and throughout their lifetime) has risen faster over the past few years than pension assets (total value of investments). This is mainly due to the low interest rate. Many pension funds are struggling to keep up with price increases (indexation). Unfortunately, this includes us at PDN.



Sooner or later...

Name: Jacques Pasmans
Age: 67
Position: Risk Manager bij DBS sinds 2008
Took pension in 2016

What is life like as a pensioner?

"I was pretty addicted to my job. When I retired, I just couldn't get into it right away. That does take its toll and lasts for a good year or so. I'm always looking for new hobbies. I'm currently taking a Spanish course, I play bridge, and I've started running three times a week on Monday, Wednesday, and Friday mornings in a group of about 55 people. The Spanish course bring some structure to my life. And that is my most important message: make sure you have structure when you retire. Otherwise, you will find life very difficult. When you get up every morning, you need to think about what you are going to do that day. If not, you'll end up spending the whole day on the couch. Most people I speak to have the same problem. Being on your pension is actually like having a new job. For years, my partner did everything by herself and suddenly I was there following her around like a shadow all the time. She was quite used to me not being there. Finding a meaningful way to spend my time was an art."

"Make sure you have paid off your mortgage."

What were the biggest changes you made?

"The most significant change is not having to get up at a certain hour. Since I started running, I have to set my alarm clock and get up early three days a week. I'm on the athletics track by 9:30 am. Also, I no longer have to deal with driving at rush hour and getting stuck in traffic jams. You can do so much more with your time. I don't have to travel on business anymore. Now I just travel for pleasure."

What was your pension dream and how did you make it come true?

"I didn't really have a pension dream. I am quite a realistic person. The only thing I planned to do was to spend more time on photography. I always thought that as soon as I retire, I'm going to take a photography course. I have been doing that for two years now at Syntra in Belgium. It's quite intensive, but it's fantastic. I travel a lot and I'm always learning more and more about how to take a good photo. Each time we go on a trip, my wife and I make a photo diary. We have now built up a collection of 30 of the, which is still growing. My editing skills are getting better and better. When I compare a photo book made recently to one from six years ago, I can see a huge improvement

Did you do anything completely different?

"I went on a course to become a qualified electrician. You learn

so much there that you think: 'well, that must be everything'. Looking back, it's very important to find something you can do regularly. That is the biggest problem for most people who retire. When it comes to your partner, it is also a matter of getting used to each other. I have taken on a number of household tasks from my wife, like cooking and cleaning the bathroom. But we go grocery shopping together."

What tips do you have for Gemma?

"Make sure you have paid off your mortgage. I also took out annuities. I'm very glad I did, because they last for a long time. It's a nice bit of extra income. Especially now that pensions are fluctuating a lot. Also check your pension planner regularly and take action accordingly. I have never regretted what I did in the past."

Wie: Gemma Krijgsman

Leeftijd: 36

Functie: Riskmanager bij FSS (Financial Shared Service Center), 1 dag in de week Riskmanager bij HRSS

Are you looking after your pension? If not, why not?

"I sure am. It's your piggy bank for later on in life, so it's important to look after it. I don't have much influence over it at the moment, but I can see what options it gives me right now. My partner and I are currently looking at how we can prepare for our retirement. We put a bigger deposit down on our mortgage. I'm also talking to my parents to see how they went about it. After working at DSM Pension Services, I took several courses including a masterclass in pensions. I really like to do that as a sideline."

What is your dream pension?

"One that allows me to travel far away. Simple things like enjoying yourself and not having to worry. But is it a pension dream or will it become a pension nightmare? Will there even be a pension when I retire? Nothing is certain. The government is not the most reliable partner. But I can also take steps myself to protect my pension."

What are you doing to make your pension dream come true?

"I've looked at the best way to spend my savings. By paying a larger deposit on our mortgage, we have lower monthly payments. My partner and I spoke to our bank to see what options we have. We are also looking at what we can invest in that will yield later on, such as a property abroad. The investment suits us well, but we don't want to go on vacation to the same place every time."

Make sure that your disposable income after your pension is higher and you have something that will yield in the long term. And if you ever buy a new home, make sure it is designed or adapted so you don't have to rely on others. I now see how important that is when I look at my own home. If you are young, you have a lot more time to sort this out. At the moment, it is really hard to find somewhere to live with everything on the ground floor or a bathroom downstairs. It's like a race and you really need to get ahead of the game.

And I know Gemma likes traveling, just like me. Spend time traveling both before and after you take your pension. Make sure you dedicate enough time to relaxing and to your hobbies."

But we're still working towards it. Even if it's just renovating our house.

Traveling is my dream. I don't want to wait until I retire to do that. We don't know what our health will be like then. I watch what I eat and I exercise regularly; it's just about looking after yourself. We are in the process of buying a caravan, so we can get away more often. You need to seize as many moments of happiness as you can.

Do you have any questions for Jacques?

"He has already answered my question of how I can prepare for my retirement. I'd also like to know whether moving abroad is an option for him?" Jacques: "No, I have too many friends and family here. A friend of mine is moving to Brabant soon to be closer to his children."

What are you going to do differently after this interview?

"Jacques's tips have been extremely helpful. We both come from a financial background and know very well what this means." "One more tip," Jacques adds. "Make sure you are both well informed about your financial situation, so, if one of you should lose the other, you will still be in the know. I keep on telling my kids that they need to think about their pension. They think it's nonsense now, but the later you leave it, the more difficult it becomes. You can't just ignore it. That's what I did in the beginning but I was persistently reminded by a friend. In the end, I did sort it out and I am so glad I did."

Would you and a colleague, past or present, like to feature in Sooner or later...? Then please e-mail us at redactie.pdn@dsm.com.

Imprint

PDN Magazine is published two to three times a year and is aimed at all PDN members. An audio version of PDN Magazine is available free of charge for blind and partially-sighted people.

Editorial team

Harry Coerver, Mark Gerards, Karin Grannetia, Monique van Heeswijk, René Schreurs, Ilona Suijkerbuijk

Photography

Mark Gerards, Istockphoto and more.

Design

Perron 9

Printing

PPM Event & Media Support, Meerssen

Contact

PDN t.a.v. Ilona Suijkerbuijk
Postbus 6500
6401 JH Heerlen
redactie.pdn@dsml.com
www.pdnpensioen.nl
045-5782157

Pension Desk

045-5788100



Column by Irene van den Berg

Creatures of habit

I am both cautious yet envious of people who deal with major change easily. That is something I learned when watching a TV program about people who packed up and moved thousands of miles away with their family, with no preparation, reservations, or knowledge of the local language. Their naivety may shock you, but their enthusiasm deserves admiration. They seem to be devoid of any resistance to change, unlike the rest of the human race. And that often prevents us from taking new steps.

I see myself as adventurous and flexible, but that is not always the case in practice. I do have a good excuse, though. Our aversion to change is in our biology. Humans are creatures of habit. At home, we often sit down in the same seat. I've even got my usual spot on the couch. Without these habits, our brain would be overwhelmed by all the stimulations we face in the day. Habits are a way for our brain to relieve pressure.

There is also a downside to this; our brains find it difficult to deal with new things. "Why do things suddenly have to change?", we ask ourselves. "Changes which we have no control over, which are often complicated." That affects our sense of self-determination. That's why the first thing managers learn before rolling out a change is to let their people have a say, or at least let them think they have a say. Another important lesson is that you shouldn't spring a change on people. It's a sure-fire way to cause an uprising if people don't have time to get used to the new plans and prepare for them.

The reason for a long introduction is so that you can start to get used to me. After all, I have just sprung myself on you. So, allow me to help you prepare for me. I am a journalist and columnist, specializing in money and psyche. In other words, how do we deal with our money and why? And as such, I will now be sharing my musings on everything to do with money and pensions a few times a year.

So, I hope you will quickly get used to me. And soon reading my column in PDN Magazine will become a habit. From your favorite spot on the couch, of course.