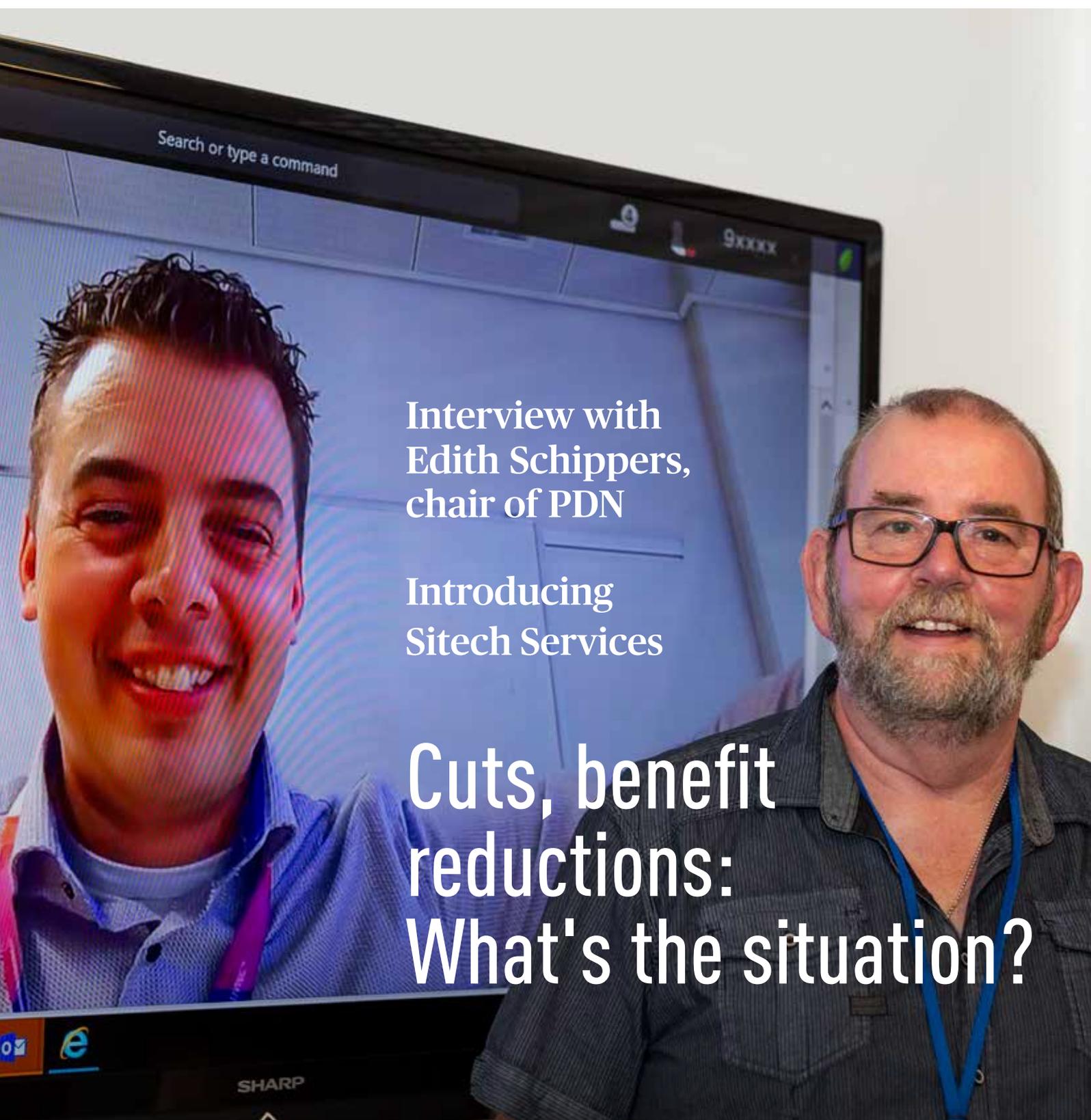


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# PDN MAGAZINE



Interview with  
Edith Schippers,  
chair of PDN

Introducing  
Sitech Services

Cuts, benefit  
reductions:  
What's the situation?

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Instead of getting interest on our savings, we might soon be paying interest. It's almost unimaginable, but it's becoming more likely now interest rates on savings are almost 0%. And every time that we think mortgage interest rates can't fall any lower, we hit a new low record. Are we soon going to have to pay to save? Should we go back to saving our money under the mattress, or invest in bricks and mortar? These are strange financial times, that's for sure.

It goes without saying that pension funds are also suffering from these low interest rates. They're all in turbulent waters, some funds more than others. These differences are due to the composition and policy of the fund and the agreements that they reach with employers and labor unions. Pensions are in the news every day: if it's not about the pension agreement, it's about the threat of pension benefit cuts – lower pension benefits. Can the government avoid these cuts, or are the pension benefits of millions of pensioners and employees going to be reduced in 2020?

## THE FINANCIAL HOUSEKEEPING

Nor is PDN's current financial situation so good: There's a fair chance that our fund will also be compelled to reduce pension benefits in 2020. Nevertheless, at the same time we read that the pension pots have never been so full. It's end- September as we write this, so by the time you receive this magazine the financial situation might be completely different. You can read precisely what's going on in this magazine. We also introduce Edith Schippers, our new Chair, to you. What does she think of the pension agreement developments?

You can also read about the results of the members' survey we conducted in May. This survey once again showed just how much pensioners hope for an increase in their pension – which hasn't taken place since 2000. Obviously, we don't want to communicate that we may well have to reduce pensions in 2020. The survey also showed that confidence in PDN has increased further. This confidence is in part based on open, fair, accurate, and timely communication – which is precisely what we continue to do in this magazine. We keep you informed about the good and not so good news. In the meantime, we hope that by the time you receive this magazine a reduction of pensions will no longer be necessary.

Happy reading,

Ilona, Karin, Mark, Maurice & Monique

# Cuts, benefit reductions: What's the situation?

A news article posted on the PDN website in mid September stated that it was possible that PDN would also have to reduce pension benefits. A little later, we talked with Stijn Spauwen, the pension fund's actuary, an expert who calculates and evaluates risks. We asked Stijn how likely it was that pension benefits would have to be reduced. The information he gave us was based on the situation at the end of September. The financial situation might be very different by the time you receive this magazine.

## You are the actuary. What do you do for PDN at DSM Pension Services (DPS)?

"I monitor the fund's financial position, both now and in the future. I use mathematical and other tools to gain an insight into parameters including contribution levels, indexation, and the cash PDN needs to pay pension benefits now and in the future. I advise the Board. The Board decides."

## What was your experience with pensions before you joined DPS?

"I joined this sector in 1999, first with ABP, on the asset management side. Later, I shifted my focus more towards pensions. I joined AZL in 2006 and have been working for DPS since 2008. I was immediately confronted with the 2008/2009 crisis."

## Pension benefit cuts, Pension benefit reductions: How acute is the situation?

"At the end of September, PDN's funding level was about 97%. Pursuant to the current legislation and PDN's policy, the pension fund will have to reduce pension benefits if the funding level is 99% at the end of the year. We refer to this as the 'critical funding level,' because at lower percentages PDN will probably be unable to restore the funding level to about 118% within the selected 7-year

recovery period. We refer to this as the 'legally required minimum funding level.' The law prescribes that we must otherwise reduce pension benefits."

"When we look at the funding level at the end of September, it's clear that the most logical scenario is a reduction of pension benefits in 2020. However, there are a few other options to avoid a reduction. The Board could, for example, decide to extend the recovery period from 7 to a maximum of 10 years, which would lower the critical funding level. Alongside the policy PDN wishes to conduct, the legal rules are also very important. Political discussions are currently being held on these rules, so the legislation could be amended in the coming months. Thirdly, how will the funding level develop in the coming months? We did not expect interest rates to fall so far in the past three months. But the markets are fickle, so interest rates or stock prices could also rise sharply in the coming months."

## You made a reference to a 'recovery period.' What does that mean?

"A recovery period of 7 years has been agreed with PDN. Pension funds with a funding level below the legally required minimum funding level are obligated to

draw up a recovery plan. This explains how the pension fund is going to restore the current funding level to the required funding level within the recovery period. PDN's required funding level is about 118%. At a certain percentage it will no longer be possible to restore the funding level within the agreed period. This is referred to as the 'critical funding level,' which is about 99%. As I said above, the PDN Board could decide to extend the recovery period to a maximum of 10 years, which would lower the critical funding level. It's a policy choice. The Board then needs to balance the interests of all members and pensioners, which is in essence a question of how much pain we bear now and how much pain we defer into the future - or, in other words, the division of PDN's financial resources between the current pensioners and future pensioners. The Board will decide in the fourth quarter whether to extend PDN's recovery period from 7 to 10 years."

"Politicians are currently reviewing whether they should retain a required funding level of 118%, but the pension agreement makes no mention of this limit. Will it then be necessary to adhere so rigidly to this 118% in the future?"



Stijn Spauwen

## When will it be clear whether PDN has to cut pension benefits?

"This will become clearer in November or December of this year, when I expect that we will know more about the legal rules and PDN policy. We will also have some insight into PDN's funding level towards the end of the year by then. The only uncertainty will then be how the funding level moves in the last weeks of the year. That will only become clear in January 2020, because the funding level at the end of December is determinative."

"We have to take account of various scenarios. Unfortunately, I'm not a clairvoyant. It's very difficult to communicate what precisely is going to happen. However, it is necessary to make clear that there is a realistic chance that PDN will also have to reduce pension benefits."

## There is a range of pension benefit reductions on the basis of different funding levels, snapshots and conditions. What does that mean?

"I know that it's a bit technical, but I'll try to explain it as simply as I can. The current legislation specifies two situations in which PDN must reduce pension benefits:

1. The pension benefit reduction that may confront the pension fund at the beginning of 2020, as I explained above. When you are unable to restore the funding level within the recovery period, then you must reduce the pension benefits so that you probably will be able to fully restore the level. Suppose, for example, that it's not possible to restore the funding level above 111% within the recovery period.

PDN is then confronted with a 7% funding level deficit with respect to the required funding level of 118%, and in this example PDN will have to reduce pension benefits by 7%. The pension fund may spread this benefit reduction over the 7-year recovery period. In this instance PDN will need to reduce the pension benefits by 1% in the first year, in this case 2020. Only the reduction in the first year is certain. The reductions in the other years are conditional, as an improvement in the financial situation will obviate the need for any further reduction of pension benefits.

2. When the funding level is lower than the minimum required funding level over a 5-year period. The minimum required funding level is about 104%. PDN will then need to reduce the pension benefits at

the end of the fifth year such that the funding level is immediately restored to 100%. Suppose, for example, that the funding level at the end of the fifth year is 90%. This means that you must reduce the pension benefits by 10% to reach the funding level of 100%. You may spread this reduction over five years, but you must implement the full reduction, irrespective of whether PDN's financial position increases during this period. We often also refer to these as 'unconditional reductions.' This form of pension benefit reduction is not an issue for PDN for the time being. PDN's funding level at the end of last year was 104%. Although the funding level will - if the current situation continues - fall below this percentage at the end of 2019, this

reduction of 0.1% outweigh the contribution it makes to restoring the funding level. PDN may decide to reduce the pension benefits with a higher percentage, for instance by 0.5%. Based on the current situation, I therefore estimate that any reduction that PDN implements in 2020 - if a reduction needs to be implemented - will be of a magnitude of about 0.5%."

### What does a pension benefit reduction mean for our colleagues, former colleagues, and pensioners?

"Pensioners will feel this in their wallet straight away. A pension benefit reduction of 0.5% also reduces your gross monthly pension benefit by 0.5%. The pension entitlements accrued by employees and former employees will be reduced by 0.5%. They will only feel this in their wallet when they retire.

"PDN and the social partners have reached agreement on the long-term minimum extent to which PDN intends to fulfill this ambition. These agreed targets are beginning to pinch. This is evident from our inability to increase pension benefits for several years and, consequently, the possibility that we may have to reduce them in 2020. This puts pressure on the long-term feasibility of the pension ambition. In 2019, the situation deteriorated to an extent such that PDN is consulting with the social partners on how we should proceed. We need to make new agreements on this."

### What do you think about the pension agreement?

"One of the major amendments to the pension agreement is the introduction of new rules that enable pension funds to increase pension benefits earlier than used to be the case. This is beneficial to their purchasing power resilience. I'm in favor of this. We would all like to see our pension benefit keep up with inflation. Indexation can make the difference between a pension benefit equal to 50% or 70% of your salary. The new system enables pension funds to improve their focus on this and facilitate keeping pension benefits in line with the economy. On the other hand, pension funds may have to reduce pension benefits more frequently in times of financial difficulty."

"We may well be startled by a reduction of pension benefits, which is understandable, as PDN has never reduced pension benefits before. However, at the end of the day it's all about the purchasing power of pension benefits - and when viewed from this perspective, pension benefits that are not indexed are in effect reduced: You are also worse off, because your pension benefit does not increase in line with inflation and wage growth. Refraining from indexation with inflation at 2% has the same effect on purchasing power as a 1% reduction of pension benefits with inflation at 1%. When viewed from this perspective, PDN has already implemented several pension benefit reductions in past years."

However, they might be able to recoup this reduction if PDN increases pensions in the period until they retire."

### What role does the feasibility test play in this? And what is a feasibility test?

"PDN conducts a feasibility test once a year to review the extent to which the pension fund can fulfill the pension ambition agreed by the employer and employees' association (the 'social partners'). The current pension ambition is to achieve, in principle, full pension accrual inclusive of indexation (supplements). These reviews look 60 years ahead."

form of pension benefit reduction could only become relevant at the end of 2024.

The aforementioned rules could result in small benefit reductions. Suppose, for example, that on the basis of its recovery plan PDN is unable to restore the funding level to above 117.3%. In 2020, PDN must then reduce the pension benefits by 0.1%. Any reduction of the pension benefits we implement is to provide for future pension benefits, as a reduction makes more cash available for the pension benefits PDN will pay at the time. As the administrative and communicative costs incurred with a pension benefit

#### Calculation example:

Pensioner's pension benefit	Pension reduction of 0.5%
€2,000 gross pension benefit per month €1,000 state pension benefit	€10 gross per month less No impact
Employee's accrued pension entitlement	Pension reduction of 0.5%
€600 gross pension benefit per month	€3 gross pension benefit per month less

## Making the difference for the climate

Adjusting your refrigerator to 4 degrees Celsius lengthens the shelf life of food items. Reading your advertising folders online saves 32 kilos of paper a year. Adjusting your room thermostat to 15 degrees Celsius at night saves you an average of 100 euros a year. You can read about more environmental tips, facts, and fiction at [www.milieucentraal.nl](http://www.milieucentraal.nl). The government, businesses, and organizations want to combat climate change. They have launched a campaign under the slogan "Everyone is doing something" (translated from the original Dutch, "Iedereen doet wat"). This campaign is intended to help citizens make sustainable choices in and around the house. It makes clear that everyone can make a contribution - large or small, cheap or more expensive. It's not a question of whether citizens can do something for the climate, but rather what.



### Everyone is doing something. What can you do?

Is there any point in separating waste? Surely it all ends up in the same big pile? How can you insulate the floor or the roof? What can you save? What is an environmentally friendly meal? Why is it so important to check your car's tire pressures once every two months? Find out how what you can do for the climate and how you can do it at [www.iedereendoetwat.nl](http://www.iedereendoetwat.nl). Read how you can save in the way that suits you and what others are doing. Interested in finding out how climate aware you already are? If so, do the quiz at [www.milieucentraal.nl](http://www.milieucentraal.nl).

### What does PDN do to make the difference?

PDN also makes sustainable choices. We, for example, think it is important to invest in organizations and funds that help solve social and environmental problems, such as poverty in developing countries and climate change. In line with this goal, we invest part of our portfolio in microcredit, social and other

infrastructure projects, and sustainable energy. Microcredits are small loans granted to small-scale entrepreneurs in developing countries. They do not have the collateral, steady monthly income, and credit history needed to get a loan from traditional banks.

In 2018, PDN invested in sustainable development by way of an inflation-linked loan to the World Bank. The World Bank uses this loan to fund sustainable development projects in low-income countries that are in line with the UN's Sustainable Development Goals. This investment also contributes to PDN's long-term sustainability goals. In 2019, we invested in green loans of the Dutch government and the European Bank for Reconstruction and Development (EBRD).

We also signed the Montreal Pledge. Institutions all over the world that sign this pledge obligate themselves to publish their CO2 footprint and formulate policy on their emissions. In 2018 we, via one of our partners

- Sustainalytics - took a baseline measurement of the CO2 footprint of our investment portfolio. This revealed that a couple of companies in our portfolio are responsible for no less than half of our CO2 footprint. We also see significant differences between companies in the same sector. We are using the results from the baseline measurement to examine whether and how we can implement improvement actions, for example by selecting other investments or by influencing companies. PDN not only publishes its CO2 intensity, but at the end of 2018 also decided to reduce the CO2 intensity of the European and US stock portfolios administered by DSM Pension Services by 20% as compared to the baseline measurement at end 2017. PDN expects to achieve this goal by no later than end 2020.

More information on our sustainability initiatives is available in the sustainability report posted on the PDN website.

# Interview with Edith Schippers, chair of PDN



On May 22, Edith Schippers was appointed chair of the PDN Board on behalf of DSM Nederland. Edith had only just taken up the gavel when she was confronted with a series of developments in the pension world. The social partners concluded a pension agreement, interest rates plummeted, and the Dijsselbloem Commission came into the picture. We ask Edith what she thinks about all these developments and how she and the Board are preparing for them. But first, we ask her some personal questions.

## What's your background?

"I went to elementary school in Dordrecht. Then my family moved to a farm in the Province of Drenthe and I attended secondary school in Coevorden. I was almost always outdoors as a child. We had horses, and I also rode a horse. In addition, we had a number of dogs, so all in all we had quite a few animals in and around our house. After I graduated from high school, I studied political science at Leiden University."

## What did you do after completing your studies?

"I began as political assistant for Dick Dees, former State Secretary for Health. I then worked for the People's Party for Freedom and Democracy (VVD) parliamentary group in the House of Representatives, followed by six years for the Confederation of Netherlands Industry and Employers (VNO-NCW). I began as the secretary for the health and labor market, and later as secretary for spatial planning. I was elected member of the House of Representatives in 2003, and was later appointed vice party chair (of the parliamentary group) and then, in 2010, Minister of Health, Welfare and Sport. I was minister for seven years."

## What was your experience of pensions before you were appointed PDN chair?

"Obviously, I'm also a member of a pension fund and I've been accruing a pension for quite some time. However, and like most young people, I never gave pensions much attention. But that changed once I regularly prepared for and took part in policy-related pension discussions conducted by the VNO-NCW, parliamentary group and government. I delved deeper into pension issues once my appointment as PDN chair came into the picture."

## How did you prepare yourself for your new role?

"I set about two months aside, working more than full time, when I focused exclusively on pensions. I studied all the issues confronting pension funds in a boarder sense, such as pension regulations, investments, outsourcing, IT, communication, dilemmas, and the

interests of the various stakeholders. I also had many discussions with DSM Pension Services (DPS) staff and with external pension experts. In addition, I took the A and B courses organized by the Stichting Pensioen Opleidingen (SPO, pension training foundation). I made intensive preparations for my role as Board member, and DSM gave me every scope to do so. Nowadays, the chair of a pension fund needs a full understanding of the issues, the dilemmas involved and the technical pension aspects."

## What has struck you most at PDN up to now?

"A lot has happened in the past months. I became chair in turbulent times. When I received the gavel from Hans van Suijdam last May, the pension agreement was yet to be reached and Jeroen Dijsselbloem's Parameters Committee was still carrying out its studies. Although interest rates were low, they had yet to fall to today's historically low level"

## How do you see the future of pensions in the Netherlands?

"Our pension system is a fully funded system. The old rules of our system no longer hold true in these times in which you almost have to pay to save money – and you are actually paid to take out a mortgage. I've seen that a mortgage of this form is on offer in Denmark. We, as PDN Board, need to be thoroughly prepared for these challenges. I see my mission, together with the other Board members, as doing my best to serve the interests of our members in these turbulent times – which is difficult, as there are no simple solutions."

## What is your view of the pension agreement?

"I see the agreement as a very first step. After many years, employers, employees and the government have succeeded in reaching agreement. It's essential for confidence in each other. However, there are still many loose ends. We still have to take many important decisions. How are we going to organize the transition to the new system and how are we going to distribute

the burden? We also need to decide on a lot of preconditions that haven't been detailed yet. We need all these decisions to formulate policy. The falling interest rates and the more stringent calculation rules recommended by the Dijsselbloem Committee also make life more difficult for the pension funds. This puts the agreement under pressure."

"In addition, PDN's pension agreement expires in December 2020. DPS needs time to carefully formulate a new plan. This in turn means that the social partners will need to draw up a new plan between now and June 2020 – which is unfortunate timing, as they will need to do so whilst the pension agreement has yet to be detailed. The pension agreement lays down new rules that allow pension benefits to be raised or lowered more rapidly than in the past. The current rules prescribe that a substantial buffer is needed before indexation is granted. Are we going to formulate the new pension plan on the basis of the old rules, or are we going to anticipate the new rules? What is prudent? The social partners will need to hold thorough consultations on this issue. They will submit a new plan to PDN around next summer. We will then need to decide whether the new scheme is fair to all our members and is workable, etc."

#### How is the PDN Board preparing for the new pension agreement?

"We organized a theme day on the pension agreement in August, during which we held an open discussion on the significance of the agreement for PDN and our members. What do we as the Board think about the agreement, and what will this mean for the coming year? We are preparing ourselves thoroughly, for example by conducting a survey amongst our members in the fall to assess their risk appetite. I hope that all our members take part! The world has changed a lot since the last survey in 2013. It's very important for us to know what our members think is important."

"We also call in external experts: We hold discussions with them on the

## “Doing the best for our members in these turbulent times.”

significance of the pension agreement and the options. We, the Board, are right on top of this so that we can weigh the pros and cons for all our members as carefully as possible. This also means that we must be flexible in a rapidly changing environment. We must remain well-informed and be in continual dialog. We have, for example, scheduled extra Board meetings in the fall."

#### When are our members going to notice anything?

"That really depends on what happens. Things will look bleaker if interest rates fall further than if the rates recover. Political decision-making will also play a role. I'd expected that we would get a better idea with the State opening of parliament, for example about potential measures that politicians and pension funds could implement in anticipation of the introduction of the new system. We don't know when the social partners and politicians will make things clearer for us. Numerous working parties and a steering committee with representatives from the employers, employees, and government are hard at work on drawing up the pension agreement. We'll just have to wait for the outcome. Once the decisions have been made, the results will still need to be laid down in law. The intention is that the steering committee will complete its work in the second half of 2020. The results can then be laid down in legislation and regulations in 2021, and enter into force by 2022 at the earliest. I think that the chance that the agreement has been detailed at the time that we need a new pension plan is virtually nil. Great interests and enormous amounts are

involved. I think that it is more likely that they will take longer than that they finish ahead of schedule."

#### What is PDN's role in the pension agreement?

"The employers, labor unions, and government reached the agreement and are now drawing it up. PDN is not a party in this process. Our pension fund is affiliated with the Federation of the Dutch Pension Funds. This federation supplied the data for the calculations. PDN, in cooperation with the other company pension funds, or collectively through the Federation of the Dutch Pension Funds, will lobby if necessary."

#### What has your special interest as PDN chair?

We work over one day a week for our pension, which is why I think that it is a tremendous pity that many take so little interest in their future income. But I can also understand it, as it took me a while as well. But at the same time, there are also many misunderstandings about pensions. I see it as an important duty for all of us to get more people involved. The question is then: How do we get younger people in particular involved? The employee induction program should always include a pension consultation. We really should help new employees and give them the information they need to know about their pension. How do we draw more attention to the importance of a subject in which people are not intrinsically interested? That has my special interest."

#### What do you want to achieve as chair?

"I want to do the best for our members

in these turbulent times. Your pension, alongside your state pension, forms your income – so it is of great importance to you. The Board and I, as chair of the pension fund, have the important task of getting PDN through these turbulent times. We have taken up this task as a team. All Board members work for all pension fund members. This means that we must make sure that we represent all interests as fairly as we can. We can get cracking with a personal pension consultation for our new employees straight away. That's a question of drawing up a plan and then, slowly but surely, getting everyone involved. I, as a new employee, was not invited to a consultation on my pension. I did when I joined PDN, and I enjoyed it a lot: I had a great discussion and received the information I needed to make decisions about my pension."

#### And now changing the subject completely, what do you do in your free time?

"My 'home' is in two locations, Maas-tricht and Baarn. I travel frequently in my role as President DSM NL, and

I'm often on a visit elsewhere in the Netherlands: Delft and The Hague, but also on location in Heerlen, Emmen, or Hoek van Holland. I have a 15-year-old daughter who had to get used to me regularly being away from home. But then it's really great when I get back! I love doing things with my family and friends or going somewhere for a meal. As soon as I get the chance, I take my dog for a walk in the woods. I also love traveling, and I really enjoy going on a trip with my family."

#### What are you most proud of?

"I'm most proud of my daughter. I'm also proud of my country and of being Dutch. We live in a beautiful country where people help each other. I think that's very important. Just look around you and see how many volunteers there are in our country. I'm also proud of DSM and its mission and vision. Ask young people what concerns them, and they'll say that they are worried about plastic in our oceans, overuse of raw materials, the climate, and how we are going to provide food and a healthy life to the continually increasing population.

And then I'm very pleased that I work for a company that wants to make the world a little better every day and has sustainability as a core value. PDN, obviously, shares DSM's sustainability ambition. Our pension fund is perceived as one of the country's pioneers in sustainability policy."

#### What have you learned a lot from?

"You can't get something done without the help of others. One person can make the difference, but it also depends on whether he or she can make others enthusiastic. You need each other to make improvements – and you need to involve everyone and treat them decently. It's also important when working for a pension fund. Many interests are involved, and we need to weigh them carefully. Our decisions must have a balanced effect on everyone – because, at the end of the day, well-balanced solutions are also the best solutions."

In order to ensure a good pension, your private pension contributions need to be invested. What factors do you feel we should keep in mind in investing that money?

## RESEARCH INTO CERTAINTY AND RISKS

If you are an active or deferred member or you are already receiving your retirement pension or early retirement pension, then you have received a digital questionnaire via email at the end of October. We ask you what you think of the certainty and risks involved in your pension. Even if you do not know anything about pensions, we would still like

to hear your opinions.

#### Why is research being done again?

PDN may have already invited you to participate in research earlier this year. This time, it will focus more on the certainty and risks involved in your pension, i.e. about your financial future. We need this information in order

to draft the new pension agreement because the current pension agreement will expire in December 2020. We also use the information in preparation for the pension arrangement reached between the government and employers' and employees' organizations. This means that you have every reason to participate, or if you already have in the past, to participate again!



# PDN takes you to Sitech Services

Did you know that there are more than fifteen different employers affiliated with PDN? So it is not just DSM employees in the Netherlands who have a pension with PDN. Employees of the other affiliated companies do too. In this column we will take you to one of the affiliated companies each issue. This time we chose Sitech Services. We're tagging along with Lianne Skorz and Peter Janssen.

Sitech Services helps companies in the process industry, chemical industry, and energy sector to develop and expand. The support that we provide them through our unique services and state-of-the-art technologies allows them to achieve the maximum from their plant. Whether in terms of optimum safety, planned shutdowns, optimization of processes, or more efficient infrastructure, Sitech Services uses its expertise and

innovation to stay ahead of the game – which it, with its some 1,000 professionals, has been doing for more than ten years at the Chemelot site.

#### Some history

SABIC's acquisition of the petrochemical operations was followed by a drastic reorganization (DSM's 'Operation Copernicus' [2002-2004]) of the corporate services departments of the remaining

DSM divisions. This resulted in the foundation of the DSM Manufacturing Centre (DMC) to provide support to all DSM plants on the Chemelot site.

In 2007, DSM decided to divest the majority of its remaining bulk production operations and increase its focus on food and health products, and on high-grade materials. This resulted in a restructuring of the organization of the site and the manufacturing services. DMC and various other DSM departments providing support services were brought under a new organization, Sitech Services (2009). Founding Sitech Services avoided the risk of fragmentation of the expertise and too-expensive services.

#### Brighthouse

Brightlands Chemelot Campus opened the first two Brighthouses in May of this year. This offered Sitech a great opportunity to relocate some of its operations from the Chemelot Industrial site to the campus. As a member of the campus community, the company can make optimum use of the opportunities for collaboration and synergy. The new building offers the staff optimum support in the new way of working. The open and transparent layout promotes mutual cooperation. We enter this brand-new building to interview Peter Janssen, senior mechanical engineer, and Lianne Skorz, plant controller at Sitech Services. The two colleagues had not met each other before. "It's not surprising," Peter says, laughing. "We have some 1,000 colleagues who were previously stationed all over the Chemelot site."

#### The strength of Sitech Services

The company, with the Chemelot site serving as a "playing field," is close to the plants, and its regular customers include AnQore, Fibrant, OCI Nitrogen, Arlanxco, Borealis, and DSM. This not only provides a wealth of knowledge and experience, but also a unique opportunity to put innovations and ideas for improvements to direct use. "Infrastructure, wastewater treatment, security, fire services, housing and facility services for the buildings on the Chemelot site,

the Alert and Care Centre, and Safety Health and Environment (SHE): they're all offered by Sitech Services," Lianne says proudly.

"We make every effort to ensure optimum operation at the plants, but we're not involved in the actual production. The strength of Sitech Services lies in our in-house expertise, which obviates the need for our customers to make their own arrangements. We offer both the helping hands and the knowledge. We initially provided these services to our existing customers on the Chemelot site, but now also assist external customers, which was a wish of Sitech and our stockholders. Following the introduction of 'Horizon', our change

program, we have adopted a commercial mindset and approach, which now also extends to external services."

#### In the vanguard

"We continually implement new technology," Peter says. "One example is the big data analyses performed by Sitech Asset Health Center (SAHC). The SAHC collects, analyzes, and monitors as much data on plant installations as possible for the purposes of predictive analyses. Carrying out many more measurements in plants enables us to predict malfunctions. We can then determine when maintenance will be necessary and when spares will need to be available to replace defective parts.

In the past, we could do no more than replace parts once they were defective – but that also meant that the plant was down. The SAHC analyses help us to schedule plant maintenance. We also carry out measurements using drones, which we fly inside installations. In adopting this approach, we strive to achieve near zero plant downtime."

"This is what Sitech Services excels in," Lianne notes: "predictive maintenance. We measure a continually increasing number of plant parameters, which reduces downtime. This ultimately enables us to avoid damage and costs. It's our competitive edge."



## WORKING AT SITECH SERVICES

"Most of my colleagues, other than my colleagues in IT, SHE, finance or the fire services, have an engineering education background," Peter says. "They maintain the plants, and also devise and implement new developments. We have about sixty experts who know the interior and exterior of the plants on the Chemelot site like the back of their hand. This is another benefit offered by Sitech Services. We have specialized knowledge in-house that we can use in various situations: a problem in one plant can also be a problem in another plant. My work is very varied and unpredictable. I can come into work in the morning and be confronted with a problem in the plant. I'm doing something different every day. That's what makes my work so enjoyable."

"It's a little more feasible to schedule my work, although it's also very varied", Lianne. "As the plant controller, I'm the plant manager's financial right-hand. I focus on all the plant's financial issues, with the objective of minimizing the costs per ton. My position has certainly developed to my benefit. I used to be primarily stationed at Sitech Services. Now I'm based full-time at the customer's premises, usually

for a period between three and four years. I began at what are now AnQore and Fibrant. I then relocated to Borealis, the Stanyl plant and now I'm back at Fibrant. Every position has its own dynamic – but we do all work for customers."

#### And what about your pension?

"A number of my older colleagues often talk about when they are going to retire," Peter begins. "Some of my colleagues would like to take early retirement. I'm 55, and maybe I'd like to cut back my working hours a little when I turn 60. However, it seems that our allowance plan for older employees could be discontinued. Then I'll have to look at other options that are available, pre-pension for example."

"Many colleagues became occupied with their pensions once the discontinuation of the pre-pension plan was announced. There was a great deal of discussion, and I also began think about my pension. However, I don't give it so much thought these days, although I am trying to improve," Lianne says, laughing.



## Peter introduces himself

### Employer:

I joined DSM in 1990. I've always worked in the same field, material and corrosion engineering. I tell the uninitiated that I'm a "rustman," because I make sure that plants don't rust. I was initially responsible for the cooling and steam/water systems on the entire Chemelot site. What do you add to the water to prevent corrosion? In my role as a DSM material and corrosion expert, I began to carry out worldwide inspections for Stamicarbon in 1996, worldwide inspections for the Melamine Business Unit in 2004, and inspections for Sitech Services in 2008. I now hold the position of Senior Mechanical Engineer Corrosion & Materials in the Engineering Solutions Business Unit.

### Pride:

My work is different every day and is very varied. One telephone call can change my whole day. We still come

across things that we didn't know, or developments that we hadn't heard of. I love the daily challenge of investigating how we can use new innovative techniques and materials to keep the plants running.

I also give training courses and share my experience with new and young employees. I have contacts with everyone in the plants who is involved in maintenance, from operators to plant managers. Everyone asks me questions. I'm proud to be able to make use of my knowledge and expertise to help people.

### Pension:

I regularly visit the PDN website, and I read the news articles. I have a subscription to the newsletter and I've occasionally checked the planner. I won't be retiring for some years, but my pension is in the back of my mind.

I don't want to take early retirement, but I would like to work fewer hours. I'm thinking about how I could do that. I could look at how much I'm spending, pay off my mortgage, or save up leave time.

Many people think that there soon won't be any pension anymore, but you save for your pension. The only question is then whether the pension has retained its value. I hope to receive a pension benefit equal to 70% of my salary. I will have then accrued pension entitlements for 40 years, so I think I'll have enough. I also think it's important that pension funds make socially responsible investments.

### Personal life:

55, married, father of a 22-year-old and a 26-year-old.

## Lianne introduces herself

### Employer:

I started at DSM in 1988, as a group leader in the accounts payable department. Four years later, I transferred to the Elastomers staff, in a position which involved a lot of travel. Next, I joined DSM Specialty Intermediates and switched to controlling. I worked as business controller for one year and then transferred to the position of plant controller at DMC (the predecessor of Sitech Services).

### Pride:

Working at the customer's premises for a number of years can sometimes weaken the bonds with Sitech Services. But

explaining everything about our company awakens my pride. We have a great plant control team. We help each other a lot, and it's useful to brainstorm with each other.

### Pension:

My pension is actually in the back of my mind. I really like my work, but I do sometimes think about retiring earlier. My husband is a pilot, and he retires when he's 60. I really must sit down soon and take the time to look at the pension planner.

There's a lot about pension benefit cuts in the news. I know that the pensions of my parents and in-laws haven't increased for years. I'm concerned about that. What are things going to be like when it's our generation's turn? I feel a little more reassured, as I think that PDN is a good pension fund – which means that my pension is in good hands.

### Personal life:

52, married, mother of a 16-year old daughter and a 15-year-old son.

## CONFIDENCE IN PDN EVEN HIGHER

**The members' survey conducted in May showed that the members and pensioners' confidence in PDN has increased even further. 85% of the active members accruing pensions have confidence in PDN (2016: 81%), as do 90% of pensioners. Active members awarded PDN a higher average score of 7.6 (2016: 7.4) Pensioners awarded an average score of 7.4.**

The number of active members who were concerned about PDN's financial situation fell to 51% (2016: 63%). 71% were most concerned about receiving a lower pension benefit than currently expected (2016: 76%). 58% of the pensioners are concerned about this, and 56% fear that we will not index pension benefits each year.

PDN requested Keylane to conduct the members' survey among active members and pensioners. Separate Dutch and English language questionnaires were offered to both target groups. 677

active members and 1083 pensioners took part in the survey. A minimum response of 357 completed questionnaires from each target group was needed to obtain sufficient data for reliable and representative results. We would like to take this opportunity to thank everyone who took the time to complete the questionnaire. We will use the results to further improve our pension communication and services.

**All the results from the member's survey are posted on the PDN website.**



# Pension journey: Wiel Gielkens

There is not a book to be seen in the charming living room of Wiel Gielkens and his wife, Paula. However, it's also the only room without any books. Wiel's pension journey largely involves reading, an awful lot of reading – and you need books to read.

"I've collected 30 meters of books and magazines on bridge", Wiel begins. "Bridge is my favorite hobby. I began playing bridge in 1955/1956, and then I began to collect books and magazines. I even had a bookbinder bind Italian and Swedish magazines into books for me. I've now got a larger collection than the Dutch Bridge Association: They call on me when they need something. My bridge books are also part of another story: I'm a tremendous collector of books, as my other great hobby is reading. I've got 15,000 books, and there are books everywhere, from the top to bottom of the house. Every room is full of books, from the basement to the garden house. Everywhere, in fact, except in the living room." "No," Wiel's wife, Paula, says firmly. "I'm not having any books in my living room."

## Voracious reader

"I read a tremendous amount," Wiel

continues. "Let me explain. I have five corners where I can sit and read in the garden. I sit down, begin to read, and immediately become immersed in my book: I enter a different world. Our youngest son died of cancer. There are times when it's a blessing to be able to get lost in a book for a little while."

"When I begin to mull over or struggle with my thoughts, I go off and read for half an hour: It's a way to take my mind off things. And then when I put my book away again, the problems have become much easier to solve. I interviewed Jan Smeets, Pinkpop Director, for the Het Land van Zwentibold yearbook of which I'm editor-in-chief. We covered a lot in that interview, and I struggled to turn it into a flowing article. So I stopped, read for

a few minutes, and fell asleep. When I continued writing the article the next morning, everything fell into place and I had it finished in no time at all. 'A little reading calms the mind, as I always say to my children.' I encourage them to read more. Regularly taking your mind off things is the best way to stay balanced."

**" Regularly taking your mind off things is the best way to stay balanced."**

"I read novels, books others recommend to me, and many scientific and non-fiction

books. I usually read several books at the same time. At the moment I'm reading *Catch 22*, a novel my grandson's Czech girlfriend told me about. I'm also reading *The Wisdom of the Genes*, a book about new pathways in evolution. I can become lost in books of authors who really know what they're writing about. During the first year of

my retirement I became gripped by the history of the 1st century, the origins of Christianity and Darwin's theory of evolution. I was absolutely fascinated to read how Catholicism originated from Judaism."

## From lysine to defense

"I joined DSM in 1958, as a chemist in the central laboratory. I was assigned to a new group that was set up to study the production of lysine on factory scale. Lysine is an essential amino acid that cannot be produced by the human body. My first boss, Mr. Ottenheim, was a very inventive man. He invented a process to produce lysine, and we had livestock to test the effects and veterinarians in our department. However, some years later it was decided to end the project as our competitor, Japan's Ajinomoto, had developed a biochemical process. DSM was not active in the food industry at the time. As the department was dismantled, I transferred to the laboratory of the Polymers department. At the beginning of the seventies, I transferred to the head office staff, in the position of Supervisor of the Energy department

(EBN). I was assigned the responsibility of negotiating all concessions on behalf of the State, together with the subsequent administration. In those years the head office was at Sarolestraat in Heerlen, popularly called De Boerderij (the farmhouse). The head office later moved to the new building where it is housed to this day. I spent the last five to six years of my career at DSM as Consultant on defense products and Eastern Europe. I retired in 1992."

## Thoroughly prepared

"A human resources officer had scheduled a meeting with me before my retirement. He'd reserved one-and-a-half hours for our meeting and had arranged for a large pot of coffee for us. The intention was that at the end of the meeting, I would sign the conditions attached to taking early retirement on a certain date. So, I walked in and asked 'Where can I sign? I've been working here for almost forty years, and five years ago I decided when I wanted to retire. I've prepared myself. I don't need to talk it through during a meeting.'"

## Life story: Wiel Gielkens

Born on March 10, 1932  
Married almost 63 years, three sons and two daughters, five grandchildren and two other grandchildren from a second marriage, one great-grandchild

## Career at DSM:

- Chemist
- Supervisor of the Energy department (EBN)
- Consultant on defense products and Eastern Europe

## Early retirement at 60, in 1992.

"I retired when I was 60, I took early retirement. It was what we now refer to as a golden plan, it cost us only about 20% of our net salary. Although we did remain on call until we reached 65, it never happened in practice. We also, for example, had to let them know when we were taking vacation."



"I was aspiring to a wide range of external positions before I retired, it was a conscious choice. So, when I did actually retire, I was a board member of a number of associations. I also followed the 'preparing for your pension' course, which was a one-week course in those days. One of the recommendations was not to spend the first few months of your retirement on thinking about what you were going to do, because it would all usually come to nothing. It was like boarding a moving train, you had to jump on straight away. Well, that's precisely what I did. I'm still chair of the Stichting Museum en Expositie Geleen (MEG) and Stichting Cultuur-Historische Uitgaven Geleen (SCHUG). I'm also honorary chair of the Heemkundevereniging and editor-in-chief of the Land van Zwentibold yearbook. I've never been back to DSM. They know where to find me if they need me. I do still have contacts with former colleagues, although there are fewer and fewer. After all, I am 87. Many of my colleagues have passed away."

#### Do you still have some time left?

"I have a natural garden that I like to work on. It's not a landscaped garden; we let nature take its course. The gardeners enjoy working here. I like to make some corrections to their work once they've left. I don't have fixed daily routine, although I do begin every morning with a walk. It's important to relax a little now and then. After that I'll spend some time reading or go to the garden center to find some plants for the garden. Sometimes I realize that I'm missing a certain color in one of my reading corners. And then I'll have twice as much enjoyment when sit down with a book."

"So yes, make sure you have hobby. It's important. A hobby is relaxing: You can get lost in your hobby, and then let go of everyday life for a while."

## Pension payment details

PDN makes pension payments 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.

#### 2019 payment dates

**October** 25  
**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.

PDN publishes the figures on the website quarterly.

The table below shows the funding level from 2015 onwards.

Stand per end	Coverage ratio	Policy cover degree	Used interest	Efficiency (incl.)
<b>2015</b>	103,7	106,1%	1,6%	0,3%
<b>2016</b>	102,8%	98,8%	1,3%	7,6%
<b>2017</b>	110,1%	107,8%	1,5%	5,6%
<b>Q1 2018</b>	108,5%	109,1%	1,5%	-1,2%
<b>Q2 2018</b>	109,1%	109,6%	1,4%	0,4%
<b>Q3 2018</b>	110,8%	110,0%	1,5%	0,8%
<b>Q4 2018</b>	104,8%	109,3%	1,3%	-1,8%
<b>Q1 2019</b>	105,2%	108,2%	1,1%	5,7%
<b>Q2 2019</b>	101,6%	106,8%	0,8%	8,2%

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 of the last twelve monthly funding levels.



# Your pension: fact and fiction

## There is a pension for you!

**Many people in the Netherlands are not confident that pension funds will fulfill their long-term ambitions. We all too often read and hear that the younger generations think that there won't be anything left in the pension pot for them – nor in the PDN pot. However, nothing could be further from the truth. PDN ensures that you have an income during the 20 to 25 years that you do not work after your retirement.**

Yes, you've read it correctly: There is a pension for you! And no, your pension contribution is not intended for today's pensioners: It's allocated to the accrual of your pension. And no, you won't be better off when you invest your pension pot. We separate fact from fiction (again) below.

#### "The pension pot will be empty by the time I retire"

The importance of pensions is evident from the large amounts that your employer spends on them. The pension contribution you and your employer pay represents about 24% of your salary. You work over one day a week for your pension. PDN receives pension contributions of about €100 million every year. We administer and invest this amount for the pension accrual of every employee who accrues a pension with us. In so doing, we ensure that you also have an income during the average of 20 to 25 years that you do not work after your retirement.

#### "I'm paying for today's pensioners"

Studies reveal that almost 80% of the employees currently accruing a pension in the Netherlands think that their pension is based on what is referred to as the "pay-as-

you-go system." They are correct insofar as the state pension (granted by the government) is concerned; today's employees pay today's pensioners' state pensions. However, they are not correct insofar as the pensions arranged by their employers are insured with pension funds such as PDN. This component of the pension must, by Dutch law, be based on a "savings" system. You and your employer pay contributions. We use these contributions and the investment returns on the contributions to pay your pension benefit after your retirement. This is what is referred to as the "fully funded system." Unfortunately, investing is not without risk. However, as you accrue your pension together with all the other members who accrue their pension with PDN, these risks are spread over all members. Moreover, we invest your pension fund in a manner that also spreads risks. We achieve this by spreading the investments over "higher risk" marketable securities (stock) and relatively "safe" fixed-income securities (bonds). Simply depositing the pension fund in a savings account where it will be safe yields insufficient returns.

#### "I will be better off when I invest my pension pot"

We know, on the basis of certain assumptions, precisely how much cash will be required to pay all pension benefits and how much cash there is in our pension pot for each member. This means that the pension pot of more than €7 billion actually consists of the approximately 28,000 individual pots of all PDN members. We make investments for all our members together. We benefit from economies of scale and we are a non-profit organization. By adopting this approach, we save costs and can spread risks. This is beneficial to you and it enables us to offer you a more certain pension than a pension that you could arrange for yourself.



# Sooner or later

**Name:** Leo Akkermans  
**Age:** 66  
**Position:** Senior ICT Coordinator  
**Retired on May 13, 2019**

## Tell us a bit about yourself.

"I'm married, and I have a son, a daughter, and five grandchildren. I worked at DSM for more than 49 years. After I graduated from technical college with my operator diploma, I joined DSM on August 18, 1969. As DSM did not need any operators, I began my career in an administrative position. From there I transferred to the sales office in Utrecht. I then met my future wife and relocated back to the Province of Limburg. I was assigned to the Plastics laboratory. I left the company in the aftermath of the NAK2 disaster, but returned to DSM four-and-a-half months later. I then worked at the safety and environmental service, in the Province of Limburg, for twelve years. Thereafter I worked at Engineering Stamicarbon, Corporate, in 1998, and later at DSM Engineering Plastics. I returned Corporate a couple of years ago, once all ICT had been centralized."

## What was your dream plan for your pension?

"I had a pre-pension dream, but it wasn't meant to be. That was because I would be unable to retire until I was 65, instead of age 62. Thereafter age 65 was increased to no less than age 66 and four months. I wanted to stay healthy until I retired and continue to enjoy my work. And I succeeded. I wanted to make sure that I wouldn't get bored once I retired. To date, I've succeeded in that as well. I never think 'if only I could go back to work'. I did once think about relocating to

Spain, but decided not to because I wanted to stay near our family in the Netherlands."

## How is your life now?

"I aim to get enough exercise every day. I also take a vacation several times a year. I recently went to the D-Day anniversary in Normandy. I'm interested in history and wars."

## What are the most important changes?

"I have a reasonably large garden. I had to get everything done in the weekends when I was still working. Now I do the gardening when I feel like it. I don't 'have to' anymore."

## Looking back, is there anything you felt you should have done differently?

"I have no regrets. My father gave us one chance. Tough luck if you didn't pass to the next school grade: You had to quit school and go to work. Looking back, I'm pleased that I did it this way, I was studying until I was 38. That meant that it was largely up to

me. DSM offered me chances, but I had to grab them."

"I can clearly remember you studying," Jeroen says. "And then you'd passed yet another course. I didn't hear anything like that about other fathers or mothers."

## What tips do you have for Jeroen?

"I, as his father, gave him those long ago. I always say to Jeroen 'while you still feel like studying, make sure that you keep on studying. Don't expect that anyone is going to look after you, so look after yourself.' I worked at the safety and environmental service, in the Province of Limburg, when I was about 26. Then we were joined by a 45-year-old technician who hadn't accrued any pension at all. I've always remembered that. It's surprising just how few people think

about their pension. Nowadays, young people hop from job to job and live in the now. That could cause them difficulties later on. In other words, make sure you know what you're doing."

"That sounds familiar," Jeroen adds. "I once thought about working for myself. I had a look at what that would mean for my pension. I asked a tax specialist for advice. It turned out

**Name:** Jeroen Akkermans

**Age:** 39

**Position:** Director of the Centers of Expertise in Rapid Solutions and Project Services

## Tell us a bit about yourself.

"I'm Leo's son and the third generation working at DSM. I'm married to Sanne. We have three children of eleven, nine, and four. My whole family moved to Switzerland, near Basel, on July 1, so we're in the middle of an interesting time. Everything is new to us. We need to learn a new language and adjust ourselves to our new surroundings. It's a great adventure."

"I got 'infected with the DSM virus' via my father. I was at school in Sittard and needed to undertake an internship. My father asked me what I thought about an internship at the Barcelona DSM Sales Office. An internship abroad was fairly unique in 1999. I was the first at school to do that. I worked a four-month internship at IT, and I was there for the millennium change. That was a tremendous experience. One year later, I met with ABP to discuss an internship assignment. Immediately after my meeting, I got a telephone call from DSM in Italy. They'd heard via the grapevine that I was looking for an internship post. I worked a four-month internship at the Sales Office in Como. I was offered a job at the end of my internship, but I decided not to take it: I was 21, and felt that I was too young. I decided to continue my studies at university. I had already decided that I would like to work at DSM, as I found the company's diversity appealing. My university study program also included an internship, which I took at DSM in 2005, and then I was hired by DSM. I began at IT almost fifteen years ago, where I have held a variety of positions. I was team manager in the Reporting and CRM area for four years. Three years ago, DSM was looking for a director of information technology innovation, which was a new position. I was appointed, and I've held one of the most marvelous positions in DSM during the past three years. I examined how technology could be used to innovate in the business. It was pioneering and saw us adopted a completely new approach to doing business. We now, for example, use sophisticated cameras to monitor DSM's production lines. I managed a lot of projects

that if I, as an independent worker, was to have the same pension insurances and the same net amount as now then I would have to earn more than twice my gross salary from DSM. That shocked me. I explained this to the other guys who I was planning to go into business with. We would need to take on 26 employees to end up with the same amount. Those guys didn't have the faintest idea that they wouldn't be accruing a pension."

and traveled a lot. I learned a great deal about the business from the projects. Working for IT really makes the diversity of the company very clear. At 37, I was the youngest member of the Global Leadership Team, which is an enormous challenge. I was assigned a second team in mid February, which was the reason for my relocation to Switzerland."

## Do you think about your pension?

"Too little. Shortly before this interview, I decided that I really needed look into my pension in more detail, so I logged in to 'My PDN pension'. Being able to retire at 60 would be really great. That's the age I entered in the planner. And the result ... well, it sure woke me up. So, my pension is starting to keep me busy. Should I, for example, think about supplementary measures? I was working before the final salary pension plans were discontinued. When you're young and have three children, you have other things to think about than saving extra for a pension. But now I'm nearly 40, I really should think about it."

## What is your dream plan for your pension?

"I like work, but that's also true for many other things – time with my family, classic cars, and going on trips. I have too little time at the moment. I would definitely be interested in taking early retirement so that I have more time, certainly for as long as I'm healthy and feel fit. Unfortunately, I know of colleagues who passed away within a month of retiring. Maybe I'd like to retire at 60 or 62. But how realistic is that? And what needs to happen for me to do that?"

## Have you already done something to make your pension dream come true?

"No. I completed the planner, so that's the first step." "I think that you are already much further than many others," Leo notes. "I've seen that many colleagues of around my age didn't have the faintest idea about their pension." "One of my female colleagues always said that she was going to retire when she was 50," Jeroen adds. "She'd got it all worked out. And she succeeded. I think that's really great"

## What are you going to do differently after this interview?

"I'm going to schedule a pension consultation when I'm back in Heerlen. I get quite a few e-mails about investing in stock. Perhaps I should give it some thought."

**"Working is fun, but it takes away such a huge amount of free time."**

**"Shouldn't I be thinking about supplementary measures?"**



Column by Irene van den Berg

## Poor loser

Don't invite me to play a game of tennis, or snakes and ladders. Many people are good losers, but I'm too good a loser. When I have to go back to start, I just resignedly shrug my shoulders. And when my tennis opponent strikes her tenth ace, I congratulate her with a broad smile. This goes further than sporting behavior: It's more like an averseness to every form of competition. It makes me such a boring opponent.

However, everything changes when money is at stake. Then I'm just as sore a loser as everyone else. How about a test: Would you accept the following bet? Heads, you lose €100. Tails, you win €150. Exactly, I wouldn't either. Most people are worried they'll lose €100, and decline the bet. However, every statistician will explain that this is a good deal.

Now try the following: you have to pay €100. You can now choose to toss the coin. If it's heads, you pay an extra €100, but if it's tails your loss is cancelled. Strangely enough, most people are prepared to accept this bet, even though the amount that can be won is smaller.

This difference is caused by the effect that the prospect of loss has on our behavior. We are prepared to do a lot to avoid loss. This is all due to our deeply rooted loss aversion. A wide range of psychological experiments have revealed that we feel worse about losing than we feel good about winning. In fact, the emotional impact of losing is twice as large as that of winning. Perhaps this is not so odd: When we lose, we surrender something that was ours, but when we win, we get something that we could do without. It's only logical that winning causes milder reactions.

I think that this loss aversion is in part the reason for the difference between the reaction of younger and older persons to learning that pensions will be frozen or reduced. The low interest rates have consequences for both employees and pensioners. While employees tend to feel any reduction as a lower win in the future, pensioners experience it as a loss - with all the associated stress.

Unfortunately, I don't have any tips for becoming a better loser. Perhaps it would help if you saw me playing snakes and ladders. But you have been warned.

*Irene van den Berg is a journalist and columnist, specialized in money and psyche. In her articles she examines our economic behavior. Irene writes for AD, Radar+ and Psychologie Magazine.*

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Ilona Suijkerbuijk

### Final editing

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### Editorial staff

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### Editorial office address

PDN, attn: Ilona Suijkerbuijk

Postbus 6500

6401 JH Heerlen

The Netherlands

[redactie.pdn@dsm.com](mailto:redactie.pdn@dsm.com)

+31 (45) 578 21 57

### Questions about your pension?

[www.pdnpensioen.nl](http://www.pdnpensioen.nl)

Or call/e-mail the Pension Desk

+31 (45) 578 81 00

[info.pdn@dsm.com](mailto:info.pdn@dsm.com)



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